

Stock Code: 601689

Abbr.: Tuopu Group

# **Ningbo Tuopu Group Co., Ltd.**

## **Annual Report 2020**



**April 2021**

## Important Notes

**I. The Board of Directors, Board of Supervisors, Directors, Supervisors and Senior Management of Ningbo Tuopu Group Co., Ltd. hereby guarantee that the information presented in this report shall be authentic, accurate and complete and free of any false records, misleading statements or material omissions, and they will bear joint and several liability for such information.**

**II. All directors attended the meeting of the Board of Directors.**

**III. BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) issued a standard and unqualified audit report for the Company.**

**IV. Wu Jianshu, a person in charge of the Company, Hong Tieyang, an officer in charge of accounting work and accounting institution (Accounting Officer) hereby declare and warrant that the financial statements in the annual report are authentic, accurate, and complete.**

**V. The profit distribution plan for the reporting period or the plan for converting public reserve funds into additional share capital after consideration by the Board of Directors**

As audited by BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership), Ningbo Tuopu Group Co., Ltd. ( “The Parent Company” ) realized a net profit at RMB 620,890,219.47 in 2020, after a statutory surplus reserve at RMB 62,089,021.95 is withdrawn at 10% of the realized net profit, the profit available for distribution in the year is RMB 558,801,197.52; with the undistributed profit at the beginning of the year at RMB 2,539,788,223.59 added, and the cash dividends at RMB 200,447,672.31 distributed in 2020 deducted, the cumulative profit available for distribution at the end of 2020 is RMB 2,898,141,748.80.

According to the resolution passed at the 6th meeting of the fourth Board of Directors of the Company, the profit distribution plan laid down for 2020 is: with a total of 1,102,046,572 shares on the date of plan announcement as the base number, RMB 1.72 per 10 shares (tax included) will be distributed to all shareholders as cash dividends. Then the gross amount of cash dividends proposed for distribution is RMB 189,552,010.38 (tax included), in 30.17% of the net profit attributable to shareholders of public company. The remaining undistributed profit rolls over to the next year. The Company will not convert any public reserve funds into additional share capital or issue any bonus shares this year.

If there is a change in the said total shares in the period from the date of the announcement of profit distribution plan to the record date for distribution, the Company is prepared to keep the gross amount of cash dividends as stated above, adjust the proportion of dividend per share, and otherwise announce the particulars of adjustment.

The above profit distribution plan is prospectively submitted to the general meeting of the Company for consideration.

**VI. Risk statement of forward-looking statements**

Applicable Non-applicable

The forward-looking description of the future development strategy, business plan, performance forecast and other aspects in relation to the Company as contained herein will not constitute a substantial commitment to investors. All investors of the Company are advised to be cautious about the investment risks.

**VII. Whether there is any non-operating capital occupation by the controlling shareholder and its affiliates**

No

**VIII. Whether there is any external guarantee provided in violation of the prescribed decision procedures**

No

**IX. Whether there are more than half of the directors who cannot guarantee the annual report disclosed by the Company as to its authenticity, accuracy and completeness**

No

**X. Significant risk statement**

The Company has described the significant risks that may adversely affect the future development of the Company and the realization of its business objectives herein. More details are available in "Section IV Discussion and Analysis of Business Conditions" under this report.

**XI. Other**

Applicable Non-applicable

On 28 August 2020, China Securities Regulatory Commission (CSRC) approved the non-public issuance of A-shares of the Company by issuing the "Approval on non-public issuance of shares by Ningbo Tuopu Group Co., Ltd." (Zheng Jian Permit [2020] No.1982).

On 23 February 2021, the Company completed this non-public issuance of shares and go through the recording, custody and restricted sales procedures in relation to additional shares in this non-public issuance at the premises of China Securities Depository and Clearing Corporation Limited Shanghai Branch.

In this non-public issuance, the Company issued 47,058,823 ordinary shares at a price of RMB 42.50/share, the total amount of raised funds is RMB 1,999,999,977.50. With the issuance expense at RMB 21,582,130.76 (tax exclusive) deducted, the net amount of raised funds is RMB 1,978,417,846.74.

## Contents

Section I Definitions .....	5
Section II Company Profile and Key Financial Indicators.....	5
Section III Corporate Business Overview .....	11
Section IV Discussion and Analysis of Operation Conditions.....	15
Section V Significant Events.....	32
Section VI Changes in Common Shares and Shareholders.....	53
Section VII Information about Preferred Shares .....	59
Section VIII Directors, Supervisors, Officers and Employees.....	60
Section IX Corporate Governance .....	67
Section X Information of Corporate Bonds .....	70
Section XI Financial Report.....	71
Section XII Documents Available for Reference .....	225

## Section I Definitions

### I. Definitions

In this report, unless the context requires otherwise, the following words and terms shall be construed as:

Common terms and definitions		
The Company, issuer, Tuopu	Refers to	Ningbo Tuopu Group Co., Ltd.
MECCA HK	Refers to	MECCA INTERNATIONAL HOLDING (HK) LIMITED, the controlling shareholder of the Company
Reporting Period	Refers to	From January 1, 2020 to December 31, 2020
Board of Directors, Board of Supervisors, General Meeting of Shareholders	Refers to	Board of Directors, Board of Supervisors, General Meeting of Shareholders of Ningbo Tuopu Group Co., Ltd.
1.00 Yuan, 10,000 Yuan, 100 million Yuan	Refers to	¥1.00, ¥10,000.00, ¥100,000,000.00

## Section II Company Profile and Key Financial Indicators

### I. Company Information

Company Name in Chinese	宁波拓普集团股份有限公司
Company Abbreviation in Chinese	拓普集团
Company Name in English	Ningbo Tuopu Group Co.,Ltd.
Company Abbreviation in English	Tuopu Group
Legal Representative of the Company	Wu Jianshu

### II. Contact Person and Contact Information

	Security of the Board	Representative of Securities Affairs
Name	Wang Mingzhen	Gong Yuchao
Contact Address	268 Yuwangshan Rd, Beilun District, Ningbo	268 Yuwangshan Rd, Beilun District, Ningbo
Tel.	0574-86800850	0574-86800850
Fax	0574-86800877	0574-86800877
E-mail	wmz@tuopu.com	<a href="mailto:gyc@tuopu.com">gyc@tuopu.com</a>

### III. General Informaiton Summary

Registered Address of the Company	268 Yuwangshan Rd, Daqi Street, Beilun District, Ningbo, Zhejiang
Postal Code of Registered Address	315806

Office Address of the Company	268 Yuwangshan Rd, Daqi Street, Beilun District, Ningbo, Zhejiang
Postal Code of Office Address	315806
Website	<a href="http://www.tuopu.com">www.tuopu.com</a>
E-mail	<a href="mailto:tuopu@tuopu.com">tuopu@tuopu.com</a>

#### IV. Information Disclosure and Location

The Media Selected by the Company for Disclosure	<Securities Times>
Website Designated by CSRC for Publishing Annual Report	SSE website ( <a href="http://www.sse.com.cn">www.sse.com.cn</a> )
Location for Annual Report of the Company	Office of Board Secretary

#### V. Overview of Stock Information

Overview of Stock Information				
Stock Type	Stock Exchange	Stock Abbreviation	Stock Code	Stock Abbreviation Before Change
A-share	Shanghai Stock Exchange	Tuopu Group	601689	-

#### VI. Other Related Information

Accounting firm appointed by the Company (domestic)	Name	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)
	Office Address	5/F, 61 East Nanjing Rd, Shanghai
	Name of Undersigned Accountants	Zhu Wei, Tang Wei
The sponsor institution hired by the company to perform the continuous supervision in the reporting period	Name	China Merchants Securities Co. Ltd
	Office Address	111 Fuhua First Rd, Futian Street, Futian District, Shenzhen, Guangdong
	Name of undersigned sponsor's representatives	Xiao Yan, Tan Guotai
	Period of continuous supervision	201From July 26, 2016 to the date of using up the raised funds

## VIII. Key Accounting Data and Financial Indicators over the Past Three Years

## (1) Key Accounting Data

Unit: Yuan Currency: RMB

Key Accounting Data	2020	2019	Increase/decrease compared with previous year	2018	
				Post-adjustment	Pre-adjustment
Operating income	6,511,094,914.05	5,358,953,813.60	21.50	5,984,017,661.79	5,984,017,661.79
Net profit attributable to shareholders of the listed Company	628,200,888.31	456,205,818.45	37.70	753,316,112.69	753,316,112.69
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	574,682,817.67	414,524,818.47	38.64	678,177,958.16	678,177,958.16
Net cash flow generated by operational activities	1,123,685,580.01	1,239,421,359.40	-9.34	605,331,546.49	605,331,546.49
	End of 2020	End of 2019	Increase/Decrease at the end of the current year compared with the end of the previous year (%)	End of 2018	
				Post-adjustment	Pre-adjustment
Net assets attributable to shareholders of the listed company	7,786,994,893.67	7,375,492,362.88	5.58	7,220,835,805.87	7,220,835,805.87
Total assets	12,115,228,519.89	11,234,314,273.34	7.84	10,900,694,959.54	10,900,694,959.54

## (2) Key Financial Indicators

Key Financial Indicators	2020	2019	Increase/Decrease at the end of the current year compared with the end of the previous year (%)	2018	
				Post-adjustment	Pre-adjustment
Basic Earnings per Share (RMB/Share)	0.60	0.43	39.53	0.71	1.04
Diluted Earnings per Share (RMB/Share)	0.60	0.43	39.53	0.71	1.04

Basic Earnings per Share after deducting non-recurring gains and losses (RMB/Share)	0.54	0.39	38.46	0.64	0.93
Weighted Average ROE	8.29	6.25	Increased by 2.04%	11.01	11.01
Weighted Average ROE after deducting non-recurring gains and losses (%)	7.58	5.68	Increased by 1.90%	9.91	9.91

Notes to the key accounting data and financial indicators over the previous three years at the end of the reporting period

Applicable Non-applicable

According to the resolution passed at 2018 Annual General Meeting, the Company distributed RMB 4.12 per 10 shares (tax included) to all shareholders as cash dividends with total shares on the record date for distribution plan as the base number, and converted public reserve funds into additional share capital, with 4.5 additional shares per 10 shares. This event increased the share capital by RMB 327,409,991.00.

#### IX. Differences in Accounting Data under Chinese and International Accounting Standards

**(1) Differences in net profit and net assets attributable to shareholders of listed company in the financial reports disclosed under international accounting standards and Chinese accounting standards**

Applicable Non-applicable

**(2) Differences in net profit and net assets attributable to shareholders of listed company in the financial report disclosed under international accounting standards and Chinese accounting standards**

Applicable Non-applicable

**(3) Notes to differences between international and Chinese accounting standards:**

Applicable Non-applicable

#### X. Key financial data of 2020 by quarter

Unit: Yuan Currency: RMB

	Q1 (From January to March)	Q2 (From April to June)	Q3 (From July to September)	Q4 (From October to December)
Operating income	1,208,384,143.64	1,353,631,671.20	1,756,645,009.48	2,192,434,089.73
Net profit attributable to shareholders of the listed company	113,693,185.36	102,290,053.14	171,449,829.91	240,767,819.90
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	107,615,907.77	90,235,416.32	161,358,808.52	215,472,685.06



Net cash flow generated by operating activities	83,589,140.53	403,804,427.13	298,420,433.65	337,871,578.70
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Notes to differences between quarterly data and disclosed periodic report data

Applicable Non-applicable

#### XI. Non-recurring Gains and Losses Items and Amounts

Applicable Non-applicable

Unit: Yuan Currency: RMB

Non-recurring Gains and Losses Items	Amount in 2020	Note (if applicable)	Amount in 2019	Amount in 2018
Gains and losses from disposal of non-current assets	8,703,377.39		-5,661,936.43	-728,657.09
Approval beyond authority, or without formal approval document, or incidental tax rebates, deducts and exempts				
Government subsidies included in the current profit and loss, but closely associated with the regular business operations of the Company, except for government subsidies that are consistent with national policies and continuously granted at a fixed quota or amount under certain national standard	34,350,267.41	XI, VII, 84	27,118,972.85	22,700,566.96
Payment for the use of funds charged from non-financial enterprises that is included in current profit and loss				
Income generated from the investment cost of the Company in acquiring subsidiaries, associates and joint ventures that is less than the fair value of the identifiable net assets held by the invested entity at the acquisition of investment				
Gains and losses from exchange of non-monetary assets				
Gains and losses from the engagement of others in investment or management				
Provisions for impairment of various				

assets due to force majeure factors including natural disasters				
Gains and losses from restructuring of debts				
Expenses incurred in enterprise restructuring, including those incurred in staff placement and integration				
Gains and losses from the part of transactions whose prices are clearly unfair in excess of the fair value				
Net profits and losses for the current period from the beginning of the period to the date of the merger arising from a business combination under the same control				
Profits and losses generated from contingent events that are unrelated to the regular business operations of the Company				
Profits and losses resulting from the changes in fair value for holding trading financial assets, derivative financial assets and trading financial liabilities, derivative financial liabilities and investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other obligatory right investments, except for valid hedging businesses associated with the regular business operations of the Company	18,164,183.51		30,527,989.21	68,297,157.27
Reversal of the receivables and contract assets depreciation reserves for separate impairment test				
Gains and losses from external entrusted loans			311,202.83	626,442.15
Profits and losses generated from a change in the fair value of investment real estates that are subsequently measured by the fair value model				

Impact of one-off adjustment to the current profit and loss under the requirements of taxation, accounting and other laws and regulations on the current profit and loss				
Custody fee income from entrusted operations				
Non-operating income and expenses other than the above	2,813,550.60		-3,171,370.86	-1,699,235.47
Other gains and losses items that fit the definition of non-recurring gains and losses				
Impact of minority equity	-312,026.70		-78,791.53	-227,419.81
Impact of income tax	-10,201,281.57		-7,365,066.09	-13,830,699.48
Total	53,518,070.64		41,680,999.98	75,138,154.53

## XII. Items Measured by Fair Value

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Ending Balance		Changes in Current Period	Impact on Current Profit
Equity instrument investments		176,111.00		176,111.00	
Total		176,111.00		176,111.00	

## XIII. Other

√Applicable □Non-applicable

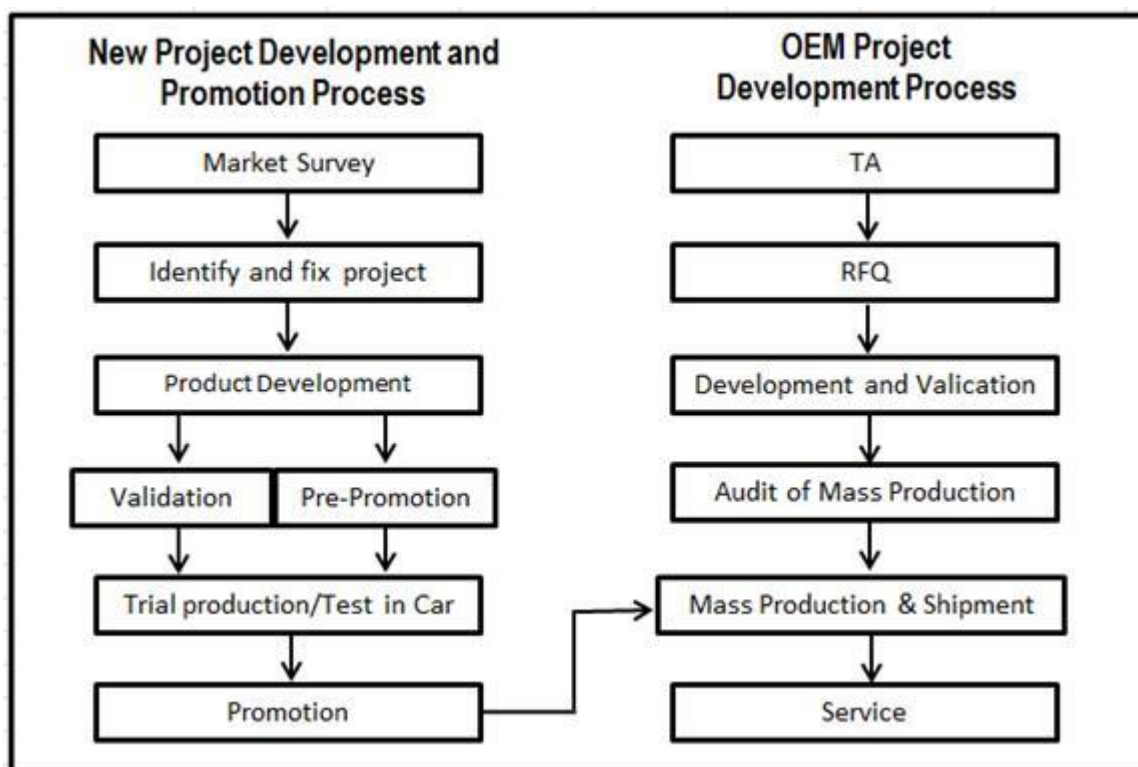
## Section III Corporate Business Overview

### I. Main business operations, business model and profile of industry during the reporting period

#### 1. Main business operations

The Company is mainly engaged in R&D, production and sales of automobile parts and its main product lines include automobile NVH vibration control parts, acoustic system, lightweight power chassis system, intelligent driving system, and thermal management system. Its main customers are carmakers and innovative automobile enterprises at home and abroad. Sticking to the philosophy of creating value for customers, the Company persists in R&D and innovation, rolls out the global mapping and enhances overall competitiveness, and has been a more trusted partner for carmakers.

#### 2. Business process and model



## II. Notes to material changes in the main assets held by the Company during the reporting period

√Applicable □Non-applicable

Including: overseas assets RMB 408,538,187.19 (Unit: Yuan Currency: RMB), in 3.37% of total assets.

## III. Analysis of core competitiveness during the reporting period

√Applicable □Non-applicable

The Company has been pooling its efforts to enhance core competitiveness, raise the threshold of competition, and construct moat over three decades since its incorporation.

### 1. Strength of equity.

The Company is run and operated by founder, which in turn maintains the prudence of major decisions, values long-term benefits and development, makes quick decisions and assures good execution. The founder holds a higher percentage of shares, keeps a clear equity structure, exercises longstanding control on the Company from the top-level design, in order to keep the Company running steadily for a long time and have an ample potential for capital expansion. The members of the Board of Directors led by the chairman demonstrate impressive experience, have clear division of work, keep a low profile, keep ambitious and energetic, and use their best endeavors to drive the Company to the forefront of the industry in the right way.

### 2. Strength of management.

Under the IATF16949 quality system, the Company has established a specific management system with typical features through years of innovation efforts. For management structure, the division-based management structure is laid down for the group, which can relieve the stress of management, highlight the business operations, improve the efficiency of operation, and lead to relative competition; divisions

are subject to the horizontal flat management with sales activities standing in the core, in order to enable organization to be market-oriented, pool resources and make quick response; business units are subject to the pyramid organization and enforce standard processes to improve efficiency and reduce cost.

For management system, the Company has established a full set of standard processes, management systems and assessment indicators as directed by process, information, standardization, and lean production, and is leveraging some information tools such as SAP, PLM, OA, and MES to implement exact processes, which in turn improves the efficiency of management and decision.

For incentive mechanism, the Company lays up a career platform that is adequately authorized for staff members, in which the Company tapes into internal development and promotion mode that is fair and just, in order to keep the channel of promotion smooth, fit to the growth strategy, and form a positive cycle for business growth and career path.

### **3. Strength of talents.**

The Company puts the screening and training of talents in priority. The post-doctoral workstation within the Company solicits and recruits technical specialists globally. Adhering to the concept of “recruiting and promoting members on their merits”, the Company is committed to building a competitive management team.

The Company encourages for the formation of a learning organization that is fully authorized, and forges a young and experienced international team specialized in sales, R&D activities and production who can pave the way for leapfrog development of the Company.

### **4. Strength of product lines.**

With a clear awareness of the industry development, the Company is rolling out the "2+3" industrial mapping: automobile NVH vibration control parts, acoustic system and lightweight Power chassis system as one of the core in-vehicle systems decides the key performance indicators such as controllability and stability, which is subject to technical barriers and capital thresholds. It is the priority product developed by the world's large automobile parts companies. Power chassis system is composed of subframes, suspensions, and steering knuckles. The Company has cultivated in this sector for nearly 20 years, solved and maintained a number of key technologies and processes, and attained more favorable competitive edge.

EV thermal management system comprises three modules: cabin air conditioning system, battery thermal management system, and electronic control thermal management system. The thermal management system with extraordinary features has integrated the three modules to optimize the use of energy and solve the driving range of EV, especially the rapid charge decay in winter and the cold region. Leveraging the electronic control and precision manufacturing capabilities in R&D activities of IBS, the Company has developed heat pump assemblies, electronic expansion valves, electronic water valves, electronic water pumps, gas-liquid separators, and heat exchangers. Thermal management system is an incremental project for EVs, the amount of mounting per vehicle is RMB 6,000-8,000 and the market scale is enormously large, so more production resources are needed. In addition, the Company has demonstrated the strength in R&D of overall solution package, system integration and software control.

The intelligent driving system includes the intelligent braking system(ABS), the electric power steering system(EPS), the electronic vacuum pump (EVP), and intelligent cockpit product. ABS and EPS are considered as the two core executive ends of ADAS, in which ABS is the “bottlenecking project” in China. The Company is able to provide ABS+EPS solutions for its customers, an integration of ABS and EPS via the domain control unit (DCU) will make it more convenient for communication interface,

performance matching, and product calibration, which would in turn substantially reduce the R&D workload of carmakers and bring extra values to customers.

The Company has a wide range of product lines which can provide customers with one-stop, system-grade and modularized products and services, and some products are scarce in the global market of automobile parts, which in turn enhances customer satisfaction and paves the way for the Company to get bigger and stronger.

#### **5. Strength of customer group.**

The Company undertakes the mission statement of creating values for its customers and has been generally accepted by customers in cooperation. The TUOPU brand reputation has been enhanced, along with higher loyalty level of customers. Capitalizing on the core competitiveness generated from QSTP, the Company has established and maintained stable cooperations with domestic and overseas carmakers, and its major customers include GM, Ford, Fiat-Chrysler, Daimler, BMW, Volkswagen, Audi, Honda, Toyota and other global carmakers, as well as some domestic independent brands.

Given the latest trends in the automotive industry, the Company has proactively collaborated with some leading automakers such as RIVIAN, NIO, Xiaopeng, and Lixiang, experimented the Tier0.5 grade cooperation, rendered to customers synchronous R&D and supply services of all product lines, and led a new change in the division of labor.

#### **6. Strength of R&D.**

The only way leading to a world-class automobile parts enterprise is to improve capabilities of R&D and innovation. Sticking to R&D and innovation, the Company was the first participant within the industry to lay down the forward R&D development strategy as early as twenty years ago. After the technological accumulation for years, the Company has demonstrated the system-grade synchronous forward R&D capabilities with respect to five modules and the integrated R&D capabilities of machines, electronic control, and software, and has a number of independent intellectual property rights such as invention patents. With uninterrupted investments in system construction, recruitment of talents and testing capacity, the Company maintains the average percentage of annual R&D investments in operating income at a level about 5%, signaling the continuous improvement of R&D competitiveness.

With R&D centers set up in North America, Europe, Shanghai, Shenzhen, and Ningbo, the Company is able to provide better services to global customers and recruit quality talents at home and abroad. Thanks to its efforts, the Company has put a scientific research team consisting of nearly 2,000 members in place, including more than 100 holders of doctoral and master degrees.

The Company has set up a test center of global excellence which has the testing and validation capabilities with respect to materials, products, systems and vehicles. With certified CNAS ISO/IEC17025 system, the Company has been appointed by many automakers to conduct in-vehicle tests.

#### **7. Strength of plant layout**

The Company has set up manufacturing bases in Ningbo, Chongqing, Wuhan and other places encircling major automobile industry clusters in China. To render better services to global customers, the Company has established manufacturing plants or warehouse centers in the United States, Canada, Brazil and Malaysia, the prospective plants in Poland and Mexico are in process. Under this plant layout, the Company is able to render faster and more efficient services to its customers and guarantee the business development on global platforms. In addition, the automobile industry requires a large-sum investment in the plant layout, the construction period is long and the complex equipment and process are involved, so it can hardly be replaced like the cellphone industry chain.

Under the capacity request and the forecasts, the Company currently has 1,500 mu (1mu=666 m<sup>2</sup>) lands under construction, and reached a general intention of construction as to 1,500 mu lands, which in turn guarantees the resources for the 2025 development plan.

#### **8. Strength of culture.**

The Company undertakes the mission statement of “making our customers, employees, shareholders, the community and partners satisfied, and becomes a corporate citizen of excellence.

The Company gives its employees an access to comfortable workplace, equal interpersonal relationships, appealing salary and benefits, and an extraordinary career development platform, in order to tap into the potentials of all employees. The Company has established partnerships with suppliers, respected the business philosophy of seeking equality and win-win results, and driven the common development of the supply chain. Adhering to the operation concept of legal compliance, the Company undertakes social responsibility and is committed to infusing positive energy into social development.

The Company values and protects the interests of investors, strictly abides by the rules governing information disclosure and other provisions, and distributes dividends to investors even though the capital expenditures have been increased. All staff members are united to improve operating performance, in order to maximize the benefits to investors.

#### **9. Strength of risk control.**

The Company keeps the debt-to-equity ratio at low level and has an abundant cash flow. The well-established financial system and the strict risk control system can in turn guarantee the implementation of strategic plan and investment plan, and allow the Company to seek mergers and expansion whenever appropriate.

## **Section IV Discussion and Analysis of Operation Conditions**

### **1. Discussion and analysis of operation conditions**

In the context of economic downturn in 2020, the automobile industry has been subject to two drastic changes: first, the dispute over the development track of NEVs has been resolved, legacy automakers have proceeded to NEVs. Second, despite the sharp decline in production and sales, NEVs still maintain a good growth, especially in China.

Thanks to the forward-looking layout in NEVs, the Company has maintained a good growth in all operations and seen increases in income from sales and profit in spite of the economic recession. More details are described as follows:

#### **(1) Marketing and sales.**

The Tier0.5 level strategy rolled out by the Company has led to an exemplary success, and the amount of mounting per vehicle is higher. This way of cooperation is expected to be implemented for other customers, the Company is having close negotiations with some customers and has reached an extensive consensus with innovative automakers. Thanks to the product lines, R&D capabilities and other comprehensive factors in NEVs, the Company has been approved by Toyota and Honda as designated supplier and receives the order of electronic vacuum pumps from Volkswagen. New orders received in 2020 has increased significantly compared with prior years, which in turn boosts the fast and sustainable development in future.

#### **(2) New project development.**

Lightweight chassis is a product widely used on NEVs. With a variety of lightweight chassis technologies on hands, the Company maintains a privileged presence in the industry. One-piece aluminum alloy vacuum casting chassis has been accepted by customers and supplied in batches.

Aluminum alloy casting welded chassis has been approved by FORD and RIVIAN and is ready for supply in batches.

IBS and EPS are stepping up verification and matching, and are recognized and praised by customers.

Leveraging the electronic control and precision manufacturing capabilities in R&D activities of IBS, the Company has developed heat pump assemblies, electronic expansion valves, electronic water valves, electronic water pumps, gas-liquid separators, and heat exchangers, and is quickly bringing these products available in the market.

For NVH vibration control parts and acoustic system, the Company is make efforts to use innovative materials, processes and equipment in line with the precise needs of NEVs.

### **(3) Capacity layout.**

With respect to new orders, the Company has paced up the speed of capacity layout and promoted the construction of Xiangtan Base, Phase II and III bases of Ningbo Hangzhou Bay New Area, and Yinzhou Production Base of Ningbo as soon as practicable.

### **(4) Cost control.**

During the reporting period, the cost of raw materials and labor services has obviously risen, the Company implements cost control by purchasing in large quantity, technological innovation, strict budget control and other measures. Its R&D expenditures have increased dramatically because of many projects under development and recruitment of many technological specialists. The need for capacity expansion and a substantial increase in capital expenditures have led to a drastic increase in the percentage of depreciation and amortization. In future, R&D cost and capital expenditures are expected to be diluted with the sales growth, so that a reasonable gross profit level would be maintained.

### **(5) Intelligent manufacturing.**

The Company proceeds digital factory, implements MES management system, enables effective management in respect of quality control, product traceability, lean production, equipment management, and promotes the interconnectivity between the company-wide data and customer data, in order to build an smart factory accredited with Industry 4.0.

### **(6) Equity financing.**

The lightweight chassis refinancing project has been approved and the Company issued additional stocks in February 2021, which in turn enhances the financial strength of the Company and guarantees the fast development of the project.

## **II. Main business operations during the reporting period**

As of the end of the reporting period, total assets is RMB 12.115 billion, an increase of 7.84% over the previous year; total liabilities is RMB 4.328 billion, with debt-to-equity ratio at 35.72%; the owners' attributable to the parent company is RMB 7.787 billion, an increase of 5.58% over the previous year.

During the reporting period, the operating income is RMB 6.511 billion, an increase of 21.50% over the previous year; the net profit attributable to shareholders of public company is RMB 628 million, an increase of 37.70% over the previous year.

### **(1) Analysis of main business operations**

#### **1. Analysis of changes in related subjects of income statement and cash flow statement**

Unit: Yuan Currency: RMB

Subject	Amount in the	Amount	in	Change	as
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	current period	previous period	percentage (%)
Operating income	6,511,094,914.05	5,358,953,813.60	21.50
Operating cost	5,034,014,528.39	3,949,993,344.06	27.44
Cost of sales	123,896,252.24	287,078,723.04	-56.84
Overhead expenses	233,071,874.47	229,643,454.40	1.49
R&D cost	354,851,747.66	314,307,191.22	12.90
Financial expenses	44,118,562.59	3,098,025.81	1,324.09
Net cash flow from operating activities	1,123,685,580.01	1,239,421,359.40	-9.34
Net cash flows from investing activities	-587,280,804.65	-1,026,254,249.95	NA
Net cash flow from financing activities	-564,960,874.38	-241,140,065.30	NA

Note: A significant decrease in cost of sales during the current period is mainly attributed to the new income standard, by which the Company recorded the transportation cost and storage cost at RMB 197,271,674.62 incurred in sales of goods as operating cost.

## 2. Analysis of revenue and cost

√Applicable □Non-applicable

The revenue and cost of the Company in 2020 can be summarized as:

### (1). Overview of main business operations by industry, product and region

Unit:Yuan Currency:RMB

Main business operations by industry						
By industry	Operating income	Operating cost	Gross profit rate (%)	Increase/Decrease of operating income over the previous year (%)	Increase/Decrease of operating cost over the previous year (%)	Increase/Decrease of gross profit rate over the previous year (%)
Automobile parts	6,293,917,541.95	4,961,882,743.49	21.16	21.81	27.55	Decreased by 5.55%
Main business operations by product						
By product	Operating income	Operating cost	Gross profit rate (%)	Increase/Decrease of operating income over the previous year (%)	Increase/Decrease of operating cost over the previous year (%)	Increase/Decrease of gross profit rate over the previous year (%)
Vibration control system	2,560,423,000.05	1,882,426,992.83	26.48	9.33	13.26	Decreased by 2.55%
Trimming system	2,224,062,619.20	1,824,283,222.51	17.98	34.82	42.59	Decreased by 4.47%
Power chassis system	1,330,664,135.05	1,127,407,190.32	15.27	27.03	31.05	Decreased by 2.60%
Mechatronic system	178,767,787.65	127,765,337.83	28.53	39.62	44.47	Decreased by 2.40%
Main business operations by region						
By region	Operating income	Operating cost	Gross profit rate	Increase/Decrease of	Increase/Decrease of	Increase/Decrease of

			(%)	operating income over the previous year (%)	operating cost over the previous year (%)	gross profit rate over the previous year (%)
Overseas	1,657,519,862.72	1,214,464,803.41	26.73	46.35	60.19	Decreased by 6.33%
Domestic	4,636,397,679.23	3,747,417,940.08	19.17	14.92	19.64	Decreased by 3.19%

Notes to main business operations by industry, product and region

The gross profit rate in the reporting period decreased by 3.55% over the previous year is mainly attributed to the revised revenue standards, by which the Company recorded the transportation cost and warehouse cost at RMB 197,271,674.62 incurred in sales of goods into operating cost, resulting in a decrease of gross profit rate by 3.14%.

## (2). Analysis of production output and quantity sold

√Applicable □Non-applicable

Main product	Unit	Production output	Quantity sold	Quantity of inventories	Increase/Decrease of production output over the previous year (%)	Increase/Decrease of quantity sold over the previous year(%)	Increase/Decrease of inventories over the previous year(%)
Vibration control system	10,000 sets	550.84	548.27	170.95	6.08	10.27	1.53
Trimming system	10,000 sets	271.40	269.58	18.74	42.18	37.43	10.75
Power chassis system	10,000 sets	166.95	164.48	17.25	22.31	23.99	16.73
Mechatronic system	10,000 sets	67.20	66.46	2.87	42.65	41.70	34.89

## (3). Cost analysis

Unit: Yuan

Summary by industry							
By industry	Construction of	Amount in the	As a percentage	Amount in previous	As a	Change in the amount	Remark

	cost	current period	of total cost in the current period (%)	year	percentage of total cost in previous year	in the current period as a percentage of previous period (%)	
Automobile parts	Direct cost of material	3,834,145,459.25	77.27	2,992,780,159.80	76.93	28.11	
Automobile parts	Direct cost of labor service	332,857,963.49	6.71	274,507,293.54	7.06	21.26	
Automobile parts	Manufacturing expenses	794,879,320.74	16.02	622,951,230.64	16.01	27.60	
Summary by product							
By product	Construction of cost	Amount in the current period	As a percentage of total cost in the current period (%)	Amount in previous year	As a percentage of total cost in previous year	Change in the amount in the current period as a percentage of previous period (%)	Remark
Vibration control system	Direct cost of material	1,407,114,177.14	28.36	1,242,919,491.57	31.95	13.21	
Vibration control system	Direct cost of labor service	152,476,586.42	3.07	136,292,321.89	3.50	11.87	
Vibration control system	Manufacturing expenses	322,836,229.27	6.51	282,889,672.99	7.27	14.12	
Trimming system	Direct cost of material	1,414,731,639.06	28.51	986,534,121.32	25.36	43.40	
Trimming system	Direct cost of labor service	97,599,152.40	1.97	74,588,171.80	1.92	30.85	
Trimming system	Manufacturing expenses	311,952,431.05	6.29	218,263,157.95	5.61	42.92	
Power chassis	Direct cost of	896,288,716.30	18.06	682,228,161.60	17.54	31.38	

system	material						
Power chassis system	Direct cost of labor service	78,016,577.57	1.57	60,221,905.82	1.55	29.55	
Power chassis system	Manufacturing expenses	153,101,896.45	3.09	117,862,872.81	3.03	29.90	
Mechatronic system	Direct cost of material	116,010,926.75	2.34	81,098,385.31	2.08	43.05	
Mechatronic system	Direct cost of labor service	4,765,647.10	0.10	3,404,894.04	0.09	39.96	
Mechatronic system	Manufacturing expenses	6,988,763.98	0.14	3,935,526.88	0.10	77.58	

**(4). Main customers and main suppliers**√Applicable Non-applicable

The sales amount from the top five customers is RMB 4,048.2756 million, in 62.18% of the annual sales amount; in which, the sales amount from the related parties of the top five customers is 0, in 0% of the annual sales amount.

The purchase amount from the top five suppliers is RMB 496.7419 million, in 9.24% of the annual purchase amount; in which, the purchase amount from the related parties of the top five suppliers is 0, in 0% of the annual purchase amount.

**3. Expenses**√Applicable Non-applicable

Subject	2020	2019	Change as Percentage (%)	Reason for Change
Cost of sales	123,896,252.24	287,078,723.04	-56.84	Attributed to the transportation cost and storage cost incurred in the current period recorded into operating cost under the revised revenue standards
Overhead expenses	233,071,874.47	229,643,454.40	1.49	Attributed to the increase in depreciation and amortization of the current period
R&D cost	354,851,747.66	314,307,191.22	12.90	Attributed to the further extent of R&D innovation and the increase in R&D cost in the current period
Financial expenses	44,118,562.59	3,098,025.81	1,324.09	Attributed to the increase in exchange losses during the current period

**4. R&D investment****(1). Particulars of R&D investment**√Applicable Non-applicable

Unit: Yuan

Expendable R&D investment in the current period	354,851,747.66
Capitalized R&D investment in the current period	0
Total R&D investment	354,851,747.66
Total R&D investment as a percentage of operating income (%)	5.45
Number of R&D members in the Company	1,729

Number of R&D members as a percentage of total staff members (%)	18.96
Percentage of capitalized R&D investment (%)	0

**(2). Particulars**

Applicable Non-applicable

**5. Cash flow**

Applicable Non-applicable

Item	2020	2019	Change as percentage (%)	Reason for change
Net cash flow from operating activities	1,123,685,580.01	1,239,421,359.40	-9.34	Attributed to the increase in the amount of payment due for notes payable in the current period
Net cash flow from investing activities	-587,280,804.65	-1,026,254,249.95	NA	
Net cash flow from financing activities	-564,960,874.38	-241,140,065.30	NA	

**(2) Explanation of major changes in profits caused by operations other than main operations**

Applicable Non-applicable

**(3) Analysis of assets and liabilities**

√Applicable □Non-applicable

**Assets and liabilities**

Unit: Yuan

Item	Amount at the end of the current period	Amount at the end of the current period as a percentage of total assets (%)	Amount at the end of previous period	(%) Amount at the end of previous period as a percentage of total assets	(%) Change in the amount at the end of the current period as a percentage of the amount at the end of previous period (%)	Remark
Trading financial assets	176,111.00	0.00	780,000,000.00	6.94	-99.98	Attributed to the decrease in bank financial management products subscribed by the Company in the current period
Notes receivable	296,283,951.73	2.45	440,734,534.85	3.92	-32.77	Attributed to the decrease in bank acceptance notes received by the Company in the current period
Notes receivable	1,783,267,007.65	14.72	1,357,020,447.94	12.08	31.41	Attributed to the substantial increase in the operating income in Q4 of the current period
Other receivable	31,087,166.38	0.26	13,981,969.00	0.12	122.34	Attributed to the increase in deposits and guarantees paid in the current period
Construction in	943,993,396.96	7.79	611,737,763.71	5.45	54.31	Attributed to the increase in plants and equipment



progress						under construction in the current period
Other non-current assets	296,957,402.06	2.45	97,855,571.08	0.87	203.46	Attributed to the increase in received prepayments for construction and equipment in the current period
Accounts payable	1,898,255,116.17	15.67	1,458,517,214.69	12.98	30.15	Attributed to the increase in material purchases in the current period
Received Prepayments			24,717,751.02	0.22	-100.00	Attributed to the reclassification under the accounting standards
Contract liabilities	22,685,660.41	0.19			100.00	Attributed to the reclassification under the accounting standards
Other payable	15,722,105.17	0.13	8,181,531.69	0.07	92.17	Attributed to the increase in deposits and guarantees received in the current period
Non-current liabilities due within 1 year			62,837,810.76	0.56	-100.00	Attributed to the repayment of bank loans due in the current period
Other current liabilities	1,507,896.52	0.01			100.00	Attributed to the reclassification under the accounting standards
Long-term loans			182,500,000.00	1.62	-100.00	Attributed to the repayment of long-term loans in the current period
Deferred income	214,204,302.56	1.77	172,340,145.15	1.53	24.29	Attributed to the increase in government grants related to assets received in the current period
Other comprehensive income	-20,631,668.74	NA	-4,380,983.53	NA	370.94	Attributed to the conversion difference of foreign currency financial statements for the current period

**1. Major asset restrictions as of the end of the reporting period,**√Applicable Non-applicable

Item	Book value at the end of the period	Reason for restricted use
Monetary Funds	112,257,224.37	Margins for bank acceptance notes
Notes receivable	296,225,046.21	Pledge
Inventories		
Fixed Assets	47,372,168.16	Mortgage
Intangible Assets	6,804,936.88	Mortgage
Receivable financing	618,586,352.87	Pledge
Total	1,081,245,728.49	/

**2. Other Notes**Applicable Non-applicable**(4) Analysis of industry operational information**Applicable Non-applicable

**Analysis of Operational Information in Automobile Manufacturing Industry****1. Production capacity**

Applicable Non-applicable

**2. Production output and quantity sold of vehicles**

Applicable Non-applicable

**3. Production output and quantity sold of automobile parts**

Applicable Non-applicable

**Categorized by parts**

Applicable Non-applicable

Category of parts	Quantity sold			Production output		
	Cumulative amount in the current year	Cumulative amount in previous year	Cumulative increase/decrease as a percentage of previous year (%)	Cumulative amount in the current year	Cumulative amount in previous year	Cumulative increase/decrease as a percentage of previous year (%)
Vibration control system	548.27	497.21	10.27	550.84	519.26	6.08
Trimming system	269.58	196.15	37.43	271.40	190.89	42.18
Power chassis system	164.48	132.66	23.99	166.95	136.50	22.31
Mechatronic system	66.46	46.90	41.70	67.20	47.11	42.65

Note: Production output and quantity sold are measured in the unit of 10,000 sets.

**Categorized by market**

Applicable Non-applicable

**4. NEVs**

Applicable Non-applicable

**5. Automobile financing**

Applicable Non-applicable

**6. Other Notes**

Applicable Non-applicable

**(5) Investment condition****1. Overall analysis of external equity investments**

Applicable Non-applicable

**(1) Significant equity investment**

Applicable Non-applicable

**(2) Significant non-equity investment**

□Applicable √Non-applicable

## 1. Condition of purchased land

(1) In May 2020, Ningbo Tuopu Mechatronic System Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use about 135 mu state-owned construction land in Hangzhou Bay New Zone, Ningbo, at a consideration of RMB 27.06 million in bidding process.

(2) In July 2020, Ningbo Tuopu Chassis System Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use about 197 mu state-owned construction land in Yinzhou Development Zone, Ningbo, at a consideration of RMB 64.75 million in bidding process.

(3) In December 2020, Tuopu EV Thermal Management System (Ningbo) Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use 302 mu state-owned construction land in Hangzhou Bay New Zone, Ningbo, at a consideration of RMB 60.4 million in bidding process.

## 2. Updates of investments

NO.	Date of Signing	Reference number of announcement	Title of announcement	Main content	Update of event
1	November 2016	2016-076	Tuopu Group's announcement on the investment agreement signed with Hangzhou Bay New Zone	The Company signed the "Investment Agreement" with the Development and Construction Management Committee of Ningbo Hangzhou Bay New Zone, and prospectively invests and constructs a production base intended for the automobile parts production project in Ningbo Hangzhou Bay New Zone.	In January 2017, Ningbo Tuopu Mechatronic System Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use about 503 mu state-owned construction land in Hangzhou Bay New Zone, Ningbo (Phase I), at a consideration of RMB 84.55 million in bidding process, and this project has been completed and put into operation. In May 2020, Ningbo Tuopu Mechatronic System Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use about 135 mu state-owned construction land in Hangzhou Bay New Zone, Ningbo (Phase II), at a consideration of RMB 27.06 million in bidding process, which is intended for implementing the "Hangzhou Bay Phase II Lightweight Power Chassis System Module Project" as a non-public offering equity investment project in 2020. To date, the main works have been substantially completed and it proceeds to the equipment installation.
2	January 2018	2018-002	Tuopu Group's announcement on the investment intent agreement	The Company and the Administration Committee of Xiangtan Economic and Technological Development Zone signed the "Investment and Entry Contract" in	In May 2020, the Company was awarded the right to use about 210 mu state-owned construction land in Xiangtan Economic and Technological Development Zone, at a consideration of RMB 47.07 million, which

			signed in Xiangtan	relation to Hunan Production Base Project, and prospectively constructs the trimming system project with an annual capacity of 300,000 sets and the chassis system production base project with an annual capacity of 600,000 sets in Xiangtan Economic and Technological Development Zone.	is intended for implementing "Hunan Factory Lightweight Power Chassis System Module Project" as a non-public offering equity investment project in 2020. To date, the main works have been substantially completed and it proceeds to the floor construction phase.
3	February 2018	2018-004	Tuopu Group's announcement on the investment intent agreement signed by its wholly-owned Subsidiary	Taizhou Tuopu Automobile Parts Co., Ltd., a wholly-owned subsidiary of the Company, signed the "Investment Attraction Agreement" with the Administration Committee of Touden Port Economic Development Zone of Zhejiang, and prospectively invests and constructs the NVH trimming system project with an annual capacity of 300,000 sets in Touden Port Economic Development Zone.	In February 2018, Taizhou Tuopu Auto Parts Co., Ltd. was awarded the right to use about 47 mu state-owned construction land in Touden Port Economic Development Zone, Linhai, at a consideration of RMB 16 million. To date, the plant works have been completed and it proceeds to the equipment acceptance and installation phase.
4	November 2018	2018-049	Tuopu Group's announcement on the investment intent agreement signed in Baoji	Baoji Tuopu Maigao Automobile Parts Co., Ltd., a wholly-owned subsidiary of the Company, signed the "Memorandum" with the Administration Committee of Baoji High-tech Industrial Development Zone, and prospectively invests and constructs the automobile parts production base Baoji High-tech Industrial Development Zone.	Terminated.

**(3) Financial assets measured at fair value**

Applicable Non-applicable

**(6) Disposal of major assets and equity**

Applicable Non-applicable

**(7) Analysis of major controlling and participating companies**

Applicable Non-applicable

Unit: in 10,000 Yuan Currency: RMB

Company name	Registered capital	Total assets in the reporting period	Total liabilities in the reporting period	Total net assets in the reporting period	Operating income in the reporting period	Net profit in the current period
Ningbo Intelligent Brake	5,000.00	4,891.44	1,167.41	3,724.03	18,076.98	205.75
Tuopu Imp&Exp.	20,000.00	16,974.48	2,957.43	14,017.05	125,972.70	-4,069.50
Tuopu Parts	20,000.00	94,491.79	73,452.45	21,039.34	264,534.14	197.37
Tuopu Acoustics Vibration	20,000.00	72,264.57	57,185.63	15,078.94	213,387.10	-1,718.33
Sichuan Tuopu	2,000.00	6,451.65	4,278.68	2,172.97	16,659.00	625.98
Yantai Tuopu	6,280.00	8,073.80	2,397.76	5,676.04	9,339.93	201.97
Pinghu Tuopu	20,800.00	27,947.60	10,860.99	17,086.61	32,528.56	1,142.12
Sichuan Maigao	15,000.00	24,200.98	4,806.53	19,394.45	21,111.11	-13.86
Zhejiang Towin	18,000.00	55,508.97	11,636.98	43,871.99	36,221.32	1,497.65
Tuopu Mechatronic System	150,000.00	219,234.27	53,324.47	165,909.80	138,495.59	16,636.14
Ningbo Qianhui	2,725.86	9,077.96	2,412.51	6,665.45	6,462.02	475.81
Tuopu North American Ltd	5.00	9,954.30	10,207.58	-253.28	38,874.81	-98.60
Tuopu Electrical Appliances	5,000.00	17,507.11	4,963.22	12,543.89	10,895.21	1,475.88
Ningbo Borgers	2,100.00	22,934.33	7,360.85	15,573.47	40,165.02	3,126.45
Antolin Tuopu	1,464.22	8,074.33	5,346.72	2,727.62	11,522.61	20.72

**(8) Structured entities controlled by the Company**

Applicable Non-applicable

**III. Discussion and Analysis on the Future Development of the Company**

**(1) Industry structure and trend**

Applicable Non-applicable

At present, the “electrified, intelligent and connected” trend of the automobile industry has been recognized globally. The business format, profit model and operation model of the automobile industry have been subject to drastic changes, the supply chain of the automobile industry remains to be restructured and innovated on a full scale, the relationship between suppliers of auto parts and automakers has changed, so there is an urgent need for platform-based automobile parts enterprise with overall competitiveness and Tier0.5 grade cooperation model, for the following reasons:

**1. The need of automakers for rebuilding an innovative "circle of competence".** The future automobile will pool together major human innovation technologies, including IoT, 5G, cloud computing, big data, AI, chips, AR/VR, voice/image recognition, new energy, which are expected to challenge the operation pattern, knowledge reserves and integration capabilities of automakers. The industrial division of works requires an innovative supply chain model, which is the precondition for making automakers focused on new circle of competence.

In addition, automakers, ICT enterprises and the government are advised to identify their presences, interact and integrate each other ranging from smart cars to smart transportation, smart city, to smart community, which in turn occupies enormous resources of automakers.

**2. The need for the revolution of industrial value chain.** The future features software and data-defined vehicles. The core value, competitiveness and value added of automakers is to control and operate data, thus fueling on the automatic evolution of cars and intelligent driving. The traditional drive, operating stability and other characteristics of cars tend to be homogenized, automobile software and hardware are separated from each other, and automobile hardware is more standard. With some changes happened in the industry value chain in the new age of automobiles, automakers are advised to focus on the areas that create core value added.

**3. The need for cost reduction.** Over a century, the legacy automobile industry is susceptible to redundancy, complex process, refined division of labor forces, unaffordable cost, and low efficiency. Innovative carmakers cross the boundaries of the legacy automobile industry in respect of capital, resources, and accumulated experience, but capitalize on the strengths of platform-based parts manufacturers for R&D capabilities, R&D resources and testing competence, which would in turn help them streamline size, reduce cost, improve efficiency and enhance competitiveness.

**4. The inherent demand for the revolution of the automobile industry chain.** Firstly, as large-scale international manufacturers are engaged in supplying parts to legacy models, there is no capacity and funds available for NEVs, the business transformation may end up with a failure; secondly, SMEs may feel pressure on rising costs and meager profit, it is not feasible to stay on the track of innovation and development. The only way is to seeking integration.

## (2) Development strategy of the Company

Applicable Non-applicable

In the new age featuring drastic changes in the automotive industry, the Company is committed to becoming a large-scale, technology-intensive, and platform-based supplier with a wide range of industrial layout, intensive product technologies, impressive R&D capabilities, and resourceful customer groups, establishing Tier0.5 grade cooperation with customers, leading a change in the relationship between parts suppliers and automakers, striving to be a domestic giant in the field of auto parts and a global auto parts manufacturer, empowering the industrial development of NEVs, and contributing to the initiative of peak carbon dioxide emissions and carbon neutrality.

**1. Product strategy.** To provide customers with one-stop, system-level, modularized products and services, kill the pain points caused by major changes in the automobile industry, and enhance customer satisfaction and loyalty, the Company is rolling out "2+3" Industrial strategy, maintaining the privileged presence of the automobile NVH vibration control parts and acoustic system in home market, and prospectively laying out the lightweight power chassis system, thermal management system, and intelligent driving system. With a wide array of product lines, the amount of mounting per vehicle is up to RMB 15,000, which would pave the way for rapid growth of the Company in the next decade and its product lines are further extended.

**2. Market strategy.** Capitalizing on strength of product lines, R&D strength and QSTP overall strength (Quality, Service, Technology, Price), the Company is constructing the new Tier0.5 supply chain model, and increasing the average amount of mounting per vehicle from RMB 5,000 to RMB 10,000. The Company is boosting the business growth in Japanese cars market and European cars market. The effective development of the above market will be a significant growth pole for rapid development of the Company in future.

**3. Operation strategy.** The Company continues to promote digital operations and digital manufacturing, build an Industry 4.0 Smart Factory, and enhances own competitiveness. The Company rolls out the strategy of concurrent strategy of endogenous growth and mergers and acquisitions, adheres to business startup within the company, and never gives up any chance of making value-added merger and acquisition.

## (3) Business operation plan

Applicable Non-applicable

In 2021, the Company will further develop the market, pace up the project mass production, enhance management, control cost, fuel on the rapid development and prepare for attaining the mid-term strategic goal in accordance with the predefined strategy.

**1. Sales and marketing.** Capitalizing on the overall strengths, the Company continues to promote the Tier 0.5 level cooperation, and expand the innovative automakers and the international and domestic business operations.

2. New project development. Increase R&D investments, implement the project and attain the production target, and further expand product lines.

**3. Capacity layout.** In 2021, the Company is expected to complete 1,500 mu plant project under construction and kick off the planning work for the next industrial park covering 1,500 mu.

**4. Cost control.** Promote the budget control system and lean production system, and reduce cost.

**5. Digital factory.** Promote the construction of digital plant as role model. Other works including quality control, lean production and system innovation are in process.

**6. Profit forecast.** It is estimated that the annual operating income and the net profit will reach RMB 12 billion and 1.2-15 billion, respectively.

The Company brings the attention of investors to: the performance forecast does not represent its commitment to investors, whether it can be realized or not depends on plenty of variable factors such as macro policies and market conditions. Investors are advised to notice the potential risks.

#### (4) Potential risks

Applicable Non-applicable

1. The Company makes large-sum investments in NEVs industry chain, and capital expenditures have increased significantly year by year. If the development direction of NEVs becomes ambiguous, its fixed assets can hardly be returned, the surging percentage of depreciation and amortization will expose it to an enormous risk.

2. The Company is expected to resolve other risks such as exchange rate, tariffs, raw material price fluctuations by enhancing its overall competitiveness.

#### (5) Others

Applicable Non-applicable

**IV. The Company fails to make disclosure in accordance with the standards and the reasons for such failure**

Applicable Non-applicable

## Section V Significant Events

### I. The plan for the profit distribution of common stocks or the transfer of capital reserves

#### (1) The making, implementation or adjustment of cash dividend policy

Applicable Non-applicable

To maintain the continuity and stability of the profit distribution policy, make the transparency and operability of dividend distribution decisions more transparent and viable, and protect the legitimate rights and interests of small and medium shareholders, the Company drafted the “Plan for Dividend Distribution to Shareholders in the Next Three Years (2018-2020)” under the relevant regulations released by CSRC, SSE and other authorities, as well as the “Articles of Association”, which was considered and passed at the general meeting of 2018. The above plan was disclosed on SSE website on 20 April 2018.

The above plan sets out: if the Company is available for distributing cash dividends, then it is prioritized to distribute dividends in cash. Profit can be distributed in cash, stocks or a combination of both. Where the conditions for dividend distribution are satisfied, with an adequate amount of statutory reserve funds and surplus reserve funds retained, if there is no event of significant cash expenditures, the profit distributed in cash in a single year shall be in principle no less than 30% of the profit available for distribution in the current year.

The Company is strictly implementing the above plan of dividend distribution to shareholders.



**(2) The dividend distribution plan or response plan of common stocks, the plan or response plan of capital reserves converted into additional shares in the past three years (including the reporting period)**

Unit: Yuan Currency: RMB

Dividend distribution year	Number of bonus issues (stocks) every 10 shares	Number of dividends distributed (Yuan) (with tax included) every 10 shares	Number of additional shares (stocks) every 10 shares	Amount of cash dividends (with tax included)	Net profit attributable to common shareholders of public company in the consolidated statement of dividend distribution year	attributable to common shareholders of public company as a percentage in the consolidated statement (%)
2020	0	1.72	0	189,552,010.38	628,200,888.31	30.17
2019	0	1.90	0	200,447,672.31	456,205,818.45	43.94
2018	0	4.12	4.5	299,762,036.30	753,316,112.69	39.79

**(3) The circumstances under which the shares repurchased in cash are recorded in cash dividends**

Applicable Non-applicable

**(4) If the parent company is profitable during the reporting period and the profit distributable to ordinary shareholders is positive, but has not yet submitted a plan for the cash profit distribution of ordinary shares, the Company shall disclose the exact reasons and the intended use and plan of undistributed profits**

Applicable Non-applicable

## II. Performance of commitments

(1) Commitments made by actual controllers, shareholders, related parties, acquirers of the Company, and the Company and other related parties making commitments during the reporting period or continuing to the reporting period

√Applicable □Non-applicable

Background of commitment	Type of commitment	Committed by	Content of commitment	Date and deadline of commitment	Whether there is a deadline for performance	Whether performed strictly and timely	If such commitments cannot be completed timely, state the specific reason	If such commitments cannot be completed timely, state the next plan
Commitment related to the share reform								
Commitment made in the report of acquisition or the report of equity change								
Commitment related to significant asset restructuring								
Commitment related to IPO	Restricted sale of shares	MECCA INTERNATIONAL HOLDING (HK) LIMITED	Within 36 months from the date of listing, it is prohibited to transfer or entrust any other person to manage the shares of Tuopu Group held prior to this issuance, Tuopu Group is not allowed to repurchase such shares held by the Company; if the shares	March 2015, 36 months	Yes	Yes	NA	NA

			held by the Company reduce within two years after the expiry of the lock-up period, the price at which the shares are reduced must not be lower than the issue price; if the closing price of shares is lower than the issue price for 20 trading days in a row within 6 months after Tuopu Group goes listed, or the closing price at the end of the 6-month period after the day of listing is lower than the issue price, the lock-up period in respect of the shares held by the Company shall automatically extend by 6 months.					
Commitment related to IPO	Restricted sale of shares	MECCA INTERNATIONAL HOLDING (HK) LIMITED	If the issuer's shares are reduced within two years after the expiry of the lock-up period, total shares cumulatively reduced in a year shall not exceed 5% of the issuer's shares after this issuance; the reduction of shares held is required to comply with applicable laws and regulations and the provisions of SSE, the shares held can be reduced by centralized price bidding on secondary market and other legal means approved by SSE; the price at which the shares held are reduced shall not be lower than the issue price (if the issuer's shares are subject to distribution of dividends, issuance of bonus shares, transfer of capital reserves into additional shares and other ex-right and ex-dividend events, the issue price shall be treated as appropriate). If the issuer's shares	March 2015, 5 years	Yes	Yes	NA	NA

			<p>are reduced within two years after the expiry of the lock-up period, total shares cumulatively reduced in a year shall not exceed 5% of the issuer's shares after this issuance; the reduction of shares held is required to comply with applicable laws and regulations and the provisions of SSE, the shares held can be reduced by centralized price bidding on secondary market and other legal means approved by SSE; the price at which the shares held are reduced shall not be lower than the issue price (if the issuer's shares are subject to distribution of dividends, issuance of bonus shares, transfer of capital reserves into additional shares and other ex-right and ex-dividend events, the issue price shall be treated accordingly). And MECCA (HK) further commits: the intention to reduce the issuer's shares shall be disclosed by issuer by making an announcement three trading days earlier, and shall be governed by the "Company Law", "Securities Law", and the rules of CSRC and SSE. MECCA (HK) further commits that the issuer's shares are reduced in violation of the above commitments ("Violating Reduction of Shares", the proceeds from the violating reduction of shares shall be owned by the issuer. Otherwise, the issuer may</p>					
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			withhold a part of the cash dividends payable to MECCA (HK) bearing the amount equivalent to the proceeds from the violating reduction shall be owned by the issuer.					
Commitment related to refinancing	Restricted sale of shares	Wu Jianshu	The shares subscribed for this non-public offering of the Company must not be transferred within 36 months from the date of listing of additional shares. After the expiry of the period of restricted sales, subject to the provisions of CSRC and SSE.	September 2016, 36 months	Yes	Yes	NA	NA
Commitment related to refinancing	intratype competition	MECCA INTERNATIONAL HOLDING (HK) LIMITED	1. The Company/Enterprise does not have, and will not be directly or indirectly engaged in, or by any form including but not limited to holding, participating of shares, joint venture, associate partnership, lease, agent operation, trust or other similar form engage in any operation or activity that may have constituted or substantially constitute a current or potential competition against the existing and future operations of Tuopu Group and its holding subsidiaries. 2. For companies and economic entities directly or indirectly controlled by the Company/Enterprise, the Company/Enterprise will procure such companies and economic entities to perform the obligations of avoiding competition as contained in the letter of commitment having equivalent standards to the	June 2016, continuous	Yes	Yes	NA	NA

			<p>Company/Enterprise by sending out institutions and persons (including but not limited to directors, managing directors, financial officers) or by gaining the controlling status (e.g.: shareholders' rights, directors' rights), so as to keep such companies and economic entities from competing against Tuopu Group and its subsidiaries. 3. If any change in policies and regulations or other reasons that are not attributable to the Company/Enterprise unavoidably causes other companies or economic entities controlled by Company/Enterprise or any company or economic entity that the Company/Enterprise may impose significant impact has constituted or may potentially constitute competition, Tuopu Group shall have the right of first refusal as to the trusted management (contracting operation, leasing operation) or acquisition in respect of such operations that have constituted or may potentially constitute competition. 4. The above commitments are unconditional, if a violation of the above commitments inflicts any financial loss to Tuopu Group, the Company/Enterprise will indemnify other shareholders or interested parties of Tuopu Group against such losses as comprehensive,</p>					
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			prompt and sufficient. 5. This letter of commitment shall remain in force and effect whenever the Company/Enterprise and any company controlled by the Company/Enterprise are related to Tuopu Group.					
Commitment related to refinancing	Resolve intratype competition	Wu Jianshu	1. I does not have, and will not be directly or indirectly engaged in, or by any form including but not limited to holding, participating of shares, joint venture, associate partnership, lease, agent operation, trust or other similar form engage in any operation or activity that may have constituted or substantially constitute a current or potential competition against the existing and future operations of Tuopu Group and its holding subsidiaries. 2. For companies and economic entities directly or indirectly controlled by I, I will procure such companies and economic entities to perform the obligations of avoiding competition as contained in the letter of commitment having equivalent standards to I by sending out institutions and persons (including but not limited to directors, managing directors, financial officers) or by gaining the controlling status (e.g.: shareholders' rights, directors' rights), so as to keep such companies and economic entities from	June 2016, continuous	Yes	Yes	NA	NA

			<p>competing against Tuopu Group and its subsidiaries. 3. If any change in policies and regulations or other reasons that are not attributable to I unavoidably causes other companies or economic entities controlled by Company/Enterprise or any company or economic entity that I may impose significant impact has constituted or may potentially constitute competition, Tuopu Group shall have the right of first refusal as to the trusted management (contracting operation, leasing operation) or acquisition in respect of such operations that have constituted or may potentially constitute competition. 4. The above commitments are unconditional, if a violation of the above commitments inflicts any financial loss to Tuopu Group, I will indemnify other shareholders or interested parties of Tuopu Group against such losses as comprehensive, prompt and sufficient. 5. This letter of commitment shall remain in force and effect whenever I and any company controlled by I are related to Tuopu Group.</p>					
Commitment related to refinancing	Restricted sale of shares	14 specific investors including New China Asset Management Co., Ltd.	The shares subscribed by New China Asset Management Co., Ltd., UBS AG, CITIC Securities Co., Ltd. (Self-run), China Securities Co., Ltd., HFT Investment Management Co.,	February 2021, 6 months	Yes	Yes	NA	NA



			Ltd., CITIC Securities Co., Ltd. (Asset Management), New China Fund Management Co., Ltd., China Galaxy Securities Co., Ltd., Huaneng Guicheng Trust Co., Ltd., Goldman Sachs & Co. LLC, MORGAN STANLEY & CO. INTERNATIONAL PLC., Zhejiang Zhonghao Investment Co., Ltd., Chengdu Fusen-Noble House Co., Ltd., Beijing Renaissance Era Investment Management Co., Ltd. as 14 specific issuance targets are locked for 6 months from the date of end of non-public issuance.					
Commitment related to equity incentives								
Other commitments made to the small and medium shareholders of the Company								
Other commitments								

**(2) There is an expected profit as to the assets or projects of the Company, and the reporting period still falls in the profit expectation period, the Company states whether the assets or projects attain the original profit expectation and gives the reason**

Attained Not attained Non-applicable

**(3) The status of performance of commitments and its impact on the goodwill impairment test**

Applicable Non-applicable

### III. Occupancy of funds and progress of debt clearing during the reporting period

Applicable Non-applicable

### IV. Notes of the Company to the "Modified Audit Opinion Report" Released by the Accounting Firm

Applicable Non-applicable

### V. Notes to Analysis of the Reasons and Impact of Changes in Accounting Policies, Accounting Estimates or Corrections of Major Accounting Errors

#### (1) Notes to analysis of the Reasons and Impact of Changes in Accounting Policies or Accounting Estimates

Applicable Non-applicable

In 2017, the Ministry of Finance revised the "Accounting Standards for Business Enterprises No. 14-Revenue". The revised standards stipulates that when these standards are initially applied, the amount of retained earnings and other related items as contained in the financial statements should be adjusted according to the cumulative impact, and the information for the comparable period is not adjusted.

The Company adopts the revised revenue standards from January 1, 2020. Under these standards, when these standards are initially applied, the amount of retained earnings in the early 2020 and other related items as contained in the financial statements should be adjusted according to the cumulative impact, and the information for the comparable period is not adjusted.

#### (2) Notes to Analysis of the Reasons and Impact of the Correction of Major Accounting Errors

Applicable Non-applicable

#### (3) Communication with the Former Accounting Firm

Applicable Non-applicable

#### (4) Other Notes

Applicable Non-applicable

### VI. Appointment and Dismissal of Accounting Firm

Unit: in 10,000 Yuan Currency: RMB

	Current Accounting Firm
Name of domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)
Remuneration paid to domestic accounting firm	160
Audit period of domestic accounting firm	10

	Name	Remuneration
Accounting firm responsible for internal control audit	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)	30
Sponsor	China Merchants Securities Co. Ltd	NA

Notes to appointment and dismissal of accounting firm

Applicable Non-applicable

The 2019 general meeting convened by the Company on June 8, 2020 considered and passed the "Resolution on Renewal of the Appointment of Audit Institution for 2020", and decided to renew the

appointment of BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) as the audit institution, who will provide audit and internal control audit services of the financial report of 2020 for the Company.

Notes to change of accounting firm during the reporting period

Applicable Non-applicable

#### **VII. Exposure to the risk of suspension of listing**

##### **(1) Reason for suspension of listing**

Applicable Non-applicable

##### **(2) Proposed responses by the Company**

Applicable Non-applicable

#### **VIII. Exposure to the risk of delisting and the reason behind it**

Applicable Non-applicable

#### **IX. Events concerning bankruptcy and reorganization**

Applicable Non-applicable

#### **X. Significant Lawsuits and Arbitrations**

The Company is involved in any significant lawsuits and arbitrations in the current year The Company is not involved in any significant lawsuits and arbitrations in the current year

#### **XI. Penalties and Rectification of Listed Company and Its Directors, Supervisors, Senior Managers, Controlling Shareholders, Actual Controllers, and Acquirers**

Applicable Non-applicable

#### **XII. Notes to the Credit Standing of the Company and Its Controlling Shareholders and Actual Controllers during the Reporting Period**

Applicable Non-applicable

#### **XIII. Conditions and Impact of Equity Incentive Plan, ESOP(employee stock ownership plan) or Other Employee Incentive Measures of the Company**

**(1) Related incentive events have been disclosed in the provisional announcement and there is no progress or change in subsequent implementation**

Applicable Non-applicable

**(2) Incentives that are not disclosed in the provisional announcement or there is a progress in subsequent implementation**

Conditions of equity incentives

Applicable Non-applicable

Other Notes

Applicable Non-applicable

ESOP

Applicable Non-applicable

Other incentive measures

Applicable Non-applicable

#### **XIV. Significant Related-party Transactions**

##### **(1) Related-party transactions related to daily operations**

**1. Events that have been disclosed in the provisional announcement and there is no progress or change in subsequent implementation**

Applicable Non-applicable

**2. Events that have been disclosed in the provisional announcement, but there is no progress or change in subsequent implementation**

Applicable Non-applicable

**3. Events that are not disclosed in the provisional announcement**

Applicable Non-applicable

**(2) Related-party transactions in the acquisition or sale of assets or equity****1. Events that have been disclosed in the provisional announcement and there is no progress or changes in subsequent implementation**Applicable Non-applicable**2. Events that have been disclosed in the provisional announcement, but there is a progress or change in subsequent implementation**Applicable Non-applicable**3. Events that are not disclosed in the provisional announcement**Applicable Non-applicable**4. Where there is a performance agreement involved, the performance achieved during the reporting period shall be disclosed**Applicable Non-applicable**(3) Significant related-party transactions of joint external investment****1. Events that have been disclosed in the provisional announcement and there is no progress or changes in subsequent implementation**Applicable Non-applicable**2. Events that have been disclosed in the provisional announcement, but there are progress or changes in subsequent implementation**Applicable Non-applicable**3. Events that are not disclosed in the provisional announcement**Applicable Non-applicable**(4) Related credits and liabilities****1. Events that have been disclosed in the provisional announcement, but there is no progress or change in subsequent implementation**Applicable Non-applicable**2. Events that have been disclosed in the provisional announcement, but there is a progress or change in subsequent implementation**Applicable Non-applicable**3. Events that have not been disclosed in the provisional announcement**Applicable Non-applicable**(5) Others**Applicable Non-applicable**XV. Significant Contracts and Performance of Contracts****(1) Events of trusteeship, contracting and leasing****1. Trusteeship**Applicable Non-applicable**2. Contracting**Applicable Non-applicable

**3. Leasing**

Applicable Non-applicable

**(2) Guarantee**

Applicable Non-applicable

**(3) Entrusting others to manage cash assets****1. Entrusted financial management****(1) General conditions of entrusted financial management**

Applicable Non-applicable

Unit: in 10,000 Yuan Currency: RMB

Type	Source of funds	Amount incurred	Unmatured amount	Unrecovered amount after the maturity
Structured deposits	Raised funds	84,000.00	0	0

**Other Conditions**

Applicable Non-applicable

**(2) Individual entrusted financial management**

√Applicable □Non-applicable

Unit:10000Yuan Currency: RMB

Trustee	Type of entrusted financial management	Amount of entrusted financial management	Start date of entrusted financial management	End date of entrusted financial management	Source of funds	Use of funds	Method of fixing returns	Annualized returns	Expected returns (if any)	Actual returns or losses	Actual recovery	If subject to statutory procedure	If there is any entrusted financial management plan	Extent of impairment provision (if any)
SPDB Ningbo Economic and Technological Development Zone Sub-branch	Structured deposits	10,000.00	2020/4/15	2020/7/15	Raised funds		Guaranteed non-fixed returns	3.75%		92.71	10,000.00	Yes		
SPDB Ningbo Economic and Technological Development Zone Sub-branch	Structured deposits	14,000.00	2020/4/15	2020/7/15	Raised funds		Guaranteed non-fixed returns	3.75%		129.79	14,000.00	Yes		
SPDB Ningbo Economic and Technological Development Zone Sub-branch	Structured deposits	14,000.00	2020/6/23	2020/9/22	Raised funds		Guaranteed non-fixed returns	3.30%		114.22	14,000.00	Yes		
SPDB Ningbo Economic and Technological	Structured deposits	12,000.00	2020/6/29	2020/9/28	Raised funds			3.30%		99.00	12,000.00	Yes		

Development Zone Sub-branch	its													
SPDB Ningbo Economic and Technological Development Zone Sub-branch	Structured deposits	5,000.00	2020/6/29	2020/9/28	Raised funds		Guaranteed non-fixed returns	3.30%		41.25	5,000.00	Yes		
SPDB Ningbo Economic and Technological Development Zone Sub-branch	Structured deposits	5,000.00	2020/7/8	2020/10/9	Raised funds		Guaranteed non-fixed returns	3.20%		40.00	5,000.00	Yes		
SPDB Ningbo Economic and Technological Development Zone Sub-branch	Structured deposits	16,000.00	2020/9/24	2020/12/24	Raised funds		Guaranteed non-fixed returns	3.10%		124.00	16,000.00	Yes		
SPDB Ningbo Economic and Technological Development Zone Sub-branch	Structured deposits	8,000.00	2020/9/28	2020/12/28	Raised funds		Guaranteed non-fixed returns	3.10%		62.00	8,000.00	Yes		

**Other Conditions**

Applicable Non-applicable

**(3) Impairment provision for entrusted financial management**

Applicable Non-applicable

**2. Conditions of entrusted loans****(1) General conditions of entrusted loans**

Applicable Non-applicable

**Other conditions**

Applicable Non-applicable

**(2) Individual entrusted loans**

Applicable Non-applicable

**Other Conditions**

Applicable Non-applicable

**(3) Impairment provision for entrusted loans**

Applicable Non-applicable

**3. Other Conditions**

Applicable Non-applicable

**(4) Other Significant Contracts**

Applicable Non-applicable

**XVI. Notes to Other Significant Events**

Applicable Non-applicable

**XVII. Proactive Performance of Social Responsibilities****(1) Poverty relief condition of listed company**

Applicable Non-applicable

**(2) Fulfillment of social responsibility**

Applicable Non-applicable

1. Conduct business in accordance with laws and regulations, and protect the legitimate rights and interests of all shareholders and related parties.

During the reporting period, the Company strictly followed the "Company Law", "Securities Law", the applicable regulations of CSRC and SSE and the provisions under the "Articles of Association", establish the corporate governance structure well, improve the internal control system, run the internal control system effectively, and the general meeting, Board of Directors, Board of Supervisors, independent directors and management strictly act in compliance with the internal control system, and protect the legitimate rights and interests of the Company, shareholders and other related parties.

2. Perform the obligation of information disclosure and maintain good relations with investors.

The Company acts in accordance with all regulations on information disclosure and make sure that relevant information would be disclosed truthfully, accurately, completely, timely and fairly, to the extent that all investors can obtain information unbiasedly.

3. Pay taxes in accordance with the law, and economic and social benefits will grow together.

From the date of incorporation, the Company has been running business in good faith and paying taxes as required by law, with due contribution made to local economic development.

4. Secure the rights and interests of staff members.

Adhering to the people-oriented principle and seeking economic benefits, the Company also pursues maximum social benefits. In the course of growth and expansion, the wages distributed to staff members are increasing at a high rate; with a high awareness of production safety, the Company delivers



all kinds of training sessions on job skills and production safety practice to staff members, which in turn makes them better adapted to jobs and skills.

5. Protect the legitimate rights and interests of customers and suppliers.

The Company considers it important to protect the rights and interests of the upstream and downstream chains. Provide customers with products that have stable quality, prompt delivery and competitive price in order to protect the rights and interests of customers; offer reasonable price to suppliers and make timely payment in order to protect the rights and interests of suppliers.

6. Respond to the outbreak of COVID-19 and proactively fulfill social responsibilities.

In February 2020, the Company responded to the outbreak of COVID-19 and donated 6,200 protective suits at a value of RMB 403,000 to Ningbo Beilun Charity Federation.

### **(3) Information about environment**

#### **1. Notes to the environmental protection conditions of companies and their important subsidiaries announced by the environmental protection authority as key emission entities**

Applicable Non-applicable

##### **(1) Information about emissions**

Applicable Non-applicable

During the reporting period, the key emissions of relevant companies or subsidiaries announced by the environmental protection authorities are provided as follows:

(1) Under the "Notice of Ningbo Municipal Bureau of Ecology and Environment on printing and handing out the list of key emission entities in Ningbo in 2020", as circulated by Ningbo Municipal Bureau of Ecology and Environment on April 30, 2020, the plant addressed at Guanhai Road, Chunxiao Street, Beilun District, Ningbo ("Chunxiao Plant") is included on the list of key water environment emission entities and the list of key soil environment supervised entities.

(2) Under the "Notice on release of the list of key emission entities in Jinhua (updated)", as circulated by Jinhua Ecological Environment Bureau on November 27, 2020, Zhejiang Towin Automobile Parts Co., Ltd., ("Zhejiang Towin"), the wholly-owned subsidiary addressed at Wuxi County Baihuashan Industrial Park, Jinhua, is included on the list of key water environment emission entities and the list of key soil environment supervised entities.

(3) Under the "Notice on the list of key emission units in Sichuan in 2020 (Suining)", as circulated by Suining Ecological Environment Bureau on March 31, 2020, Sichuan Maigao Automobile Parts Co., Ltd. ("Sichuan Maigao", the wholly-owned subsidiary addressed at Industrial Concentration Development Zone of Anju, Suining, is included on the list of key soil environment supervised entities.

##### **(2) Construction and operation of pollution control facilities**

Applicable Non-applicable

All plants of the Company arrange production facilities in a reasonable way, improve processes and increase the recycling of water, and reduce the emissions of sewage, waste liquid, general solid wastes and hazardous wastes. The automatic waste monitoring system is running normally and transmitting data to the environment protection authority in real time, allowing environment protection authorities at all levels to perform real-time monitoring. Each plant has set up a yard for storage of hazardous wastes in accordance with the measures applicable to the control of hazardous wastes, taken reasonable measures against seepage, leakage and overflowing, maintained the hazardous waste management account and transfer form, and subjected hazardous wastes to the transfer form system.

The construction and operation of pollution control facilities in the plants or subsidiaries included on the list of key emission entities are as follows:

(1) Chunxiao Plant: diversion of rainwater and sewage, diversion of clean water and sewage, obtain the permit for urban sewage to the drainage pipeline system, and the emission permits granted by Ningbo Ecological Environment Bureau. The serial numbers of emission permits are 91330200761450380T001V, 91330200761450380T002U, 91330200761450380T003W, 91330200761450380T004Y, 91330200761450380T006Z, 91330200761450380T005W, 91330200761450380T007Y.

Production wastewater: the production wastewater as gathered from the plant area via the pipeline to the regulating tank of sewage treatment station are subject to neutralization, flocculation, coarse

sedimentation, air flotation, acidifying, aerobic biochemistry reaction, sedimentation and regulating. Once acceptable to the standard, the production wastewater will be discharged to the municipal sewage pipeline, an intelligent sewage treatment control system that can prevent any unacceptable sewage from accessing to the municipal sewage pipeline. An automatic monitoring system is implemented in the plant area, which allows the environmental protection authority to monitor how the sewage station operates in the plant area.

Domestic sewage: The oily wastewater generated in the canteen is pretreated by the oil trapping facility, and the domestic sewage is treated by the septic tank. Once acceptable to the pipeline conveyance standard designated by Chunxiao Sewage Treatment Plant, the domestic wastewater will be discharged to the municipal sewage pipeline system.

The above wastewater and sewage subject to the treatment process are finally discharged to Chunxiao municipal sewage pipeline system via a drain outlet, finally to Chunxiao Sewage Treatment plant. The normative standard applicable to sewage discharge of Chunxiao Plant: total zinc is subject to Grade 1 standard as contained in Table 4 of the "Integrated Wastewater Discharge Standard" (GB8978-1996), other contents are subject to the pipeline conveyance standard of Chunxiao Sewage Treatment Plant. Actual data of production wastewater test: total zinc is 0.038mg/L, pH value is 8.31, suspended matter is 10mg/L, COD is 55mg/L; domestic wastewater test data: pH value is 7.60, suspended matter is 97mg/L, COD It is 354mg/L, all data are acceptable.

In Chunxiao Plant, rubber scraps, non-conforming products in production, and scrap metal generated by mold repair are identified as general solid wastes, sorted out by category, then disposed and recycled. Waste activated carbon, waste paint slags, pickling and phosphate slags, and waste oil generated in the production process are identified as hazardous wastes, a yard for storage of hazardous wastes has been set up in accordance with the national applicable provisions. The application for transfer of hazardous wastes has been submitted in accordance with the applicable management provisions of Ningbo Ecological Environment Bureau. And the agreements for disposal of hazardous wastes have been signed with Ningbo Beilun Environmental Solid Waste Disposal Co., Ltd., Hangzhou Fuyang Shenneng Solid Waste Environmental Recycling Co., Ltd., and Ningbo Zhende Environmental Technology Co., Ltd.

(2) Zhejiang Towin: diversion of rainwater and sewage, diversion of clean water and sewage, obtain the permit for urban sewage to the drainage pipeline system, serial no.: Zhe Wu Wu Pai Zi No. 2017069; obtain the emission permit granted from Jinhua Ecological Environment Bureau, serial no.: 91330723MA29PBM72F001U.

Production wastewater: the production wastewater as gathered from the plant area via the pipeline to the regulating tank of sewage treatment station are subject to neutralization, flocculation, coarse sedimentation, air flotation, acidifying, aerobic biochemistry reaction, sedimentation and regulating. Once acceptable to the standard, the production wastewater will be discharged to the municipal sewage pipeline of the Development Zone. An automatic monitoring system is implemented to prevent any unacceptable sewage from accessing to the municipal sewage pipeline. The environmental protection authorities at all levels across the nation can monitor how the sewage station operates in the plant area and the emission indexes.

Domestic sewage: The oily wastewater generated in the canteen is pretreated by the oil trapping facility, and the domestic sewage is treated by the septic tank. Once acceptable to the pipeline conveyance standard designated by Wuyi NO.1 Sewage Treatment Plant, the domestic wastewater will be discharged to the municipal sewage pipeline system.

The above wastewater and sewage subject to the treatment process are finally discharged to the municipal sewage pipeline system of Wuyi Baihuashan Industrial Park via a drain outlet, finally to Wuyi Sewage Treatment plant.

The normative standard applicable to sewage discharge of Zhejiang Towin total zinc is subject to Grade 3 standard of "Integrated Wastewater Discharge Standard" (GB8978-1996), the sewage subject to treatment process is discharged into the municipal pipeline system. Actual data of production wastewater test: pH value is 7.10, COD is 145mg/L, ammonia nitrogen is 7.71mg/L, all data are acceptable.

In Zhejiang Towin Plant, rubber scraps, non-conforming products in production, and scrap metal generated by mold repair are identified as general solid wastes, collected, then disposed and utilized. Waste paint slags, pickling and phosphate slags, and waste oil generated in the production process are identified as hazardous wastes, a dedicated storehouse for hazardous wastes is set up under the national provisions applicable to collection, packaging, storage, conveyance and disposal of hazardous wastes, the storage registration account is created on Zhejiang Solid Wastes Monitoring Information System,

and the agreements for disposal of hazardous wastes have been signed with Zhejiang Red Lion Environmental Protection Co., Ltd. and Zhejiang Yulong Environmental Protection Technology Co., Ltd.

Zhejiang Towin Plant arranges production facilities in a reasonable way, improves processes and increase the recycling of water, and reduces the emissions of sewage. The automatic waste monitoring system is running normally and transmitting data to the environment protection authority in real time. The access control facility (environmental protection authorities at the central, provincial, municipal and county level can perform real-time monitoring) is added. The plant has set up a yard and storehouse for hazardous wastes in accordance with the measures applicable to the control of hazardous wastes, and maintained the hazardous waste management account and transfer form.

(3) Sichuan Maigao: diversion of rainwater and sewage, diversion of clean water and sewage, obtain the permit for urban sewage to the drainage pipeline system, and the emission permit granted from Suining Ecological Environment Bureau of Sichuan (serial no.: 91510904071417225P001U).

Production wastewater: the production wastewater as gathered from the plant area via the pipeline to the regulating tank of sewage treatment station are subject to neutralization, flocculation, coarse sedimentation, air flotation, acidifying, aerobic biochemistry reaction, sedimentation and regulating. Once acceptable to the standard, the production wastewater will be discharged to Longyanjing Sewage Treatment Plant. An automatic monitoring system is implemented, which allows the environmental protection authorities at all levels in Sichuan to monitor how the sewage station operates in the plant area and the emission indexes.

Domestic sewage: The oily wastewater generated in the canteen is pretreated by the oil trapping facility, and the domestic sewage is treated by the septic tank. Once acceptable to the pipeline conveyance standard designated by Wuyi NO.1 Sewage Treatment Plant, the domestic wastewater will be discharged to the municipal sewage pipeline system.

The above wastewater and sewage subject to the treatment process are discharged into the municipal sewage pipeline of Anju Industrial Concentration Development Zone, finally to Longyanjing Sewage Treatment Plant.

The normative standard applicable to sewage discharge of Sichuan Maigao is Grade 3 standard of "Integrated Wastewater Discharge Standard" (GB8978-1996).The sewage subject to treatment process is discharged into the municipal pipeline system. Actual data of production wastewater test: total zinc is <0.17mg/L, pH value is 7.66, COD is 256mg/L; ammonia nitrogen is 8.6mg/L, total phosphorus is 0.38mg/L, petroleum is 0.11mg/L. Actual data of domestic wastewater test: pH value is 7.48, COD is 32mg/L, ammonia nitrogen is 158mg/L, all data are acceptable.

In Sichuan Maigao Plant, rubber scraps, non-conforming products in production, and scrap metal generated by mold repair are identified as general solid wastes, collected, then disposed and utilized. Waste paint slags, pickling and phosphate slags, and waste oil generated in the production process are identified as hazardous wastes, a dedicated yard and storehouse for hazardous wastes is set up under the national provisions applicable to collection, packaging, storage, conveyance and disposal of hazardous wastes, the application for transfer of hazardous wastes has been submitted in accordance with the applicable management provisions of Anju Environmental Protection Bureau, and the agreements for disposal of hazardous wastes have been signed with Xide County Liangzai Silicon Industry Co., Ltd., Mianyang XinkeYuan Environmental Protection Technology Co., Ltd., and Sichuan Zhongming Environmental Treatment Co., Ltd.

Sichuan Maigao has been approved in the environmental protection acceptance procedure by Suining Environmental Protection Bureau and filed for urban rainwater and sewage pipeline. Acting in strict accordance with the national emission standards, Sichuan Maigao is committed to improving the environment, with minor impact on the surrounding environment. The sludge, waste oil, and waste paint slag generated from the sewage station are disposed by Xide County Liangzai Silicon Industry Co., Ltd., Mianyang XinkeYuan Environmental Protection Technology Co., Ltd., and Sichuan Zhongming Environmental Treatment Co., Ltd. Sichuan Maigao has set up storage spaces for all wastes (general wastes and hazardous wastes), taken reasonable measures against seepage, leakage and overflowing, and subjected hazardous wastes to the transfer form system.

**(3) EIA of construction projects and administrative permits granted to other environmental protection**

Applicable Non-applicable

All construction projects in each plant are subject to the project-specific EIA requirement and comply with the national emission standards, approved by the environmental protection acceptance and filed for urban rainwater and sewage pipeline. All environmental impact factors are acceptable to the project-specific EIA requirement. Each plant is committed to improving the environment.

**(4) Emergency response for environmental contingencies**

Applicable Non-applicable

The Company has laid down the integrated and dedicated emergency responses to environmental contingencies, which can direct the rescue operations in case of environmental contingencies. The Company makes announcement on Zhejiang Business Announcement Platform for Environmental Contingencies, under the record number: 330206-2015-007-L.

**(5) In-house environmental monitoring plan**

Applicable Non-applicable

The Company tests wastewater, waste gas, and noise at plant boundaries in all plants at regular intervals every year, which are found to be acceptable under the national standards; the plan for disposal of hazardous wastes is submitted earlier each year.

**(6) Other environmental information that should be disclosed**

Applicable Non-applicable

**2. Notes to the environmental protection of the companies other than key emission entities**

Applicable Non-applicable

**3. Notes to the reasons for any company other than key emission entities who fails to disclose the environmental information**

Applicable Non-applicable

Except for Chunxiao Plant, the subsidiaries Zhejiang Towin and Sichuan Maigao as included on the list of key emission entities, other subsidiaries as included in the scope of consolidated statements are not the key emission entities released by the ecological environment supervision authority.

During the reporting period, the Company and all of its subsidiaries strictly act in accordance with the national provisions concerning environmental protection, and have laid down strict environmental operation codes, there is no violation of environmental protection provisions or dispute over pollution accident, and there is no circumstance under which they are imposed the administrative punishment by any environmental protection authority due to violation of environmental protection provisions.

**4. Notes to the subsequent progress or changes in the environmental information disclosure during the reporting period**

Applicable Non-applicable

**(4) Other Notes**

Applicable Non-applicable

**XVIII. Convertible Corporate Bonds**

Applicable Non-applicable

## Section VI Changes in Common Shares and Shareholders

### 1. Changes in capital of common shares

#### (1) Changes in common shares

##### 1. Changes in common shares

During the reporting period, there is no change happened to the total number of common shares and the share capital structure of the Company.

##### 2. Notes to changes in common shares

Applicable Non-applicable

##### 3. Impact of changes in common shares on financial indexes such as EPS and net assets per share in the most recent year and the most recent period (if any)

Applicable Non-applicable

##### 4. Other content as the Company deems necessary to disclose or required by the securities regulatory institution

Applicable Non-applicable

#### (2) Changes in restricted sale of shares

Applicable Non-applicable

Unit: shares

Name of shareholder	Number of shares on restricted sale at the beginning of the year	Number of shares removed from restricted sale in this year	Number of additional shares on restricted sale in this year	Number of shares on restricted sale at the end of the year	Reason for restricted sale	Date of removal of restricted sale
Wu Jianshu	4,521,626	4,521,626	0	0	36-month lock-up period of shares in non-public issuance	May 24th, 2020
Total	4,521,626	4,521,626	0	0	/	/

## II. Issuance of Securities and Public Listing

### (1) Issuance of securities as of the reporting period

Applicable Non-applicable

Notes to the issuance of securities as of the reporting period (if there are bonds applicable to different interest rates in the period, state the reasons separately):

Applicable Non-applicable

### (2) Total number of common shares of the Company, changes in the shareholder structure, and changes in the Company's assets and liabilities structure

Applicable Non-applicable

#### (3) Existing employee shares

Applicable Non-applicable

## III. Shareholders and actual controllers

### (1) Total shareholders

Total number (accounts) of common shareholders as of the end of the reporting period	28,314
Total number (accounts) of common shareholders	33,807

at the end of the previous month prior to the disclosure of this annual report	
Total number (accounts) of preferred shareholders whose voting rights have been restored as of the end of the reporting period	NA
Total number (accounts) of preferred shareholders whose voting rights were restored at the end of the previous month prior to the disclosure of this annual report	NA

**(2) Shares held by the top ten shareholders and top ten tradable shareholders (or shareholders not subject to restricted sale) as of the end of the reporting period**

Unit: Shares

Shares held by the top ten shareholders							
Name of Shareholder (Full Name)	Increase/Decrease during the reporting period	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to restricted sale	Condition of pledge of freezing		Nature of shareholders
					Status of shares	Number of shares	
MECCA INTERNATIONAL HOLDING (HK) LIMITED		693,680,000	65.75	0	No		Foreign corporate
Hong Kong Securities Clearing Company Limited		25,858,056	2.45		Unknown		Unknown
CITIC Securities-CITIC Bank-CITIC Securities Dividend Value One-year Commingled Collective Asset Management Plan		15,689,597	1.49		Unknown		Unknown
Kuwait Investment Authority – Own funds		9,826,261	0.93		Unknown		Unknown
Agricultural Bank of China Co., Ltd.-CIFM Emerging Power Commingled Securities Investment Fund		8,233,474	0.78		Unknown		Unknown
Industrial and Commercial Bank of China Co., Ltd.-Rongtong China Wind No. 1 Tactic Assets Allocation Commingled Securities Investment Fund		8,018,336	0.76		Unknown		Unknown
Industrial and Commercial Bank of China Co., Ltd.-Baoying AI-themed Equity Securities Investment Fund		7,283,265	0.69		Unknown		Unknown
Wu Jianshu		7,210,308	0.68	0	No		Foreign person
Bank of Communications Co., Ltd.-Baoying Innovation-Driven Stock Securities Investment Fund		5,862,774	0.56		Unknown		Unknown
Ningbo Zhuyue Investment Management Co., Ltd.		5,407,630	0.51	0	No		Foreign non-state-owned corporate
Shares held by the top ten shareholders not subject to restricted sale							
Name of Shareholder			Number of tradable		Class and number of shares		

	shares held not subject to restricted sale	Class	Number of shares
MECCA INTERNATIONAL HOLDING (HK) LIMITED	693,680,000	RMB common shares	693,680,000
Hong Kong Securities Clearing Company Limited	25,858,056	RMB common shares	25,858,056
CITIC Securities-CITIC Bank-CITIC Securities Dividend Value One-year Commingled Collective Asset Management Plan	15,689,597	RMB common shares	15,689,597
Kuwait Investment Authority – Own funds	9,826,261	RMB common shares	9,826,261
Agricultural Bank of China Co., Ltd.-CIFM Emerging Power Commingled Securities Investment Fund	8,233,474	RMB common shares	8,233,474
Industrial and Commercial Bank of China Co., Ltd.-Rongtong China Wind No. 1 Tactic Assets Allocation Commingled Securities Investment Fund	8,018,336	RMB common shares	8,018,336
Industrial and Commercial Bank of China Co., Ltd.-Baoying AI-themed Equity Securities Investment Fund	7,283,265	RMB common shares	7,283,265
Wu Jianshu	7,210,308	RMB common shares	7,210,308
Bank of Communications Co., Ltd.-Baoying Innovation-Driven Stock Securities Investment Fund	5,862,774	RMB common shares	5,862,774
Ningbo Zhuyue Investment Management Co., Ltd.	5,407,630	RMB common shares	5,407,630
Notes to the associated relationship or concerted action of the above shareholders	<p>Among these shareholders:</p> <ol style="list-style-type: none"> <li>1. Mr. Wu Jianshu holds 100% of the shares in MECCA INTERNATIONAL HOLDING (HK) LIMITED.</li> <li>2. Ningbo Zhuyue Investment Management Co., Ltd. is a wholly-owned sub-subsidiary of MECCA INTERNATIONAL HOLDING (HK) LIMITED, the controlling shareholder of the Company, and is a person acting in concert.</li> </ol> <p>In addition, the Company doesn't know whether there is an associated relationship among the above shareholders or whether they are parties acting in concert.</p>		
Notes to the preferred shareholders whose voting rights have been restored and the number of shares held	NA		

Number of shares held by the top ten shareholders subject to restricted sale and the conditions of restricted sales

Applicable Non-applicable



**(3) Strategic investors or general legal persons becoming the top ten shareholders due to the placement of new shares**

Applicable Non-applicable

**IV. Controlling Shareholder and Actual Controller****(1) Information about controlling shareholders****1 Corporate**

Applicable Non-applicable

Name	MECCA INTERNATIONAL HOLDING (HK) LIMITED
Head or legal representative	Wu Jianshu
Date of Incorporation	July 21st, 2008
Main business operations	Investment
Shareholding status of other domestic and overseas listed companies that hold or participate in shares during the reporting period	NA
Other notes	NA

**2 Natural person**

Applicable Non-applicable

**3 Special notes to no controlling shareholders in the Company**

Applicable Non-applicable

**4 Index and date of changes in controlling shareholders during the reporting period**

Applicable Non-applicable

**5 Block diagram of the equity rights and control relations between the Company and controlling shareholders**

Applicable Non-applicable



**(2) Actual controllers****1 Corporate**

Applicable Non-applicable

**2 Natural person**

Applicable Non-applicable

Name	Wu Jianshu
Nationality	Hong Kong
Whether the above person has acquired the right of residence in other countries or regions	Yes
Jobs and titles	Formerly as Chairman of Ningbo Tuopu Vibration control System Co., Ltd., Chairman of Ningbo Tuopu Soundproof System Co., Ltd., Chairman of Ningbo Tuopu Coupling Co., Ltd., Chairman of Ningbo Tuopu Automobile Special Rubber Co., Ltd., Chairman of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Chairman of MECCA INTERNATIONAL HOLDING (HK) LIMITED, Chairman of Ningbo Tuopu Group Co., Ltd.
Domestic or overseas listed companies controlled by the above person in the past 10 years	NA

**3 Special notes to no controlling shareholders in the Company**

Applicable Non-applicable

**4 Index and date of changes in controlling shareholders during the reporting period**

Applicable Non-applicable

**5 Block diagram of the equity rights and control relations between the Company and controlling shareholders**

Applicable Non-applicable

**6. Actual controller who controls the company through trust or other asset management methods**

Applicable Non-applicable

**(3) Other information about the controlling shareholder and actual controller**

Applicable Non-applicable

**V. Other corporate shareholders holding more than 10% of the shares**

Applicable Non-applicable

**VI. Notes to restricted reduction of shares**

Applicable Non-applicable

**Section VII Information about Preferred Shares**

Applicable Non-applicable

## Section VIII Directors, Supervisors, Officers and Employees

### I. Changes in Shares Held and Remuneration

#### (1) Changes in shares held and remuneration of current and resigned directors, supervisors and officers during the reporting period

√Applicable □Non-applicable

Unit: Shares

Name	Capacity (Note)	Gender	Age	Date of taking office	Date of leaving	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/Decrease in shares in the year	Reason for increase/decrease	Total pre-tax remuneration received from the Company during the reporting period (in 10,000 Yuan)	Whether receive remuneration from related parties of the Company
Wu Jianshu	Chairman, Director	Male	57	2020-10-19	2023-10-18	7,210,308	7,210,308	0		0	No
Wang Bin	Chairman, Managing Director	Male	46	2020-10-19	2023-10-18	0	0	0		200	No
Pan Xiaoyong	Chairman, Vice President	Male	41	2020-10-19	2023-10-18	0	0	0		200	No
Wu Weifeng	Chairman, Vice President	Male	44	2020-10-19	2023-10-18	0	0	0		200	No
Jiang Kaihong	Chairman, Vice President	Male	50	2020-10-19	2023-10-18	0	0	0		200	No
Zhou Ying	Independent director	Female	44	2020-10-19	2023-10-18	0	0	0		5	No
Zhao Xiangqiu	Independent director	Female	51	2020-10-19	2023-10-18	0	0	0		2.90	No
Wang Yongbin	Independent director	Male	64	2020-10-19	2023-10-18	0	0	0		1.25	No
Wang Mingzhen	Board Secretary	Male	42	2020-10-19	2023-10-18	0	0	0		60	No
Yan Qunli	Board Chairman,	Male	49	2020-10-19	2023-10-18	0	0	0		63	No

	Supervisor										
Duan Xiaocheng	Supervisor	Male	39	2020-10-19	2023-10-18	0	0	0		65	No
Wang Chengcai	Supervisor on Behalf of Staff Members	Male	40	2020-10-19	2023-10-18	0	0	0		25.60	No
Hong Tiesyang	Financial Director	Male	43	2020-10-19	2023-10-18	0	0	0		40	No
Zhou Jingyao	Independent director	Male	58	2014-03-15	2020-04-27	0	0	0		2.5	No
Wang Minquan	Independent director	Male	56	2014-09-22	2020-10-18	0	0	0		4.20	No
Total	/	/	/	/	/	7,210,308	7,210,308	0	/	1,069.45	/

Name	Working Experience
Wu Jianshu	Formerly as Chairman of Ningbo Tuopu Vibration control System Co., Ltd., Chairman of Ningbo Tuopu Soundproof System Co., Ltd., Chairman of Ningbo Tuopu Coupling Co., Ltd., Chairman of Ningbo Tuopu Automobile Special Rubber Co., Ltd., Chairman of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Chairman of MECCA INTERNATIONAL HOLDING (HK) LIMITED, Chairman and Director of the Company.
Wang Bin	Formerly as Vice general manager of Ningbo Economic and Technological Development Zone Tuopu Industrial Co., Ltd., Director and general manager of Ningbo Tuopu vibration control System Co., Ltd., General manager of Ningbo Tuopu Import and Export Co., Ltd., Vice general manager and Director of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Director and President of the Company.
Pan Xiaoyong	Formerly as Vice general manager of Ningbo Tuopu Acoustics Vibration Technology Co., Ltd., Manager of System Development Department of Ningbo Tuopu Acoustics Vibration Technology Co., Ltd., and Director of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Director and Vice President of the Company.
Wu Weifeng	Formerly as Director of of Ningbo Tuopu Acoustics Vibration Technology Co., Ltd., general manager of Ningbo Tuopu Automobile Special Rubber Co., Ltd., President of Ningbo Bahe Mould Co., Ltd., Vice general manager of Ningbo Tuopu Soundproof System Co., Ltd., Vice general manager and Director of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Director and Vice President of the Company.
Jiang Kaihong	Formerly as Manager of Engineering Department of Ningbo Economic and Technological Development Zone, Director of R&D Center of Ningbo Tuopu vibration control System Co., Ltd., general manager of Ningbo Tuopu Automobile Parts Co., Ltd., Vice general manager of Electronic System Division of Ningbo Tuopu Brake System Co., Ltd. Currently in the capacity of Director and Vice President of the Company.
Zhou Ying	CPA, CPV. Formerly worked in Beilun Finance Bureau, currently serve Ningbo Donghai Accounting Firm. Currently in the capacity of independent director of the Company.
Zhao	Formerly as a practicing lawyer in Zhejiang Fanxin Law Firm, currently as a lawyer, partner and executive director of Zhejiang Yahui Law Firm.

Xiangqiu	Currently as an independent director of the Company.
Wang Yongbin	Formerly taught in Zhejiang Agricultural University at Ningbo after graduation, formerly as a professor of machinery at Zhejiang Wanli University, the first tutor of master candidates, President of the Institute of Mechatronic System Technology, Director of Mechatronic System Technology Laboratory, now retired. Currently as an independent director of the Company, concurrently hold the office of independent director in Ningbo Jifeng Auto Parts Co., Ltd. (603997.SH), NBTM New Materials Group Co., Ltd. (600114.SH), Zhejiang LERA New Energy Power Technology Co., Ltd., and Ningbo Da Zhi Machine Technology Co., Ltd.
Wang Mingzhen	Formerly as general manager of Ningbo Tuopu Import and Export Co., Ltd., Supervisor of Ningbo Tuopu Group Co., Ltd. Currently as Board Secretary of the Company.
Yan Qunli	Formerly as Director of Mold Center, Project Manager of Engineering Department and Manager of Engineering Department of Ningbo Ningbo Economic and Technological Development Zone Tuopu Industrial Co., Ltd., Vice general manager of Marketing of Ningbo Tuopu Automobile Parts Co., Ltd., general manager of vibration control System NO.1 Department of Ningbo Tuopu Brake System Co., Ltd., and Director and Vice President of Ningbo Tuopu Brake System Co., Ltd. Current as the chairman of Board of Supervisors of the Company.
Duan Xiaocheng	Formerly as System Integration Section Chief of Ningbo Tuopu Acoustics Vibration Technology Co., Ltd., Chief Engineer of R&D Center of Ningbo Tuopu Group Co., Ltd., and Vice general manager of R&D Center of Ningbo Tuopu Group Co., Ltd. Currently in the capacity of general manager of Electronic Control System of Electronics Division of Ningbo Tuopu Group Co., Ltd. and Supervisor of the Company.
Wang Chengcai	Holder of Master Degree of Laws, Economist. Formerly as a lecturer at the School of Humanities and Social Sciences of Jingchu Institute of Technology, part-time lawyer at Hubei Fazhixing Law Firm, legal counsel assistant of China Youngman Automobile Group Co., Ltd., legal specialist of SELF Electronics Co., Ltd., Manager of Legal Department of Ningbo Cixing Co., Ltd. Currently as Legal Director and Supervisor of the Company.
Hong Tiesang	Formerly as Financial Officer of Ningbo Huazhong Plastic Products Co., Ltd., Project Manager of Ningbo Zhongcheng Tax Accountant Firm, and Financial Manager of Ningbo Tuopu Group Co., Ltd. Currently as Financial Director of the Company.
Zhou Jingyao (left)	Formerly as the head of Zhejiang Fanxin Law Firm, council member of Ningbo Lawyers Association, arbitrator of Ningbo Arbitration Commission, and legal counselor of Beilun People's Government. Concurrently as an independent director of Ningbo Xusheng Auto Technology Co., Ltd. (603305.SH), and independent director of Ningbo Orient Cable Co., Ltd. (603606.SH). Independent director of the second and third sessions of Board of Directors of the Company, left from the office due to expiration of tenure in April 2020.
Wang Minquan (left)	Formerly as the head of Electrical Experiment Center of Huaihai Institute of Technology, and Director of Automation Program of Ningbo Polytechnic, currently as a teacher at Ningbo Polytechnic, concurrently as a member of Automation Teaching Steering Committee in Zhejiang Higher Vocational Colleges, procurement specialist of electromechanical equipment appointed by Ningbo government, member of the Ninth CPPCC in Beilun District, and member of "Teachers' Textbook Instrument" Specialized Committee of China Vocational Education Association. Concurrently as an independent director of Ningbo Xusheng Auto Technology Co., Ltd. (603305.SH). Independent director of the second and third sessions of Board of Directors of the Company, left from the office due to expiration of tenure in October 2020.

## Other Notes

√Applicable □Non-applicable

1. On April 27, 2020, Mr. Zhou Jingyao as an independent director resigned the office of independent director of the third session of Board of Directors of the Company and the chief member of Nomination Committee and member of Remuneration and Evaluation Committee, due to expiration of tenure. After resignation, he will no longer hold any position in the Company.

2. On April 27, 2020, the company held the 19th meeting of the Third Session of Board of Directors, Mrs. Zhao Xiangqiu was nominated as the independent director candidate of the Third Session of Board of Directors of the Company. At the subsequent general meeting of 2019, the resolution on by-election of Mrs. Zhao Xiangqiu as independent director of the Third Session of Board of Directors was passed.
3. On September 28, 2020, because the term of the Third Session of Board of Directors was about to expire, the Company convened the 23rd meeting of the Third Session of Board of Directors, where the “Resolution on re-election of Board of Directors” was considered and passed, the Board of Directors nominated Mr. Wu Jianshu, Mr. Wang Bin, Mr. Wu Weifeng, Mr. Pan Xiaoyong, and Mr. Jiang Kaihong as non-independent director candidates of the Fourth Session of Board of Directors; Mrs. Zhou Ying, Mrs. Zhao Xiangqiu, and Mr. Wang Yongbin were nominated as the independent direct candidates for the Fourth Session of Board of Directors of the Company. At the subsequent first extraordinary general meeting of 2020, the resolution on election of Mr. Wu Jianshu, Mr. Wang Bin, Mr. Wu Weifeng, Mr. Pan Xiaoyong, and Mr. Jiang Kaihong as non-independent director candidates of the Fourth Session of Board of Directors of the Company was passed, and the resolution on election of Mrs. Zhou Ying, Mrs. Zhao Xiangqiu, and Mr. Wang Yongbin as the independent director candidates of the Fourth Session of Board of Directors of the Company was passed.
4. On September 28, 2020, because the term of the Third Session of Board of Supervisors was about to expire, the Company convened the 17th meeting of the Third Session of Board of Supervisors, where the “Resolution on re-election of Board of Supervisors” was considered and passed, Mr. Yan Qunli and Mr. Duan Xiaocheng were nominated by the Board of Supervisors as the supervisor candidates on behalf of shareholders of the Fourth Session of Board of Supervisors. At the subsequent first extraordinary general meeting of 2020, this resolution was passed. On September 28, 2020, the Company convened the congress of workers and staff, where Mr. Wang Chengcai was elected as the supervisor on behalf of staff members of the Fourth Session of Board of Supervisors. Mr. Yan Qunli, Mr. Duan Xiaocheng and Mr. Wang Chengcai formed the Fourth Board of Supervisors of the Company.
5. On October 19, 2020, the Company held the first meeting of the Fourth Board of Directors, where Mr. Wu Jianshu was elected as Chairman of the Fourth Board of Directors, with the same tenure as that in the Fourth Session of Board of Directors; Mr. Wang Bin was appointed as President of the Company, with a tenure of three years; Mr. Pan Xiaoyong, Mr. Wu Weifeng and Mr. Jiang Kaihong were appointed as Vice President of the Company, with a tenure of three years; Mr. Wang Mingzhen was appointed as Board Secretary of the Company, with the same tenure as that in Fourth Session of Board of Directors; Mr. Hong Tieshang was appointed as Financial Director of the Company, with a tenure of three years;
6. On October 19, 2020, the Company held the first meeting of the Fourth Board of Supervisors, where Mr. Yan Qunli was elected as Chairman of the Fourth Board of Supervisors, with the same tenure as that in the Fourth Session of Board of Supervisors.

**(2) The equity incentives granted to directors and officers during the reporting period**

Applicable Non-applicable

**II. Office held by current and resigned directors, supervisors and officers during the reporting period**

**(1) Office held in corporate shareholder**

Applicable Non-applicable

Name of persons in office	Name of corporate shareholder	Office held in corporate shareholder	Date of office held	Date of end of office
Wu Jianshu	MECCA INTERNATIONAL	Chairman	2008-07-21	

	HOLDING (HK) LIMITED			
Note to office held in corporate shareholder	No			

**(2) Office held in other entities**

√Applicable □Non-applicable

Name of persons in office	Name of other entity	Office held in other entity	Date of office held	Date of end of office
Zhou Ying	Ningbo Donghai Accounting Firm	Manager		
Zhao Xiangqiu	Zhejiang Yahui Law Firm	Partner, executive director		
Wang Yongbin	Ningbo Jifeng Auto Parts Co., Ltd.	Independent director		
Wang Yongbin	NBTM New Materials Group Co., Ltd.	Independent director		
Wang Yongbin	Zhejiang LERA New Energy Power Technology Co., Ltd.	Independent director		
Wang Yongbin	Ningbo Da Zhi Machine Technology Co., Ltd.	Independent director		
Zhou Jingyao	Zhejiang Fanxin Law Firm			
Zhou Jingyao	Ningbo Orient Cable Co., Ltd.	Independent director		
Zhou Jingyao	Ningbo Xusheng Auto Technology Co., Ltd.	Independent director		
Wang Minquan	Ningbo Polytechnic	Teacher		
Wang Minquan	Ningbo Xusheng Auto Technology Co., Ltd.	Independent director		
Notes to office held in other entities	No			

**III. Remuneration of Directors, Supervisors and Officers**

√Applicable □Non-applicable

Decision-making procedure as to the remuneration of directors, supervisors and officers	Under the “Articles of Association”, the remuneration of directors and supervisors is decided at the general meeting; the remuneration of officers is decided by the Board of Directors.
Basis for fixing the remuneration of directors,	Fixed according to the industry and local conditions, by referring to the comparable standard of similar listed



supervisors and officers	companies and the actual condition of the Company, where applicable
Actual payment of the remuneration of directors, supervisors and officers	The remuneration of directors, supervisors and officers have been paid
Total remuneration received by all directors, supervisors and officers at the end of the reporting period	RMB 10.6945 million

#### IV. Changes in directors, supervisors and officers

Applicable Non-applicable

Name	Office held	Changes	Reason for change
Zhou Jingyao	Independent director	Left	At the expiration of tenure
Wang Minquan	Independent director	Left	At the expiration of tenure
Zhao Xiangqiu	Independent director	Elected	By-election after the expiration of tenure of other independent directors
Wang Yongbin	Independent director	Elected	Re-election

#### V. Notes to punishments imposed by securities regulatory institutions over the past three years

Applicable Non-applicable

## VI. Staff Members of the Parent Company and Major Subsidiaries

### (1) Staff members

Number of staff members serving the parent company	4,463
Number of staff members serving major subsidiaries	4,655
Total number of staff members in service	9,118
Number of retiring employees to whom the parent company and other subsidiaries have to bear costs and expenses	
Composition of job positions	
Category of job positions	Number of specialsts
Production staff	4,879
Marekting staff	398
Technical staff	2,329
Financial staff	150
Administrative staff	1,362
Total	9,118
Education Background	
Category of education	Number of members (persons)
Holders of doctoral, master degrees	118
Holders of bachelor degrees	1,088
Graduated from junior college, technical secondary school	3,267
Others	4,645
Total	9,118

### (2) Salary policy

Applicable Non-applicable

In line with the strategic development needs of the Company and considering the general salary of the industry and local salary level, the Company has prepared a package of incentive salary rules that are more favorable to strategic talents. The Company has been adhering to the concept of sustainable development. Along with the development process, the Company provides more favorable benefits and salary to staff members, allowing them to share the gains from the development. According to the situation of development, availability of talents, and the general salary of the industry, the salary policy applicable to staff members may be properly adjusted from time to time, in order to meet the needs of sustainable development.

### (3) Training plan

Applicable Non-applicable

Given the characteristics of the automobile industry and the company-specific development plan, the Company has developed a well-organized and efficient training system, in order to prepare necessary talents for R&D, processes, tests, quality, production, purchasing activities, transportation, marketing sales, finance, IT and human resources. The Company provides staff members with an access to all sorts of professional learning, take part in industry technical exchanges and management forums. In turn, staff members at all levels can attend well-organized training sessions, acquire good job-related skills, improve business and management capabilities, and provide ample talent reserves for the long-term sustainable development.

### (4) Outsourcing of labor services

Applicable Non-applicable

**VII. Others**

Applicable Non-applicable

**Section IX Corporate Governance****I. Notes to Corporate Governance**

Applicable Non-applicable

During the reporting period, the Company acted in strict compliance with the "Company Law", "Securities Law", relevant regulations of CSRC and SSE, and the provisions under the "Articles of Association", in order to improve the corporate governance structure, improve internal control system, and operate the internal control system. General meeting, Board of Directors, Board of Supervisors, independent directors and the management operated precisely by following the internal control procedure, in order to secure the legitimate rights and interests of the Company and its shareholders.

**General meeting:** During the reporting period, the Company convened 2 general meetings in the form of online voting and on-site voting. The calling, summoning and voting procedure in respect of general meetings are compliant and valid, to the extent that all shareholders, especially small and medium shareholders, were able to exercise their rights, and the legitimate rights and interests of all shareholders were secured. During the reporting period, the events granted in the scope of powers and functions were considered at the general meetings in accordance with relevant regulations and rules of proceedings, and the legitimate rights and interests of all shareholders were secured. During the reporting period, significant events including regular reports, profit distribution, reappointment of audit institution, related-party transactions, use of raised funds, kick-off of non-public offerings of 2020, and re-election of Board of Directors were considered at the general meetings and valid resolutions as to these events were passed.

**Board of Directors:** During the reporting period, the Company convened 7 board meetings in which all directors were present. During the reporting period, the Board of Directors considered the events such as regular reports, day-to-day operations, external investments, related-party transactions, kick-off of non-public offering of 2020, re-election of Board of Directors, and use of funds raised from non-public offerings and passed valid resolutions as to these events in accordance with applicable regulations and rules of proceedings. The Board of Directors also fulfilled its due role in submitting the events to be considered at general meeting to the general meeting promptly.

**Board of Supervisors:** During the reporting period, the Company convened 5 meetings of the Board of Supervisors in which all supervisors were present. In addition, all supervisors attended all board meetings convened during the reporting period. During the reporting period, the Board of Supervisors conducted effective supervision on certain significant events such as regular reports, significant decisions on production and operation, use of raised funds, kick-off of non-public offerings in 2020, and related-party transactions in accordance with applicable regulations and rules of proceedings. The Board of Supervisors substantially fulfilled its role in supervising these events.

**Independent directors:** Since the independent directors of the third and fourth sessions of Board of Directors took office, subject to applicable provisions and "Work Procedure of Independent Directors", they actively took part in the decision-making process, leveraged their expertise in finance, law and technology, held the interests of all shareholders harmless, and drove for the reinforcement of corporate governance structure. During the reporting period, independent directors gave pre-approval opinions or independent opinions on certain significant events, such as regular reports, internal control evaluation, use of raised funds, related-party transactions, profit distribution, re-appointment of audit institution, kick-off of non-public offerings in 2020, and made no contest to any decision made at all board meetings.

**Special Committee:** During the reporting period, all special committees under the Board of Directors considered certain events such as the financial standing of the Company, whose establishment and operation effectively improved the operational efficiency of the Board of Directors, the reasonableness of decisions and the effectiveness of supervision, and drove for the reinforcement of corporate governance structure.

Whether there are significant differences between corporate governance and the relevant regulations of CSRC; if so, state the reason

Applicable Non-applicable

## II. Brief Information about General Meetings

Session	Date of convention	The search index of the specified website to publish resolutions	Date of disclosure to publication of resolutions
2019 general meeting	June 8, 2020	www.sse.com.cn	June 9, 2020
2020 first extraordinary general meeting	October 19, 2020	www.sse.com.cn	October 20, 2020

Notes to general meetings

Applicable Non-applicable

## III. Performance of Duties by Directors

### (1) Information about the presences of directors in board meeting and general meeting

Name of director	Whether as independent director	Presences in board meeting						Presences in general meeting
		Number of mandatorily attendances in board meeting this year	Number of attendances in person	Number of attendances by communication means	Number of attendances by proxy	Number of absences	Whether failed to present in two consecutive meetings in person	Number of presences
Wu Jianshu	No	7	7	0	0	0	No	2
Wang Bin	No	7	7	0	0	0	No	2
Pan Xiaoyong	No	7	7	0	0	0	No	2
Wu Weifeng	No	7	7	0	0	0	No	2
Jiang Kaihong	No	7	7	0	0	0	No	2
Zhou Ying	Yes	7	7	0	0	0	No	2
Zhao Xiangqiu	Yes	5	5	0	0	0	No	1
Wang Yongbin	Yes	2	2	0	0	0	No	0
Zhou Jingyao	Yes	2	2	0	0	0	No	1
Wang Minquan	Yes	5	5	0	0	0	No	2

Notes to failure to be present in two consecutive meetings board meetings

Applicable Non-applicable

Number of board meetings convened in the year	7
Including: number of on-site meetings	7
Number of meetings convened by communication means	0
Number of meetings convened on site by communication means	0

**(2) Contests concerning relevant events made by independent directors to the Company**

Applicable Non-applicable

**(3) Others**

Applicable Non-applicable

**IV. Significant opinions and suggestions put forward by special committees under the Board of Directors when performing their duties during the reporting period, if there is any contest, disclose the specific circumstances**

Applicable Non-applicable

**V. Notes to Risks Identified by the Board of Supervisors**

Applicable Non-applicable

**VI. Notes to failure of the Company to guarantee independence and maintain independent operation capabilities in respect of business, human resources, assets, institutions, finance between the Company and its controlling shareholder**

Applicable Non-applicable

Where is a competition, the solutions, progress and subsequent work plan adopted by the Company

Applicable Non-applicable

**VII. During the reporting period, the evaluation mechanism for officers, as well as the condition of establishment and implementation of the incentive mechanism**

Applicable Non-applicable

The Board of Directors has considered actual performance and specific positions, and laid down appropriate assessment criteria, in order to get operators motivated and enhance the progressive mind and sense of responsibility of officers in listed company.

**VIII. Whether the evaluation report of internal control has been disclosed**

Applicable Non-applicable

The Company publishes the “2020 Tuopu Group’s Evaluation Report of Internal Control” on the SSE website while disclosing the annual report for the year 2020 ended.

Notes to significant deficiencies in internal control during the reporting period

Applicable Non-applicable

**IX. Notes to the Internal Control Audit Report**

Applicable Non-applicable

The Company publishes the “2020 Tuopu Group’s Evaluation Report of Internal Control” on the SSE website, as issued by BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership), while disclosing the annual report for the year 2020 ended.

Whether the internal control audit report has been disclosed: Yes

Type of internal control audit report: Standard and unqualified audit report

**X. Others**

Applicable Non-applicable

## **Section X Information of Corporate Bonds**

Applicable Non-applicable

## Section XI Financial Report

### 1. Audit report

√Applicable □Non-applicable

#### Audit Report

Xin Kuai Shi Bao Zi [2021] No. ZF10400

**To the shareholders of Ningbo Tuopu Group Co., Ltd.**

#### I. Opinion

We have audited the financial statements of Ningbo Tuopu Group Co., Ltd. (hereinafter referred to as “Tuopu Group”), including the parent company's and the consolidated balance sheet dated December 31, 2020, the parent company's and the consolidated income statement, the parent company's and the consolidated cash flow statement and the parent company's and the consolidated statement of changes in owners' equity for the year 2020 ended, as well as the notes to relevant financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with “Accounting Standards for Business Enterprises”, which fairly reflected the consolidated and the parent company's financial position of Ningbo Tuopu Group Co., Ltd. as at December 31, 2020 and the consolidated and the parent company's operating results and cash flows for the year 2020 ended.

#### II. Basis for Our Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants in China. Our responsibilities under those standards are further described in the CPA's Responsibilities for the Audit of the Financial Statements section of our report. According to the “Code of Ethics for Chinese Certified Public Accountants”, we are independent of Tuopu and 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 audit opinions.

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified during the audit are summarized as follows:

Key Audit Matters	How the matter was addressed in the audit
<b>(1) Recognition of revenue</b>	
<p>More details about the accounting policies for revenue recognition and the analysis of revenue are available in the accounting policies as referred to in Note 38 of “V. Significant Accounting Policies and Accounting Estimates” and Note 61 of “VII. Notes to Items of the Consolidated Financial Statements”.</p> <p>In 2020, Tuopu Group's income from main business operations is RMB 6,293,917,500.</p> <p>Because revenue is one of the key performance indexes of Tuopu Group, there is an inherent risk of management manipulating</p>	<p>Our main audit procedures for the above key audit matters related to recognition of revenue are as described below:</p> <ol style="list-style-type: none"> <li>1. Understand the internal control system in relation to revenue recognition and the design and implementation of the financial accounting system, and test the effectiveness of its operation;</li> <li>2. We understand and evaluate whether the revenue recognition policy of the Company is appropriate or not by reviewing sales contracts and interviews with management;</li> <li>3. Perform an analytical review of revenue and gross profit based on product types and customer types, and</li> </ol>

<p>the time point of revenue recognition in order to achieve specific goals or expectations. In this regard, we regard Tuopu Group's revenue recognition as a key audit matter.</p>	<p>determine whether there are abnormal fluctuations in the amount of revenue during the current period;</p> <p>4. Classify sales regions, select samples from the income transactions as recorded in respect of this year, check invoices, sales contracts, delivery orders, customs declaration forms, B/Ls and other supporting documents, and evaluate whether the relevant revenue recognition complies with the revenue recognition accounting policies of the Company;</p> <p>5. Conduct cut-off test on the operating income recognized before and after the balance sheet date in order to evaluate whether the operating income is recognized in the appropriate period;</p> <p>6. Make external confirmation of the account receivable balance and sales of major customers, and confirm whether the account receivable balance at the end of the period and the current income amount are true and accurate;</p> <p>7. Check whether the information related to operating income has been properly presented in the financial statements.</p>
<p><b>(2) Impairment of goodwill</b></p>	
<p>The details and analysis of the accounting policies for impairment of goodwill are available in the accounting policies as referred to in Note 30 of "V. Significant Accounting Policies and Accounting Estimates" and Note 28 of "VII. Notes to Items of the Consolidated Financial Statements".</p> <p>As of December 31, 2020, the original book value of Tuopu Group's goodwill is RMB 286,784,900, and the amount of provision for impairment is RMB 33,474,800.</p> <p>The management conducts an impairment test on the goodwill formed by the business combination at the end of each year. The result of the impairment test of goodwill is</p>	<p>Our main audit procedures in respect of the above key audit matters related to the impairment of goodwill are as follows:</p> <p>1. We evaluate and test the effectiveness of the design and implementation of internal controls related to the goodwill impairment test, including the adoption of key assumptions and the review and approval of the amount of impairment provision;</p> <p>2. Referring to industry practices, assess the appropriateness of the valuation method used by the management for cash flow forecasts;</p> <p>3. Comparing key input values such as revenue growth rate, perpetual growth rate and cost increase with past performance, perform prudent evaluation on the key assumptions and judgments used in preparing</p>



<p>fixed by the estimation report of relevant asset group recoverable value as prepared by the management. The recoverable amount of the relevant asset group is calculated and fixed by the present value of the estimated future cash flow. The discounted cash flow forecasts are prepared by using major judgments and estimates, especially determining the growth rate during the forecast period, perpetual growth rate, gross profit margin, discount rate.</p> <p>Since the process of goodwill impairment test is very complex, which relates to significant management estimates and judgments, we regard the impairment of goodwill as a key audit matter.</p>	<p>discounted cash flow forecasts;</p> <p>4. Discuss with the management and others about the reasonableness of the methods used in the process of goodwill impairment test, the assumptions of key assessments, the selection of parameters, the forecast of future income and the discount rate of cash flow;</p> <p>5. Conduct a retrospective review by comparing the forecast of the previous year with the performance of this year to assess the reliability and historical accuracy of the management's forecasting process;</p> <p>6. Evaluate the competence, professionalism and objectivity of the specialists appointed by the management, and reach a consensus on the content of their works;</p> <p>7. Check whether the information related to the impairment of goodwill has been properly presented and disclosed in the financial statements.</p>
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#### IV. Other Information

The management of Tuopu Group(hereinafter referred to as the Management) is responsible for the other information. The other information includes the information covered in Tuopu's annual report for the year 2020 ended, other than the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In combination with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining necessary internal control to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, the Management is responsible for assessing Tuopu's ability to continue operating, disclosing matters related to continuous operation (if applicable) and using the hypothesis of continuous operation unless there is a plan to liquidate, terminate operations or no other realistic options.

The management is responsible for supervising the financial reporting process of Tuopu.

#### VI. CPA's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the audit standards 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 made on the basis of these financial statements.

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

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

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

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

(4) Conclude on the appropriateness of using the going concern assumption by the Management. At the same time, draw a conclusion, based on the audit evidence obtained, on whether there is significant uncertainty in matters or situations that may cause major doubts about Tuopu's ability in continuous operation. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 information available up to the date of our audit report. However, future events or conditions may result in Tuopu's inability to continue operating.

(5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements fairly reflect the relevant transactions and events.

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

We have communicated with those charged with governance on such matters as the scope of audit as planned, the schedule and material audit findings, including the defects in the internal control that are worth paying attention to found in this audit.

We have also provided those charged with governance with a statement on observing the professional ethics related to independence, and communicated with those charged with governance on all the relationships and other matters that might be reasonably deemed to affect our independence, and relevant preventative measures (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BDO China Shu Lun Pan Certified Public Accountants LLP Chinese CPA: Zhu Wei**  
**(Special General Partnership) (Project partner)**

**Chinese CPA: Tang Wei**

**Shanghai, China**

**Date: 29 April 2021**

**II. Financial Statements****Consolidated Balance Sheet**

As of 31 December 2020

Prepared by: Ningbo Tuopu Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	2December 31, 2020	December 31, 2019
<b>Current assets:</b>			
Cash and Bank Balances	7.1	787,123,646.45	822,457,801.96
Deposit Reservation for Balance			
Loans to Banks and Other Financial Institutions			
Trading Financial Assets	7.2	176,111.00	780,000,000.00
Derivative Financial Assets			
Notes receivable	7.4	296,283,951.73	440,734,534.85
Accounts receivable	7.5	1,783,267,007.65	1,357,020,447.94
Receivables Financing	7.6	742,203,122.21	587,351,790.19
Prepayments	7.7	42,883,818.40	35,367,527.97
Premium Receivable			
Reinsurance Accounts Receivable			
Reinsurance Contract Reserves Receivable			
Other Receivables	7.8	31,087,166.38	13,981,969.00
Including: interest receivable			
Dividends Receivable			
Buying Back the Sale of Financial Assets			
Inventory	7.9	1,502,751,836.88	1,239,786,152.44
Contract Assets			
Holding for-sale assets			
Non-current Assets Due within 1 Year			
Other Current Assets	7.13	173,824,691.82	156,215,913.11
Subtotal of Current Assets		5,359,601,352.52	5,432,916,137.46
<b>Non-current Assets:</b>			
Granting of loans and advances			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	7.17	150,295,983.58	125,215,950.32
Investment in Other Equity Instruments			
Other Non-current Financial Assets			
Investment Property	7.20	31,603,418.12	30,960,256.31
Fixed Assets	7.21	4,248,257,966.73	3,941,027,638.25
Projects under Construction	7.22	943,993,396.96	611,737,763.71
Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets			
Intangible Assets	7.26	678,561,105.86	605,767,648.14
Development Expenditure			
Goodwill	7.28	253,310,074.24	253,310,074.24

Long-term unamortized expenses	7.29	57,679,259.94	58,311,175.02
Deferred Income Tax Assets	7.30	94,968,559.88	77,212,058.81
Other Non-current Assets	7.31	296,957,402.06	97,855,571.08
Total Non-current Assets		6,755,627,167.37	5,801,398,135.88
Total Assets		12,115,228,519.89	11,234,314,273.34
<b>Current Liabilities:</b>			
Short-term loan	7.32	400,378,888.89	500,318,635.16
Borrowings from the Central Bank			
Borrowings from Banks and Other Financial Institutions			
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable	7.35	1,471,327,551.91	1,184,846,663.26
Accounts Payable	7.36	1,898,255,116.17	1,458,517,214.69
Received Prepayments	7.37		24,717,751.02
Contract liabilities	7.38	22,685,660.41	
Financial Assets Sold for Repurchase			
Deposit Taking and Interbank Deposit			
Receiving from Vicariously Traded Securities			
Receiving from Vicariously Sold Securities			
Payroll payable	7.39	138,292,361.67	118,780,048.70
Tax Payable	7.40	82,865,303.29	68,557,861.25
Other Payables	7.41	15,722,105.17	8,181,531.69
Including: interest payable			
Dividends Payable			
Service Charge and Commission Payable			
Reinsurance Accounts Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year	7.43		62,837,810.76
Other Current Liabilities	7.44	1,507,896.52	
Subtotal of Current Liabilities		4,031,034,884.03	3,426,757,516.53
<b>Non-current Liabilities:</b>			
Insurance Contract Reserves			
Long-term loan	7.45		182,500,000.00
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities			
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income	7.51	214,204,302.56	172,340,145.15
Deferred Income Tax Liabilities	7.30	51,907,987.42	48,067,326.66
Other Non-current Liabilities			
Total Non-current Liabilities		266,112,289.98	402,907,471.81
Total Liabilities		4,297,147,174.01	3,829,664,988.34
<b>Owners' Equity (or Shareholders')</b>			

<b>Equity):</b>			
Paid-in capital (or share Capital)	7.53	1,054,987,749.00	1,054,987,749.00
Other Equity Instruments			
Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves	7.55	3,409,439,863.07	3,409,439,863.07
Less: Treasury Share			
Other Comprehensive Incomes	7.57	-20,631,668.74	-4,380,983.53
Special Reserves			
Surplus Reserves	7.59	474,769,630.86	412,680,608.91
General Risk Reserves			
Undistributed Profits	7.60	2,868,429,319.48	2,502,765,125.43
Total Shareholders' Equity Attributable to the Parent Company		7,786,994,893.67	7,375,492,362.88
Minority Shareholders' Equity		31,086,452.21	29,156,922.12
Total Shareholders' Equity		7,818,081,345.88	7,404,649,285.00
Total Liabilities and Shareholders' Equity		12,115,228,519.89	11,234,314,273.34

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution  
Officer: Hong Tieyang

### Balance Sheet of the Parent Company

As of 31 December 2020

Prepared by: Ningbo Tuopu Group Co., Ltd.

Unit: Yuan    Currency: RMB

Item	Note	December 31, 2020	December 31, 2019
<b>Current Assets:</b>			
Cash and Bank Balances		191,701,837.06	381,471,584.55
Trading Financial Assets			780,000,000.00
Derivative Financial Assets			
Notes receivable			
Accounts receivable	17.1	1,840,937,312.96	1,251,021,599.94
Receivables Financing			
Prepayments		20,784,751.77	15,387,320.53
Other Receivables	17.2	76,146,034.58	49,355,223.60
Including: interest receivable			
Dividends Receivable			
Inventory		658,887,785.40	569,539,150.24
Contract Assets			
Holding for-sale assets			
Non-current Assets Due within 1 Year			
Other Current Assets			
Subtotal of Current Assets		2,788,457,721.77	3,046,774,878.86
<b>Non-current Assets:</b>			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	17.3	4,071,774,944.06	3,437,103,706.24
Investment in Other Equity			

Instruments			
Other Non-current Financial Assets			
Investment Property		31,603,418.12	30,960,256.31
Fixed Assets		2,125,534,955.22	2,163,880,764.04
Projects under Construction		324,037,109.77	255,670,050.01
Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets			
Intangible Assets		261,540,370.50	263,906,427.20
Development Expenditure			
Goodwill			
Long-term unamortized expenses		18,012,648.52	24,317,606.15
Deferred Income Tax Assets		33,565,021.69	25,299,141.67
Other Non-current Assets		53,576,040.76	28,726,157.69
Total Non-current Assets		6,919,644,508.64	6,229,864,109.31
Total Assets		9,708,102,230.41	9,276,638,988.17
<b>Current Liabilities:</b>			
Short-term loan		400,378,888.89	500,318,635.16
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable		165,480,933.26	
Accounts Payable		1,070,753,965.63	886,276,735.51
Received Prepayments			10,850,973.20
Contract liabilities		1,448,964.90	
Payroll payable		73,653,497.54	63,291,315.71
Tax Payable		54,138,713.22	43,013,189.57
Other Payables		5,126,892.30	31,414,682.50
Including: interest payable			
Dividends Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year			62,837,810.76
Other Current Liabilities		188,365.44	
Subtotal of Current Liabilities		1,771,170,221.18	1,598,003,342.41
<b>Non-current Liabilities:</b>			
Long-term loan			182,500,000.00
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities			
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income		70,962,922.25	53,152,160.61
Deferred Income Tax Liabilities		28,630,095.25	26,087,040.58
Other Non-current Liabilities			
Subtotal of Non-current Liabilities		99,593,017.50	261,739,201.19
Total Liabilities		1,870,763,238.68	1,859,742,543.60
<b>Owners' Equity (or Shareholders' Equity):</b>			
Paid-in Capital (or Share Capital)		1,054,987,749.00	1,054,987,749.00
Other Equity Instruments			
Including: Preferred Stocks			

Perpetual Bonds			
Capital Reserves		3,409,439,863.07	3,409,439,863.07
Less: Treasury Share			
Other Comprehensive Incomes			
Special Reserves			
Surplus Reserves		474,769,630.86	412,680,608.91
Undistributed Profits		2,898,141,748.80	2,539,788,223.59
Total Owners' Equity (or Shareholders' Equity)		7,837,338,991.73	7,416,896,444.57
Total Liabilities and Owners' Equity (or Shareholders' Equity)		9,708,102,230.41	9,276,638,988.17

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

### Consolidated Income Statement

For the Period from January 2020 to December 2020

Unit: Yuan    Currency: RMB

Item	Note	2020	2019
<b>I. Total Operating Revenue</b>		6,511,094,914.05	5,358,953,813.60
Including: Operating Revenue	7.61	6,511,094,914.05	5,358,953,813.60
Interest Income			
Earned Premiums			
Service Charge and Commission Income			
<b>II. Total Operating Cost</b>		5,848,025,496.26	4,834,412,471.77
Including: Operating Cost	7.61	5,034,014,528.39	3,949,993,344.06
Interest Expenditures			
Service Charge and Commission Expenses			
Surrender Value			
Net Claims Paid			
Net Amount of Withdrawn Reserve for Insurance Liability Contract			
Policyholder Dividend Expense			
Reinsurance Cost			
Taxes and Surcharges	7.62	58,072,530.91	50,291,733.24
Sales Expenses	7.63	123,896,252.24	287,078,723.04
Administration expenses	7.64	233,071,874.47	229,643,454.40
Research and development expense	7.65	354,851,747.66	314,307,191.22
Financial Expenses	7.66	44,118,562.59	3,098,025.81
Including: interest expenses		19,744,058.04	28,508,893.08
Interest Income		17,108,552.05	24,504,258.91
Add: Other income	7.67	33,135,066.17	26,527,210.85
Investment Income (Mark "-" for Loss)	7.68	43,244,216.77	51,436,523.06
Including: Investment Income from Affiliates and Joint Ventures		25,080,033.26	24,507,700.52
Profits from derecognition of Financial Assets at Amortized Cost			
Exchange Gains (Mark "-" for Losses)			
Profit of Net Exposure Hedging (Mark "-" for Loss)			
Incomes from changes in fair value			

(losses marked with "-")			
Credit Impairment Losses (Mark "-" for Loss)	7.71	-19,654,766.99	-15,023,695.09
Asset Impairment Losses (Mark "-" for Loss)	7.72	-22,439,872.62	-50,422,877.45
Asset Disposal Income (Mark "-" for Loss)	7.73	8,747,482.63	-5,522,498.81
III. Operating Profit (Mark "-" for Loss)		706,101,543.75	531,536,004.39
Add: Non-operating Revenues	7.74	5,654,672.25	1,290,893.65
Less: Non-operating Expenses	7.75	1,670,025.65	4,074,491.48
IV. Total Profit (Mark "-" for Total Loss)		710,086,190.35	528,752,406.56
Less: Income Tax Expense	7.76	79,951,976.75	68,705,774.54
V. Net Profit (Mark "-" for Net Loss)		630,134,213.60	460,046,632.02
(1) Classified by operation continuity			
1. Net Profit as a Going Concern (Mark "-" for Net Loss)		630,134,213.60	460,046,632.02
2. Net Profit of Discontinued Operation (Mark "-" for Net Loss)			
(2). Classified by the attribution of ownership			
1. Net Profit Attributable to Shareholders of Parent Company		628,200,888.31	456,205,818.45
2. Minority Shareholders' Profit and Loss		1,933,325.29	3,840,813.57
VI. Net Amount of Other Comprehensive Incomes after Tax		-16,254,480.41	-1,678,822.61
(1) Net Amount of Other Comprehensive Incomes after Tax Attributable to the Parent Company's Owner		-16,250,685.21	-1,787,225.14
1, Other comprehensive income that cannot be reclassified as P/L			
(1) Re-measure the variation of the defined benefit plan			
(2) Other comprehensive income that cannot be transferred to P/L under the equity method			
(3) Changes in the fair value of investment in other equity instruments			
(4) Changes in the fair value of the credit risk of the enterprise			
2. Other comprehensive income that will be reclassified as P/L		-16,250,685.21	-1,787,225.14
(1) Other comprehensive income that can be transferred to P/L under the equity method			
(2) Changes in the fair value of investment in other creditor's rights			
(3) Financial assets reclassified into other comprehensive income			
(4) Provisions for the credit impairment of investment in other creditor's rights			
(5) Cash flow hedge reserves			
(6) Currency translation difference		-16,250,685.21	-1,787,225.14
(7) Others			
(2) Net Amount of Other Comprehensive Incomes After Tax Attributable to Minority Shareholders		-3,795.20	108,402.53



VII. Total Comprehensive Income		613,879,733.19	458,367,809.41
(1) Total Comprehensive Income Attributable to the Parent Company's Owner		611,950,203.10	454,418,593.31
(2) Total Comprehensive Income Attributable to Minority Shareholders		1,929,530.09	3,949,216.10
VIII. Earnings per Share:			
(1) Basic Earnings per Share		0.60	0.43
(2) Diluted Earnings per Share		0.60	0.43

If there is a business combination under the same control in the current period, the net profit earned by the combined party before the combination is: RMB 0, and the net profit earned by the combined party in the previous period is: RMB 0.

Legal Representative: Wu Jianshu Accounting Work Officer: Hong Tieyang Accounting Institution Officer: Hong Tieyang

### Income Statement of the Parent Company

For the Period from January 2020 to December 2020

Unit: Yuan Currency: RMB

Item	Note	2020	2019
I. Operating Revenue	XVII.4	3,812,588,627.87	3,471,451,830.55
Less: Operating Cost	XVII.4	2,834,521,118.72	2,521,299,294.61
Taxes and Surcharges		34,558,652.15	27,102,285.18
Sales Expenses		3,458,522.18	47,128,965.03
Administration expenses		116,526,814.41	107,566,520.28
Research and development expense		291,842,003.68	251,484,563.46
Financial Expenses		14,801,082.01	13,143,010.17
Including: interest expenses		19,206,506.13	28,474,119.42
Interest Income		4,849,517.72	15,930,424.41
Add: Other income		14,345,810.36	9,863,172.06
Investment Income (Mark "-" for Loss)	XVII.5	180,416,534.81	49,915,639.66
Including: Investment Income from Affiliates and Joint Ventures		25,080,033.26	24,507,700.52
Profits from Derecognition of Financial Assets at Amortized Cost			
Profit of Net Exposure Hedging (loss in "-")			
Incomes from changes in fair value (loss in "-")			
Credit Impairment Losses (loss in "-")		-38,718,677.92	-13,484,285.65
Asset Impairment Losses (loss in "-")		-5,058,272.24	-14,824,404.44
Asset Disposal Income (loss in "-")		-601,831.86	-5,558,792.96
II. Operating Profit (loss in "-")		667,263,997.87	529,638,520.49
Add: Non-operating Revenues		1,864,571.67	57,956.38
Less: Non-operating Expenses		448,631.07	2,942,718.95
III. Total Profit (total loss in "-")		668,679,938.47	526,753,757.92
Less: Income Tax Expense		47,789,719.00	61,114,737.93
IV. Net Profit (Mark for Net Loss)		620,890,219.47	465,639,019.99
(I) Net Profit as a Going Concern (net loss in "-")		620,890,219.47	465,639,019.99
(II) Net Profit of Discontinued Operation (net loss in "-")			
V. Net Amount of Other Comprehensive Incomes After Tax			
(1) Other comprehensive income that			

cannot be reclassified as P/L			
1. Re-measure the variation of the defined benefit plan			
2. Other comprehensive income that cannot be transferred to P/L under the equity method			
3. Changes in the fair value of investment in other equity instruments			
4. Changes in the fair value of the credit risk of the enterprise			
(2) Other comprehensive income that will be reclassified as P/L			
1. Other comprehensive income that can be transferred to P/L under the equity method			
2. Changes in the fair value of investment in other creditor's rights			
3. Financial assets reclassified into other comprehensive income			
4. Provisions for the credit impairment of investment in other creditor's rights			
5. Cash flow hedge reserves			
6. Currency translation difference			
7. Others			
VI. Total Comprehensive Income		620,890,219.47	465,639,019.99
VII. Earnings per Share:			
(I) Basic Earnings per Share		0.59	0.44
(II) Diluted Earnings per Share		0.59	0.44

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

**Consolidated Cash Flow Statement**  
For the Period from January 2020 to December 2020

Unit: Yuan    Currency: RMB

Item	Note	2020	2019
I. Cash Flow Generated by Operational Activities:			
Cash from Sales of Merchandise and Provision of Services		6,530,642,868.71	5,881,514,603.58
Net Increase in Customer's Bank Deposits and Interbank Deposits			
Net Increase in Borrowings from the Central Bank			
Net Increase in Borrowings from Other Financial Institutions			
Cash Arising from Receiving Premiums for the Original Insurance Contract			
Net Amount Arising from Reinsurance Business			
Net Increase in Deposits and Investments from Policyholders			
Cash Arising from Interests, Service Charges and Commissions			
Net Increase in Borrowings from Banks and Other Financial Institutions			

Net Increase in Repurchase Business Funds			
Net Amount of Cash Received from the Vicariously Traded Securities			
Tax Refund		181,015,889.86	190,669,266.10
Other Received Cashes Related to Operational Activities	VII.7 8	120,356,568.18	94,979,182.94
Subtotal of cash inflow from operational activities		6,832,015,326.75	6,167,163,052.62
Cash Paid for Merchandise and Services		4,171,704,603.08	3,457,045,690.09
Net Increase in Loans and Advances to Customers			
Net Increase in Deposits with Central Bank and Other Financial Institutions			
Cash Paid for Original Insurance Contract Claims			
Net increase of funds lent			
Cash Paid for Interests, Service Charges and Commissions			
Cash Paid for Policy Dividends			
Cash Paid to and for Employees		863,443,268.09	739,569,655.01
Cash Paid for Taxes and Surcharges		339,305,713.24	270,854,621.73
Other Paid Cashes Related to Operational Activities	VII.7 8	333,876,162.33	460,271,726.39
Subtotal of cash outflow from operational activities		5,708,329,746.74	4,927,741,693.22
Net cash flow generated by operating activities		1,123,685,580.01	1,239,421,359.40
<b>II. Cash Flow from Investment Activities:</b>			
Cash Arising from Disposal of Investments		1,678,164,183.51	2,671,428,822.54
Cash Arising from Investment Incomes			
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		20,542,230.33	1,266,764.21
Net Cash Arising from Disposal of Subsidiaries and Other Business Units			
Other Received Cashes Related to Investment Activities			
Subtotal of cash inflow from investment activities		1,698,706,413.84	2,672,695,586.75
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		1,405,987,218.49	939,849,836.70
Cash Paid for Investments		880,000,000.00	2,727,000,000.00
Net Increase in Pledge Loans			
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units			32,100,000.00
Other Paid Cashes Related to Investment Activities			
Subtotal of Cash Outflow from Investment Activities		2,285,987,218.49	3,698,949,836.70
Net amount of cash flow generated by investment activities		-587,280,804.65	-1,026,254,249.95
<b>III. Cash Flow from Financing Activities:</b>			
Cash Arising from Absorbing			

Investments			
Including: Cash Arising from Subsidiaries Absorbing Investments by Minority Shareholders			
Cash Arising from Borrowings		576,775,000.00	532,000,000.00
Other Received Cashes Related to Financing Activities			
Subtotal of cash inflow from financing activities		576,775,000.00	532,000,000.00
Cash Paid for Debts Repayment		921,675,000.00	445,000,000.00
Cash Paid for Distribution of Dividends and Profits or Payment of Interests		220,060,874.38	328,140,065.30
Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries			
Other Paid Cashes Related to Financing Activities			
Subtotal of cash outflow from financing activities		1,141,735,874.38	773,140,065.30
Net cash flow generated by financing activities		-564,960,874.38	-241,140,065.30
<b>IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents</b>		-11,759,547.02	11,482,675.93
<b>V. Net Increase in Cash and Cash Equivalents</b>		-40,315,646.04	-16,490,279.92
Add: Cash and Cash Equivalents at the Commencement of the Period		715,182,068.12	731,672,348.04
<b>VI. Cash and Cash Equivalents at the End of the Period</b>		674,866,422.08	715,182,068.12

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

**Cash Flow Statement of the Parent Company**  
For the Period from January 2020 to December 2020

Unit: Yuan    Currency: RMB

Item	Note	2020	2019
<b>I. Cash Flow Generated by Operational Activities:</b>			
Cash from Sales of Merchandise and Provision of Services		2,328,443,759.77	2,456,914,650.08
Tax Refund			12,413,742.54
Other Received Cashes Related to Operational Activities		52,156,057.09	50,231,719.37
Subtotal of cash inflow from operational activities		2,380,599,816.86	2,519,560,111.99
Cash Paid for Merchandise and Services		1,086,508,531.20	753,950,126.40
Cash Paid to and for Employees		477,432,560.14	414,522,563.71
Cash Paid for Taxes and Surcharges		244,443,630.66	194,690,785.38
Other Paid Cashes Related to Operational Activities		198,896,378.47	195,358,401.90
Subtotal of cash outflow from operational activities		2,007,281,100.47	1,558,521,877.39
Net cash flow generated by operating activities		373,318,716.39	961,038,234.60
<b>II. Cash Flow from Investment</b>			

<b>Activities:</b>			
Cash Arising from Disposal of Investments		1,691,336,501.55	2,449,907,939.14
Cash Arising from Investment Incomes		150,000,000.00	
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		128,809,847.55	108,441,556.92
Net Cash Arising from Disposal of Subsidiaries and Other Business Units			
Other Received Cashes Related to Investment Activities		16,003,000.00	
Subtotal of cash inflow from investment activities		1,986,149,349.10	2,558,349,496.06
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		418,264,872.95	468,426,007.27
Cash Paid for Investments		1,515,591,204.56	2,947,003,013.09
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units			
Other Paid Cashes Related to Investment Activities		50,050,000.00	11,950,000.00
Subtotal of Cash Outflow from Investment Activities		1,983,906,077.51	3,427,379,020.36
Net amount of cash flow generated by investment activities		2,243,271.59	-869,029,524.30
<b>III. Cash Flow from Financing Activities:</b>			
Cash Arising from Absorbing Investments			
Cash Arising from Borrowings		400,000,000.00	532,000,000.00
Other Received Cashes Related to Financing Activities			
Subtotal of cash inflow from financing activities		400,000,000.00	532,000,000.00
Cash Paid for Debts Repayment		744,900,000.00	445,000,000.00
Cash Paid for Distribution of Dividends and Profits or Payment of Interest		220,031,735.47	328,105,291.64
Other Paid Cashes Related to Financing Activities			
Subtotal of cash outflow from financing activities		964,931,735.47	773,105,291.64
Net cash flow generated by financing activities		-564,931,735.47	-241,105,291.64
<b>IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents</b>			
<b>V. Net Increase in Cash and Cash Equivalents</b>		-189,369,747.49	-149,096,581.34
Add: Cash and Cash Equivalents at the Commencement of the Period		381,071,584.55	530,168,165.89
<b>VI. Cash and Cash Equivalents at the End of the Period</b>		191,701,837.06	381,071,584.55

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

**Consolidated Statement of Changes in Owners' Equity**  
For the Period from January 2020 to December 2020

Unit: Yuan Currency: RMB

Item	2020													Minority Shareholders' Equity	Total Shareholders' Equity
	Shareholders' Equity Attributable to the Parent Company's Owner											Subtotal			
	Paid-in Capital (or Share Capital)	Other Equity Instruments			Capital Reserves	Less: Treasury Shares	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	General Risk Reserves	Undistributed Profits		Others		
	Preferred Stocks	Perpetual Bonds	Others												
I. Balance at the End of Last Year	1,054,987,749.00				3,409,439,863.07		-4,380,983.53		412,680,608.91		2,502,765,125.43		7,375,492,362.88	29,156,922.12	7,404,649,285.00
Add: Changes in Accounting Policies															
Correction of Errors in the Previous Period															
Consolidated under the Same Control															
Others															
II. Balance at the Start of This Year	1,054,987,749.00				3,409,439,863.07		-4,380,983.53		412,680,608.91		2,502,765,125.43		7,375,492,362.88	29,156,922.12	7,404,649,285.00
III. Increases or Decreases in This Period (Decreases in "-")							-16,250,685.21		62,089,021.95		365,664,194.05		411,502,530.79	1,929,530.09	413,432,060.88
(I) Total Comprehensive Income							-16,250,685.21				628,200,888.31		611,950,203.10	1,929,530.09	613,879,733.19



to Owners (or Shareholders)															
4. Others															
(IV) Internal Carry-forward of Shareholders' Equity															
1. Capital Reserves Transferred into Capital (or Share Capital)															
2. Surplus Reserves Transferred into Capital (or Share Capital)															
3. Surplus Reserves Covering Losses															
4. Carry-forward retained earnings of the variation of the defined benefit plan															
5. Other Carry-forward Retained Earnings of the															





Same Control															
Others															
II. Balance at the Start of This Year	727,577,758.00				3,736,849,854.07		-2,593,758.39		366,116,706.91		2,392,885,245.28		7,220,835,805.87	25,207,706.02	7,246,043,511.89
III. Increases or Decreases in This Period (Decreases in “-“)	327,409,991.00				-327,409,991.00		-1,787,225.14		46,563,902.00		109,879,880.15		154,656,557.01	3,949,216.10	158,605,773.11
(I) Total Comprehensive Income							-1,787,225.14				456,205,818.45		454,418,593.31	3,949,216.10	458,367,809.41
(II) Shareholders' Contribution and Reduction in Capital															
1. Common stock invested by the owner															
2. Capital Invested by Holders of Other Equity Instruments															
3. Amount of Share-based Payments Recorded into Shareholders' Equity															

4. Others															
(III) Profit Distribution								46,563,902.00		-346,325,938.30		-299,762,036.30		-299,762,036.30	
1. Appropriation of Surplus Reserves								46,563,902.00		-46,563,902.00					
2. Appropriation of General Risk Reserves															
3. Distribution to Owners (or Shareholders)										-299,762,036.30		-299,762,036.30		-299,762,036.30	
4. Others															
(IV) Internal Carry-forward of Shareholders' Equity	327,409,991.00					-327,409,991.00									
1. Capital Reserves Transferred into Capital (or Share Capital)	327,409,991.00					-327,409,991.00									
2. Surplus Reserves Transferred into Capital (or Share Capital)															
3. Surplus Reserves Covering															

Losses															
4. Carry-forward retained earnings of the variation of the defined benefit plan															
5. Other Carry-forward Retained Earnings of the Comprehensive Income															
6. Others															
(V) Special Reserves															
1. Withdrawal in this period															
2. Used in this period															
(VI) Others															
IV. Balance at the End of This Period	1,054,987,749.00				3,409,439,863.07		-4,380,983.53		412,680,608.91		2,502,765,125.43		7,375,492,362.88	29,156,922.12	7,404,649,285.00

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang

**Statement of Changes in Owners' Equity of the Parent Company**  
For the Period from January 2020 to December 2020

Unit: Yuan    Currency: RMB

Item	2020										
	Paid-in Capital (or Share Capital)	Other Equity Instruments			Capital Reserves	Less: Treasury Share	Other Comprehensive	Special Reserves	Surplus Reserves	Undistributed Profits	Total Shareholders' Equity
		Preferred Stocks	Perpetual Bonds	Others							

							Income s				
I. Balance at the End of Last Year	1,054,987,749.00				3,409,439,863.07				412,680,608.91	2,539,788,223.59	7,416,896,444.57
Add: Changes in Accounting Policies											
Correction of Errors in the Previous Period											
Others											
II. Balance at the Start of This Year	1,054,987,749.00				3,409,439,863.07				412,680,608.91	2,539,788,223.59	7,416,896,444.57
III. Increases or Decreases in This Period (Decreases in “-“)									62,089,021.95	358,353,525.21	420,442,547.16
(1) Total comprehensive income										620,890,219.47	620,890,219.47
II) Shareholders' Contribution and Reduction in Capital											
1. Common stock invested by the owner											
2. Capital Invested by Holders of Other Equity Instruments											
3. Amount of Share-based Payments Recorded into Shareholders' Equity											
4. Others											
(III) Profit Distribution									62,089,021.95	-262,536,694.26	-200,447,672.31
1. Appropriation of Surplus Reserves									62,089,021.95	-62,089,021.95	
2. Distribution to Owners (or Shareholders)										-200,447,672.31	-200,447,672.31
3. Others											
(IV) Internal											

Carry-forward of Shareholders' Equity											
1. Capital Reserves Transferred into Capital (or Share Capital)											
2. Surplus Reserves Transferred into Capital (or Share Capital)											
3. Surplus Reserves Covering Losses											
4. Carry-forward retained earnings of the variation of the defined benefit plan											
5. Other Carry-forward Retained Earnings of the Comprehensive Income											
6. Others											
(V) Special Reserves											
1. Withdrawal in this period											
2. Used in This Period											
(VI) Others											
IV. Balance at the End of This Period	1,054,987,749.00				3,409,439,863.07				474,769,630.86	2,898,141,748.80	7,837,338,991.73

Item	2019										
	Paid-in Capital (Or Share Capital)	Other Equity Instruments			Capital Reserves	Less: Treasury Share	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	Undistributed Profits	Total Shareholders' Equity
		Preferred Stocks	Perpetual Bonds	Others							
I. Balance at the End of Last Year	727,577,758.00				3,736,849,854.07				366,116,706.91	2,420,475,141.90	7,251,019,460.88
Add: Changes in Accounting Policies											

Correction of Errors in the Previous Period											
Others											
II. Balance at the Start of This Year	727,577,758.00				3,736,849,854.07				366,116,706.91	2,420,475,141.90	7,251,019,460.88
III. Increases or Decreases in This Period (Decreases in “-“)	327,409,991.00				-327,409,991.00				46,563,902.00	119,313,081.69	165,876,983.69
(I) Total Comprehensive Income										465,639,019.99	465,639,019.99
(II) Shareholders' Contribution and Reduction in Capital											
1. Common stock invested by the owner											
2. Capital Invested by Holders of Other Equity Instruments											
3. Amount of Share-based Payments Recorded into Shareholders' Equity											
4. Others											
(III) Profit Distribution									46,563,902.00	-346,325,938.30	-299,762,036.30
1. Appropriation of Surplus Reserves									46,563,902.00	-46,563,902.00	
2. Distribution to Owners (or Shareholders)										-299,762,036.30	-299,762,036.30
3. Others											
(IV) Internal Carry-forward of Shareholders' Equity	327,409,991.00				-327,409,991.00						
1. Capital Reserves Transferred into Capital (or Share Capital)	327,409,991.00				-327,409,991.00						

2. Surplus Reserves Transferred into Capital (or Share Capital)											
3. Surplus Reserves Covering Losses											
4. Carry-forward retained earnings of the variation of the defined benefit plan											
5. Other Carry-forward Retained Earnings of the Comprehensive Income											
6. Others											
(V) Special Reserves											
1. Withdrawal in this period											
2. Used in this period											
(VI) Others											
IV. Balance at the End of This Period	1,054,987,749.00				3,409,439,863.07				412,680,608.91	2,539,788,223.59	7,416,896,444.57

Legal Representative: Wu Jianshu    Accounting Work Officer: Hong Tieyang    Accounting Institution Officer: Hong Tieyang



### III. Basic Information about the Company

#### 1. Company Profile

√Applicable Non-applicable

Ningbo Tuopu Group Co., Ltd. (hereinafter referred to as "Company" or "The Company"), a company limited by shares changed from Ningbo Tuopu Brake System Co., Ltd., incorporated by MECCA INTERNATIONAL HOLDING (HK) LIMITED, Ningbo Jinlun Equity Investment Partnership (Limited Partnership) and Ningbo Jinrun Equity Investment Partnership (Limited Partnership), holder of the Corporate Business License (Registration No.: 91330200761450380T), listed on Shanghai Stock Exchange (SSE) in March 2015, is specialized in manufacturing - automobile manufacturing.

As of December 31, 2020, the Company has issued a total of 1,054,987,749 shares, with a registered capital of RMB 1,054,987,749 million, registered address: 268 Yuwangshan Road, Daqi Street, Beilun District, Ningbo, Zhejiang, headquartered in 268 Yuwangshan Road, Daqi Street, Beilun District, Ningbo, Zhejiang, is engaged in production and sales of automobile parts. MECCA INTERNATIONAL HOLDING (HK) LIMITED is the parent company of the Company is, and Wu Jianshu is the actual controller of the Company.

This financial statement was approved for release by the Board of Directors on April 19, 2021.

#### 2. Scope of consolidated statement

√Applicable Non-applicable

As of December 31<sup>st</sup>, 2020, the subsidiaries included in the scope of consolidated statement of the Company are as follows:

Name of Subsidiary
1. Ningbo Tuopu Import and Export Co., Ltd. (hereinafter referred to as "Tuopu Imp&Exp.")
2. Ningbo Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Tuopu Parts")
3. Ningbo Tuopu Acoustics Vibration Technology Co., Ltd. (hereinafter referred to as "Tuopu Acoustics Vibration")
4. Yantai Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Yantai Tuopu")
5. Liuzhou Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Liuzhou Tuopu")
6. Shenyang Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Shenyang Tuopu")
7. Ningbo Tuopu Intelligent Brake System Co., Ltd. (hereinafter referred to as "Tuopu Intelligent Brake")
8. Tuopu North American Ltd (hereinafter referred to as " North American ")
9. Ningbo Qianhui Automobile Trim Parts Co., Ltd. (hereinafter referred to as "Ningbo Qianhui")
10. Tuopu North American USA Limited,INC (hereinafter referred to as " Tuopu North American USA")
11. Sichuan Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Sichuan Tuopu")
12. Wuhan Tuopu Maigao Automobile Parts Co., Ltd. (hereinafter referred to as "Wuhan Tuopu")
13. Pinghu Tuopu Special Fabric Co., Ltd. (hereinafter referred to as "Pinghu Tuopu")
14. Shanghai Towin Automotive Technology Co., Ltd. (hereinafter referred to as "Shanghai Towin")
15. Ningbo Tuopu Industrial Automation Co., Ltd. (hereinafter referred to as "Tuopu Industrial Automation")
16. Ningbo Tuopu Investment Co., Ltd. (hereinafter referred to as "Tuopu Investment")
17. Ningbo Yuxiang E-commerce Co., Ltd. (hereinafter referred to as "Yuxiang E-commerce")

Name of Subsidiary
18. Tuopu Group International Co., Ltd. (hereinafter referred to as "Tuopu International")
19. Baoji Tuopu Maigao Automobile Parts Co., Ltd. (hereinafter referred to as "Baoji Tuopu")
20. Taizhou Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Taizhou Tuopu")
21. Ningbo Tuopu Mechatronic System Co., Ltd. (hereinafter referred to as "Tuopu Mechatronic System")
22. Tuopu Do Brasil Autopeças Ltda. (hereinafter referred to as "Tuopu Brasil")
23. Tuopu Sweden Technology AB (hereinafter referred to as "Tuopu Sweden")
24. Jinzhong Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Jinzhong Tuopu")
25. Shenzhen Towin Automotive Technology Co., Ltd. (hereinafter referred to as "Shenzhen Towin")
26. Zhejiang Towin Automobile Parts Co., Ltd. (hereinafter referred to as "Zhejiang Towin")
27. Sichuan Maigao Automobile Parts Co., Ltd. (hereinafter referred to as "Sichuan Maigao")
28. Hunan Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Hunan Tuopu")
29. TUOPU (MALAYSIA) SDN.BHD. (hereinafter referred to as "Tuopu Malaysia")
30. Tuopu USA, LLC (hereinafter referred to as "Tuopu USA")
31. Ningbo Tuopu Chassis System Co., Ltd. (hereinafter referred to as "Tuopu Chassis")
32. Tuopu EV Thermal Management System (Ningbo) Co., Ltd. (hereinafter referred to as "Tuopu Thermal Management")

More details about the changes in the scope of consolidation are available in “VIII. Changes in the scope of consolidation”.

#### IV. Basis for Preparing the Financial Statement

##### 1. Basis for the preparation

The Company prepares the financial statement, as a going concern, based on transactions and matters that have actually occurred, in accordance with “Accounting Standards for Business Enterprises - Basic Standards” issued by the Ministry of Finance and all specific accounting standards, application guidelines for accounting standards for business enterprises, explanations on the accounting standards for business enterprises and other related regulations (hereinafter collectively as "Accounting Standards for Business Enterprises"), and the disclosure provisions in the “Preparation Rules for Information Disclosures by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports” issued by CSRC.

##### 2. Going concern

Applicable Non-applicable

The Company has the capability to continue as a going concern for at least 12 months as of the end of current reporting period, without any significant item affecting the capability for continuing as a going concern.

#### V. Significant Accounting Policies and Accounting Estimates

Notes to specific accounting policies and accounting estimates:

Applicable Non-applicable

The following disclosures cover the specific accounting policies and accounting estimates formulated by the Company according to the characteristics of its production and operation.

### **1. Statement on compliance with Accounting Standards for Business Enterprises**

This financial statement is in compliance with the requirements in the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance and presents truly and completely the financial position, operating results and cash flows of the Company.

### **2. Accounting Period**

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

### **3. Operating cycle**

Applicable Non-applicable

The Company's operating cycle is 12 months.

### **4. Functional currency**

The reporting currency is RMB ("RMB").

### **5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control**

Applicable Non-applicable

Business combination under common control: The assets and liabilities acquired by the merging party in business combination shall be measured at the book value of the assets, liabilities of the merged party (including goodwill incurred in the acquisition of the merged party by ultimate controlling party) in the consolidated financial statements of the ultimate controlling party on the date of combination. The difference between the book value of the net assets obtained and the book value of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to capital premium in capital reserve. Adjustments shall be made to retained earnings in the event that the share premiums in the capital reserves are not sufficient for write-down.

Business combinations involving entities not under common control: The assets paid and liabilities incurred or committed as a consideration of business combination by the merging party were measured at fair value on the date of acquisition and the difference between the fair value and its book value shall be charged to the profit or loss for the period. Where the cost of combination is higher than the fair value of the identifiable net assets acquired from the merging party in business combination, such difference shall be recognized as goodwill; where the cost of combination is less than the fair value of the identifiable net assets acquired from the merging party in business combination, such difference shall be charged to the profit or loss for the period. The identifiable assets, liabilities and contingent liabilities of the merged party obtained in business combination that meet the recognition conditions are measured at their fair values on the purchase date.

The fees which are directly related to the business combination shall be recognized as the profit or loss in the period when the costs are incurred; the transaction expenses of issuing equity securities or debt securities for business merger shall be initially capitalized for equity securities or debt securities.

### **6. Preparation method of consolidated financial statements**

Applicable Non-applicable

#### **(1). Scope of Consolidation**

The scope of consolidation of the consolidated financial statements is based on controlling interests and includes the Company and all the subsidiaries. Control means that the Company has the rights

over the investee, enjoys variable returns through participating in relevant activities of the investee, and has the ability to influence the amount of returns by exercising its rights over the investee.

## (2). Procedures of Consolidation

The Company regards the Enterprise Group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial position, operating result and cash flow of the Enterprise Group. The influence of internal transactions between the Company and the Subsidiaries and between the Subsidiaries shall be offset. Where internal transaction indicates the occurrence of impairment loss to relevant assets, such loss shall be recognized in full. In preparing the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries, the financial statements of subsidiaries are adjusted where necessary in accordance with the accounting policies and accounting period of the Company.

The owner's equity, the net profit or loss and the comprehensive income attributable to minority shareholders of a subsidiary of the current period are presented separately under the owners' equity in the consolidated balance sheet, the net profit and the total comprehensive income in the consolidated income statement respectively. Where losses attributable to the minority shareholders of a subsidiary of the current period exceed the minority shareholders' interest entitled in the shareholders' equity of the subsidiary at the beginning of the period, the excess is allocated against the minority shareholders interest.

### (1) Acquisition of subsidiaries or Business

For acquisition of subsidiaries or business due to business combination involving entities under common control during the reporting period, the operating results and cash flows of such subsidiaries or business from the beginning to the end of the reporting period when the acquisition occurs shall be included in the consolidated financial statements. Adjustments shall be made to the opening balance of the consolidated financial statements and the related items in the comparative statements simultaneously as if the consolidated reporting entity has been in existence since the beginning of the control by the ultimate controlling party.

Where the control over the investee under common control is made possible due to additional investment or other reasons, the equity investment held before gaining control of the combined party is recognized as relevant profit or loss, other comprehensive income and changes of other net assets at the later of the date of acquisition of the original equity and the date when the combining and the combined parties are under common control, and shall be written down to the opening retained earnings or current profit or loss in the comparative reporting period.

For acquisition of subsidiaries or business due to business combination involving entities not under common control during the reporting period, the identifiable assets, liabilities and contingent liabilities shall be included in the consolidated financial statements based on the fair value determined on the date of the acquisition.

In connection with imposing control over the investee not under joint control due to additional investment and other reasons, the equity of acquiree held before acquisition date shall be remeasured by the Company at the fair value of such equity on the acquisition date and the difference between fair value and book value shall be recognized as investment income in current period. Other comprehensive income related to the equity held by the Acquiree before the acquisition date which

can be reclassified into future profit or loss, and other changes of owners' equity accounted for under equity

## (2) Disposal of Subsidiaries or Business

### General Treatment

When losing control of the investee due to partial disposal of the equity investment, or any other reasons, the remaining equity investment is remeasured at fair value at the date in which control is lost. The sum of consideration received from disposal of equity investment and the fair value of the remaining equity investment, net of the difference between the sum of the Company's previous share of the subsidiary's net assets recorded from the acquisition date or combination date and the sum of goodwill, is recognized in investment income in the period in which control is lost. Other comprehensive income related to the equity investment of the original subsidiary that can be reclassified into future profit or loss, and other changes of owners' equity accounted for under equity method shall be recognized in investment income in the period in which control is lost.

### Disposal of Subsidiary Achieved by Stages

When disposal of equity interests of subsidiaries through multiple transaction until the control is lost, generally transactions in stages are treatment as a package deal in accounting if the transaction terms, conditions, and economic impact of disposal of the subsidiary's equity interests comply with one or more of the following:

- i. These transactions are achieved at the same time or the mutual effects on each other are considered;
- ii. A complete set of commercial results can be achieved with reference to the series of transactions as a whole;
- iii. Achieving a transaction depends on at least achieving of one of the other transaction;
- iv. One transaction recognized separately is not economical, but it is economical when considered together with other transactions.

When losing control of a subsidiary in disposal of equity interests through multiple transactions is recognized as a package deal, these transactions shall be in accounting treated as loss control of a subsidiary in disposal of equity interests achieved. However, the differences between price on each disposal and disposal of investment on the subsidiary's net assets shall be recognized in other comprehensive income in the consolidated financial statements, and included in profit or loss for the period when the control is lost.

When all transactions in disposal of equity interests of subsidiaries are not a package deal, accounting treatment for partial disposal of equity investments of subsidiary without losing control shall be applied before control is lost. When the control is lost, general accounting treatment for disposal of a subsidiary shall be used.

## (3) Acquisition of Minority Interest of Subsidiaries

The Company shall adjust the share premium in the capital reserve of the consolidated balance sheet with respect to any difference between the long-term equity investment arising from the purchase of minority interest and the net assets attributing to the parent company continuously calculated on the basis of the newly increased share proportion as of the acquisition date or date of combination, adjust the retained earnings if the share premium in the capital reserve is insufficient for write-down.

## (4) Partial Disposal of Equity Investment in Subsidiaries without Losing Control

Disposal price and disposal of long-term equity investment shall be entitled to the difference between the shares of the net assets of the subsidiaries calculated continuously from the date of purchase or acquisition. Adjustments shall be made to the equity premiums in the capital reserve of consolidated balance sheet. When the equity premiums in the capital reserve are not sufficient for write-down, the retained earnings shall be adjusted.

## 7. Classification of Joint Arrangement and Accounting Treatment Methods of Joint Operation

Applicable Non-applicable

Joint arrangement can be divided into joint operation and joint venture.

Joint operation refers to a joint arrangement in which the parties have rights to the assets and obligations for the liabilities relating to the joint operation.

The Company recognizes the following items related to the share of interests in the joint operation:

- (1) Recognize the assets held separately by the Company and the assets jointly held in accordance with the share of the Company;
  - (2) Recognize the liabilities assumed separately by the Company and the liabilities jointly assumed in accordance with the share of the Company;
  - (3) Recognize the income generated through the sale of the Company's share of the output of the joint operation;
  - (4) Recognize the income generated through the sale of the output of the joint operation in accordance with the share of the Company;
  - (5) Recognize the expenses incurred separately, and the expenses incurred in joint operation in accordance with the share of the Company .
- The Company's investment in joint venture is accounted for by the equity method, as specified in the note "V. 21. Long-term Equity Investment".

## 8. Recognition criteria of cash and cash equivalents

Cash equivalents refer to investments held by the Company featuring short duration (it generally refers to the maturity within three months from the purchase date), strong liquidity, easy conversion into cash of known amount and low risk of changes in value.

## 9. Conversion of transactions and financial statements denominated in foreign currencies

Applicable Non-applicable

### (1) Foreign currency transactions

Foreign currency transactions shall be translated into RMB at the spot exchange rate on the day when the transactions occurred, or at an exchange rate fixed in accordance with a systematic and reasonable method that is similar to the spot exchange rate on the day when the transactions occurred.

Balance sheet date foreign currency monetary items shall be translated using the spot exchange rate at the balance sheet date. The resulting exchange differences are recognized in profit or loss for the current period, except for those differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency for acquisitions, construction or production of the qualified assets, which should be capitalized as cost of the assets.

### 2. Translation of foreign currency financial statements

All assets and liabilities items in balance sheet are translated based on spot exchange rate on the balance sheet date; owners' equity items other than "undistributed profits" are translated at a spot exchange rate when accrued. Revenue and expense items as contained in the income statement are translated at a spot exchange rate at the transaction occurrence date. For disposal of overseas operation, the translation difference as stated in the foreign currency financial statements relating to overseas operation, is accounted for in the profit and loss account in the current period from owners' equity items.

## 10. Financial instruments

Applicable Non-applicable

The Company recognizes a financial asset, financial liability or equity instrument when it becomes a party to a financial instrument contract.

### 1. Classification of the financial instruments

According to the Company's business model for management of the financial assets and the contractual cash flow features of the financial assets, the financial assets, when initially recognized, are classified as: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

For financial assets that meet the following conditions and are not designated to be measured at fair value through the current profit or loss, the Company classifies them as financial assets at amortized cost:

- The business model is aimed at collecting contract cash flow;
- Contract cash flow is the payment of principal and interest based on the outstanding principal amount.

For financial assets that meet the following conditions and are not designated to be measured at fair value through current profit or loss, the Company classifies them as financial assets at fair value through other comprehensive income (debt instruments).

- The business model is aimed at both collecting contract cash flows and selling financial asset;
- Contract cash flow is the payment of principal and interest based on the outstanding principal amount.

The Company will, at the time of initial recognition, irrevocably designate non-trading investments in equity instruments as financial assets measured at fair value and the change shall be included in other comprehensive income (equity instrument). The designation is made on the basis of independent investment, and the related investments fit the definition of an equity instrument from an issuer's perspective.

In addition to the aforementioned financial assets at amortized cost and at fair value through other comprehensive income, the Company classifies all other financial assets as financial assets at fair value through current profit or loss. At the time of initial recognition, for financial assets that should have been classified as financial assets at amortized cost or fair value through other comprehensive income, the Company can irrevocably designate them as financial assets at fair value through current profit or loss in order to eliminate or significantly reduce the accounting mismatch.

The financial liabilities, when initially recognized, are classified as: financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

Financial liabilities which meet one of the following conditions will be, when initially measured, designated as financial liabilities at fair value through profit or loss:

- 1) Such designation may be able to eliminate or significantly reduce the accounting mismatch.
- 2) The portfolio of financial liabilities or the portfolio of financial assets and financial liabilities shall be subject to management and performance evaluation on the basis of fair value according to the enterprise risk management or investment strategy contained in the formal documentations, and a report shall be made to the key management personnel within the enterprise on this basis.

- 3) Such financial liabilities shall contain embedded derivatives to be split separately.

## 2. Recognition and measurement of financial instruments

### (1) Financial assets at amortized cost

Financial assets at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables and creditors investment, which shall be initially measured at fair value, and the relevant transaction expenses should be initially capitalized; The accounts receivable that do not contain material financing compositions and those for which the Company decides to not take into account the financing compositions of no more than one year shall be initially measured at the contract transaction price.

The interest calculated by effective interest method during the holding period is recorded into the current profit and loss.

At the time of recovery or disposal, the difference between the price obtained and the book value

shall be included in the current profit or loss.

(2) Financial assets measured at fair value and its changes are included in other comprehensive income (debt instruments)

Financial assets measured at fair value and its changes are included in other comprehensive income (debt instruments) include receivables financing and investments in other creditor's rights. They are initially measured at fair value, and the value, other than the interest, the impairment loss or profit and the profit or loss on foreign exchange, shall be included in other comprehensive income.

Upon derecognition, the cumulative profits or losses previously included in other comprehensive income shall be removed from other comprehensive income and included in the profit or loss for the period.

(3) Financial assets at fair value through other comprehensive income (equity instruments)

Financial assets at fair value through other comprehensive income (equity instruments) include investment in other equity instruments. They are initially measured at fair value, and the transaction expenses shall be initially capitalized. These financial assets are subsequently measured at fair value, and the change in fair value shall be included in other comprehensive income. The dividends obtained shall be included in the profit or loss for the period.

Upon derecognition, the cumulative profits or losses previously included in other comprehensive income shall be removed from other comprehensive income and included in the carry-forward retained earnings.

(4) Financial assets at fair value through profit or loss in this period

Financial assets at fair value through profit or loss include trading financial assets, derivative financial assets and other non-current financial assets. They are initially measured at fair value, and the transaction expenses related to them are included in the profit or loss for the period. These financial assets are subsequently measured at fair value, and the change in fair value shall be included in the profit or loss for the period.

(5) Financial Liabilities Measured in Fair Value with Changes Recorded into Current Profit and Loss

Financial liabilities at fair value through profit or loss include trading financial liabilities and derivative financial liabilities. They are initially measured at fair value, and the transaction expenses related to them are included in the profit or loss for the period. These financial liabilities are subsequently measured at fair value, and the change in fair value shall be included in the profit or loss for the period.

Upon derecognition, the difference between their book value and the consideration paid is included in the profit or loss for the period.

(6) Financial liabilities at amortized cost

Financial liabilities at amortized cost include short-term loans, notes payable, accounts payable, other payables, long-term loans, bonds payable, and long-term payables. They are initially measured at fair value, and the transaction expenses shall be initially capitalized.

The interest calculated by effective interest method during the holding period is recorded into the current profit and loss.

Upon derecognition the difference between the consideration paid and the book value of these financial liabilities is included in the current profit or loss.

3. Derecognition and transfer of financial assets



The Company derecognizes financial assets when any one of the following conditions is satisfied:

- The contractual right to receive cash flows of the financial assets has been terminated;
- The financial asset have been transferred and virtually all the risks and rewards related to the ownership of the financial asset shave been transferred to the transferee;
- The financial assets have been transferred, and while the Company has neither transferred nor retained virtually all of the risks and rewards related to the ownership of the financial assets, it has not retained control of the financial assets.

The financial assets have been transferred, and while the Company has neither transferred nor retained virtually all of the risks and rewards related to the ownership of the financial assets, it has not retained control of the financial assets.

The substance-over-form principle shall be adopted while making judgment on whether the transfer of financial assets satisfies the above conditions for termination of recognition.

The transfer of financial assets can be classified into entire transfer and partial transfer. If the transfer of an entire financial asset satisfies the conditions for termination of recognition, the difference between the two amounts below shall be recorded into profit or loss for the period:

(1) The book value of the financial asset transferred;

(2) The consideration received as a result of the transfer, plus the accumulative amount of the change in fair value previously recorded into the owners' equities (in cases where the transferred financial assets are financial assets at fair value through other comprehensive income (debt instruments)).

If the partial transfer of financial assets satisfies the conditions for termination of recognition, the overall book value of the transferred financial asset shall be apportioned according to their respective relative fair value between the recognition terminated part and the remaining part, and the difference between the two amounts below shall be recorded into profit or loss for the current period:

(1) The book value of the recognition terminated portion;

(2) The sum of consideration of the recognition terminated portion and the corresponding portion of accumulated change in fair value previously recorded into owners' equity (in cases where the transferred financial assets are financial assets at fair value through other comprehensive income (debt instruments)).

Financial assets will still be recognized if they fail to satisfy the conditions for termination of recognition, with the consideration received recognized as a financial liability.

#### 4. Recognition for termination of financial liabilities

When the current obligation under a financial liability is completely or partially discharged, the recognition of the whole or relevant portion of the liability is terminated; an agreement is entered between the Company and a creditor to replace the original financial liabilities with new financial liabilities with substantially different terms, terminate the recognition of the original financial liabilities as well as recognize the new financial liabilities.

If all or part of the contract terms of the original financial liabilities are substantially amended, the recognition of the original financial liabilities will be terminated in full or in part, and the financial liabilities whose terms have been amended shall be recognized as a new financial liability.

When recognition of financial liabilities is terminated in full or in part, the difference between the book value of the financial liabilities terminated and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

Where the Company repurchases part of its financial liabilities, the book value of such financial liabilities will be allocated according to the relative fair value between the continued recognized part and terminated part on the repurchase date. The difference between the book value of the financial liabilities terminated and the consideration paid (including transferred non-cash assets or new financial liability) is recognized in profit or loss for the current period.

#### 5. Method of determining the fair values of financial assets and liabilities

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. The Company uses the valuation technique when it is applicable under current conditions and there are enough available data and other information to support and the technique should maximize the use of relevant observable. It chooses the inputs which are consistent with the asset or liability's characteristics considered by market participants in the transaction of the relevant asset or liability and makes the maximum use of relevant observable inputs. Unobservable inputs are used under the circumstance that the relevant observable inputs cannot be obtained or not feasible.

#### 6. Test method and accounting treatment for impairment of financial assets

The Company estimates the expected credit loss on the financial assets at amortized cost and the financial assets at fair value through other comprehensive income (debt instruments), and financial guarantee contracts, either alone or in combination.

The Company calculates the probability-weighted amount of the current value of the difference between the cash flows receivable under the Contract and the cash flows expected to receive, and recognizes the expected credit loss, by taking into account all the reasonable and well-founded information, including past events, current condition and forward-looking economic situation, and weighting the risk of default.

If the credit risk of this financial instrument has been significantly increased upon initial recognition, the Company measures its loss provision in accordance with the amount equivalent to the expected credit loss of the financial instrument throughout the duration; if the credit risk of this financial instrument is not significantly increased upon initial recognition, the Company will measure the loss provision of this financial instrument by the amount of its expected credit loss in the twelve months to come. The increased or reversed amount of the loss provision resulting therefrom is included in the current profit or loss as the impairment loss or profit.

The Company recognizes the relative changes in the risk of default within the expected duration of financial instruments, and assesses whether the credit risk of financial instruments has significantly increased since the initial recognition by comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date. If the financial instrument becomes overdue for more than 30 days, the Company believes that the credit risk of this financial instrument has been significantly increased, unless there are concrete evidences that the credit risk of this financial instrument has not been significantly increased upon initial recognition.

If the financial instrument carries low credit risk at the balance sheet date, the Company believes that the credit risk of this financial instrument is not significantly increased upon initial recognition.

If there are objective evidences showing that a certain financial asset has been subject to credit impairment, the Company will accrue impairment provision for this financial asset on the individual asset basis.

The Company will always measure the loss provision for the accounts receivable and contract assets generated by transactions regulated by "Accounting Standards for Enterprises No. 14 – Revenue" (2017), whether they contain material financing compositions or not, by the amount of the expected credit loss throughout the duration.

The Company will always measure the loss provision for the lease receivable by the amount of the expected credit loss throughout the duration.

The Company shall write down the book balance of a financial asset directly if it no longer reasonably expects that the contract cash flow of the financial asset can be recovered in whole or in part.

## 11. Notes receivable

### Determination method and accounting treatment method of expected credit loss of notes receivable

Applicable Non-applicable

## 12. Accounts receivable

### Determination method and accounting treatment method of expected credit loss of accounts receivable

Applicable Non-applicable

## 13. Receivables financing

Applicable Non-applicable

## 14. Other accounts receivable

### Determination method and accounting treatment method of expected credit loss of other accounts receivable

Applicable Non-applicable

## 15. Inventories

Applicable Non-applicable

### 1. Category and cost of inventories

Inventories are classified as raw materials, turnover materials, commodity stocks, products in progress and materials commissioned for processing.

Inventories are initially measured at cost. Inventory costs include procurement costs, processing costs, and other expenses incurred to bring the inventory to its current location and condition.

### 2. Determination of cost for delivered inventory

Cost of inventories is determined using the weighted average method.

### 3. Basis for the determination of net realizable value and different type of inventories

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. A provision shall be made for inventory price drops if inventory costs exceed the net realizable value. Net realizable value refers to the amount after deducting the estimated costs to be incurred at the time of completion, the estimated selling expenses and taxes from the estimated sales price of inventories during daily activities.

Net realizable value of held-for-sale commodity stocks, such as finished goods, goods-in-stock, and held-for-sale raw materials, during the normal course of production and operation, shall be determined by their estimated sales less the related selling expenses and taxes; the net realizable value of material inventories, which need to be processed, during the normal course of production and operation, shall be determined by the amount after deducting the estimated cost of completion, estimated selling expenses and relevant taxes from the estimated selling price of finished goods; the net realizable value of inventories held for execution of sales contracts or labor contracts shall be calculated on the ground of the contracted price. If an enterprise holds more inventories than the quantity stipulated in the sales contract, the net realizable value of the exceeding part shall be calculated on the ground of general selling price.

The inventory falling price reserves withdrawn shall be reversed within the amount withdrawn, and the reversed amount shall be included in current profit or loss, if the net realizable value of an inventory is higher than its book value after the withdrawal due to the disappearance of the factors that influence the writing-down of its value.

### 4. Inventory system

The perpetual inventory system is adopted.

#### 5. Amortization of low-value consumables and packaging materials

Low-value consumables are amortized using the immediate write-off method;

Packaging materials are amortized using the immediate write-off method.

### 16. Contract Assets

#### (1). Recognition methods and standards of contract assets

Applicable Non-applicable

Accounting policies adopted from January 1, 2020

The Company shall show the contract assets or contract liabilities in the balance sheet in accordance with the relationship between the performance of the contract obligations and the Customer payment. The Company shall list its right to receive consideration due to the transfer of goods or services to the Customer (and such rights are subject to factors other than the passage of time) as contractual assets. Contract assets and contract liabilities under the same contract shall be shown on a net basis. The Company's unconditional right (depending solely on the passage of time) to collect consideration from the Customer shall be shown separately as a receivable.

#### (2). Determination method and accounting treatment for the expected credit loss of contract assets

Applicable Non-applicable

Accounting policies adopted from January 1, 2020

See "10. 6. Testing methods and accounting treatment methods for impairment of financial assets" for specified determination method and accounting treatment for the expected credit loss of contract assets.

### 17. Held-for-sale assets

Applicable Non-applicable

### 18. Debt investment

#### (1). Determination method and accounting treatment method of expected credit loss of debt investment

Applicable Non-applicable

### 19. Other debt investment

#### (1). Determination methods and accounting treatment methods of expected credit losses of other debt investments

Applicable Non-applicable

### 20. Long-term receivables

#### (1) Determination method and accounting treatment method of long-term expected credit loss of receivables

Applicable Non-applicable

### 21. Long-term Equity Investment

Applicable Non-applicable

#### 1. Joint control or significant influence criterion

Joint control is the contractually agreed sharing of control of an arrangement, and exists only when requiring the unanimous consent of the parties sharing control before making decisions about the relevant activities of the arrangement. The Company together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, as the investee is joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company can exercise significant influence over the investee, the investee is an associate of the Company.

## 2. Determination of initial investment cost

### (1) Long-term equity investments formed through business combination of entities

For long-term equity investment in a subsidiary generated due to business combinations involving entities under common control, the share of the book value in the consolidated financial statements of the ultimate controlling party on the date of combinations shall be taken as the initial investment cost of the long-term equity investments. For difference between the initial cost of long-term equity investment and the book value of the consideration paid, adjustments shall be made to the equity premiums in the capital reserve. When the equity premiums in the capital reserve are not sufficient for write-down, the retained earnings shall be adjusted. Where control over the investee under common control is available due to additional investment or other reasons, for difference between the initial cost of long-term equity investment recognized in accordance with the above principles, and the sum of the book value of long-term equity investment prior to the combination and the book value of newly paid consideration for the acquisition of further shares on the date of combination, adjustments shall be made to equity premiums. When the equity premiums are not sufficient for write-down, the retained earnings shall be written down.

For long-term equity investment in a subsidiary generated due to business combinations involving entities not under common control, the cost of the combination recognized on the date of combination shall be taken as the initial investment cost of the long-term equity investments. In relation to imposing control over the investee not under common control as a result of additional investment and other reasons, the initial investment shall be the sum of the book value of the equity investment originally held and the newly increased investment cost.

### (2) Long-term equity investments acquired by means other than business combination

The initial cost of a long-term equity investment obtained by cash payment shall be the purchase costs actually paid.

The initial cost of investment of a long-term equity investment obtained by means of issuance of equity securities shall be the fair value of the equity securities issued.

## 3. Subsequent measurement and recognition of profit or loss

### (1) Long-term equity investment calculated by cost method

Long-term equity investment in subsidiaries of the company is calculated by cost method, unless the investment meets the conditions for holding for sale. except for the actual consideration paid for the acquisition of investment or the declared but not yet distributed cash dividends or profits which are included in the consideration, investment gains are recognized as the Company' shares of the cash dividends or profits declared by the investee.

### (2) Long-term equity investment accounted for by equity method

Long-term equity investments of associates and jointly controlled entities are calculated using equity method. Where the initial investment cost exceeds the investment, the difference between the share of the fair value of the investee's identifiable net assets shall be enjoyed and no adjustment shall be made to the initial investment cost of long-term equity investment; where the initial investment cost is less than the investment, the difference between the share of the fair value of the investee's identifiable net assets shall be enjoyed and be included in current profit or loss, and adjustments shall be made to the initial investment cost of long-term equity investment.

The Company recognizes the investment income and other comprehensive income according to the shares of net profit or loss and other comprehensive income realized by the investee which it shall be entitled or shared respectively, and simultaneously makes adjustment to the book value of long-term equity investments; the book value of long-term equity investment shall be reduced by attributable share of the profit or cash dividends for distribution declared by the investee; in relation to other changes of owner's equity except for net profits and losses, other comprehensive income and profit distributions of the investee (hereinafter referred to as "changes in other owners' equity"), the book value of long-term equity investments shall be adjusted and included in owner's equity.

When recognizing the amount of proportion of net profit or loss, other comprehensive income and other changes of owner's equity, in the investee which it entitles, fair value of the identifiable assets of

the investee at the time when the investment is obtained shall be used as basis, and adjustment shall be made to the net profit, other comprehensive income and others of the investee in accordance with the accounting policies and accounting period of the Company.

The unrealized profit or loss resulting from internal transactions between the Company and its associate or joint venture shall be offset in portion to its equity interests, based on which investment income shall be recognized, except when the assets invested or sold constitute transaction. Any losses resulting from transactions, which are attributable to impairment of assets, shall be fully recognized.

The Company shall be liable for net loss incurred by the Company to the joint venture or associate, and shall write it down to zero with the book value of the long-term equity investment and other long-term equity which substantially constitute net investment in the joint venture or associate. Where a joint venture or associate later realizes net profits, the Company shall resume recognition of its share of income after the share of income has made up for the unrecognized share of loss.

### (3) Disposal of long-term equity investments

For disposal of long-term equity investment, the difference between the book value and the consideration actually received shall be included in the current profit or loss.

For long-term equity investments accounted by partial equity disposal method, the remaining equity is still accounted by the equity method. Other comprehensive income recognized by the original equity method shall be carried forward in a corresponding proportion on the same basis as the direct disposal of related assets or liabilities by the investee. Changes in the interests of the owners are carried forward to the current profit and loss on a pro ratio basis.

When losing joint control or significant influence over the investee due to disposal of equity investment or other reasons, other comprehensive income of the original equity investment recognized accounted by equity method shall be treated using the same basis as the direct disposal of related assets or liabilities by the investee upon the termination of the use of equity methods. Other changes of owner's equity shall be converted to the current profit or loss upon the termination of use of equity methods.

When losing the control over the investee due to partially disposal of equity investment and other reasons, the remaining equities after disposal shall be accounted for under equity method in preparation of individual financial statements provided that joint control or significant influence over the investee can be imposed, and shall be adjusted as if such remaining equities has been accounted for under the equity method since they are obtained. Other comprehensive income recognized prior to the acquisition of controls over the investee shall be carried over proportionally using the same basis as the direct disposal of related assets or liabilities by the investee. Other changes of owner's equity due to the use of equity method shall be carried over into the current profit or loss proportionally. Where the remaining equities after disposal cannot impose joint control or significant influence over the investee, it shall be recognized as financial asset, and the difference between fair value and the book value on the date of losing control shall be included in the current profit or loss. All the other comprehensive incomes and other changes of owners' equity recognized prior to the acquisition of controls over the investee shall be carried over.

When losing control over a subsidiary in step-by-step disposal of its equity interests through multiple transactions is recognized as a package deals, these transactions shall be in accounting treated as loss of control of a subsidiary in disposal of equity interests. The differences between price on each disposal prior to loss of control and the long-term equity investment book value of the disposed equity shall be recognized as other comprehensive income in individual financial statements, and included in the current profit or loss when the control is lost. Transactions not recognized as a package deal shall be accounted for separately.

## 22. Investment property

### (1). In case of cost measurement:

#### Depreciation or amortization method

Investment property refers to the real estate held to generate rental income or capital appreciation, or both, including leased land use rights, land use rights held for transfer after appreciation, and leased buildings (including buildings that are leased after completion of self-construction or development activities and buildings in construction or development that are used for rental in the future).

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets when the relevant economic benefits are likely to flow in and the cost can be measured reliably; otherwise, it shall be included in the current profit and loss when occurred.

The Company adopts the cost mode to measure the existing investment property. Other subsequent expenditures shall be included in current profit or loss at the time of occurrence. Investment property measured at cost - buildings held for leasing shall adopt the same depreciation policy for fixed assets of the company, land use rights held for leasing shall adopt the same amortization policy for the intangible assets.

### 23. Fixed Assets

#### (1). Conditions for recognition of fixed assets

Applicable Non-applicable

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 a service life of more than one accounting year. Fixed asset is recognized when it meets the following conditions:

(1) It is probable that the economic benefits associated with the fixed asset will flow to the enterprise;

(2) Its cost can be reliably measured.

Fixed assets are initially measured at cost (with the influence of expected disposal costs taken into consideration).

Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets when the relevant economic benefits are likely to flow in and the cost can be measured reliably; the book value of the replaced part is derecognized; other subsequent expenditures shall be included in current profit or loss at the time of occurrence.

#### (2). Methods for depreciation

Applicable Non-applicable

Category	Depreciation Method	Useful Lives of Depreciation	Residual Ratio	Annual Depreciation
Housing and building	Straight-line method	20	10%	4.50%
Machinery and equipment	Straight-line method	5-10	10%	18.00%-9.00%
Means of transportation	Straight-line method	5	10%	18.00%
Office equipment and others	Straight-line method	5	10%	18.00%
Buildings for commercial use	Straight-line method	Land use certificate indicates the remaining years but no longer than 40 years	10%	

#### (3). Recognition basis, valuation and depreciation method of fixed assets under financing lease

Applicable Non-applicable

### 24. Projects under construction

Applicable Non-applicable

Construction in progress is measured at the actual costs incurred. The actual cost includes construction costs, installation costs, borrowing costs that meet the capitalization conditions, and other necessary expenditures incurred before the construction in progress reaches its intended use status. Construction in progress reaching predetermined serviceable conditions shall be converted to fixed assets and begin counting for depreciation the following month.

### 25. Borrowing Costs

Applicable Non-applicable

### 1. Criteria for recognition of capitalized borrowing costs

For borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets qualified for capitalization, the costs will be capitalized and included in the costs of the related assets. Other borrowing costs shall be recognized as expense in the period in which they are incurred and included in profit or loss for the current period.

Assets qualified for capitalization are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

### 2. Capitalization period of borrowing costs

The capitalization period shall refer to the period between the commencement and the cessation of capitalization of borrowing costs, excluding the period in which capitalization of borrowing costs is temporarily suspended.

Capitalization of borrowing costs begins when the following three conditions are fully satisfied:

(1) Expenditures for the assets (including cash paid, transferred non-currency assets or expenditure for holding debt liability for the acquisition, construction or production of assets qualified for capitalization) have been incurred;

(2) Borrowing costs have been incurred;

(3) Acquisition, construction or production that are necessary to enable the asset reach its intended usable or salable condition have commenced.

Capitalization of borrowing costs shall be suspended during periods in which the qualifying asset under acquisition and construction or production ready for the intended use or sale.

### 3. Suspension of capitalization period

Capitalization of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months; if the interruption is a necessary step for making the qualifying asset under acquisition and construction or production ready for the intended use or sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recognized as profits and losses of the current period. When the acquisition and construction or production of the asset resumes, the capitalization of borrowing costs commences.

### 4. Calculation of capitalization rate and amount of borrowing costs

Specific borrowings for the acquisition, construction or production of assets qualified for capitalization, borrowing costs of the specific borrowings actually incurred in the current period minus the interest income earned on the unused borrowing loans as a deposit in the bank or as investment income earned from temporary investment will be used to determine the amount of borrowing costs for capitalization.

General borrowings for the acquisition, construction or production of assets qualified for capitalization, the to-be-capitalized amount of interests on the general borrowing shall be calculated and determined by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specifically borrowed loans by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined according to the weighted average interest rate of the general borrowing.

During the period of capitalization, the exchange balance on the principals and interests of special foreign currency borrowings shall be capitalized and shall be included in the cost of assets eligible for capitalization. The exchange balance on the principals and interests of foreign currency borrowings other than the special foreign currency borrowings shall be included in current profit or loss.

## 26. Biological Assets

Applicable Non-applicable

## 27. Oil and Gas Assets

Applicable Non-applicable

## 28. Right-of-use assets

Applicable Non-applicable



## 29. Intangible Assets

### (1). Valuation method, useful life, impairment test

Applicable Non-applicable

1. Intangible assets are initially measured at cost upon acquisition

(1) Intangible assets are initially measured at cost upon acquisition

The costs of an externally purchased intangible asset include the purchase price, relevant taxes and expenses paid, and other expenditures directly attributable to putting the asset into condition for its intended use.

(2) Subsequent measurement

The service life of intangible assets shall be analyzed and judged upon acquisition.

As for intangible assets with a finite service life, they are amortized using the straight-line method over the term in which economic benefits are brought to the firm; If the term in which economic benefits are brought to the firm by an intangible asset cannot be estimated, the intangible asset shall be taken as an intangible asset with indefinite service life, and shall not be amortized.

2. Estimated useful lives for the intangible assets with finite service life

Item	Estimated useful lives	Amortization Method	Basis
Land use rights	38-50 years	Straight-line method	Land use certificate
Software	2-10 years	Straight-line method	Expected benefited period
Emission rights	5 years	Straight-line method	Emission permits

3. basis for the judgment of intangible assets with uncertain service life and the procedure for reviewing their service life

As of December 31<sup>st</sup>, 2020, the Company has no intangible assets with uncertain useful life.

4. Specific criteria for the division of research phase and development phase

The expenses for internal research and development projects of the Company are divided into expenses in the research phase and expenses in the development phase.

Research phase: Scheduled innovative investigations and research activities to obtain and understand scientific or technological knowledge.

Development phase: Apply the research outcomes or other knowledge to a plan or design prior to a commercial production or use in order to produce new or essentially-improved materials, devices, products, etc.

5. Specific condition for capitalizing expenditure during the development phase

Expenses in the research phase are recorded into the profits and losses for the current period when they occur. Expenditure during the development phase that simultaneously satisfies the following conditions shall be recognized as intangible assets. Otherwise shall be included in current profit or loss:

(1) It is technically feasible to complete such intangible asset so that it will be available for use or for sale;

(2) There is intention to complete the intangible asset for use or sale;

(3) The intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset;

(4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;

(5) The expenses attributable to the development stage of the intangible asset can be measured reliably.

The R&D expenditures incurred shall be included in current profit or loss if it is impossible to distinguish expenditure during the research phase and expenditure during the development phase.

### (2). Accounting policies for internal research and development expenditures

Applicable Non-applicable

**30. Impairment of long-term assets**√Applicable Non-applicable

Long-term assets, such as long-term equity investment, investment properties, fixed assets and construction in progress that measured at cost, and intangible assets and oil and gas assets with limited service life, are tested for impairment if there is any indication that an asset may be impaired on the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its book value, a provision for impairment and an impairment loss are recognized for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs to is determined. A group of assets is the smallest group of assets that is able to generate cash inflows independently.

Goodwill formed due to business combination, intangible assets with uncertain service life and intangible assets that have not yet reached serviceable conditions, shall be tested for impairment at least at the end of each year, regardless of whether there is any indication of impairment.

When the Company carry out impairment test to goodwill, the Company shall, as of the purchasing day, allocate on a reasonable basis the book value of the goodwill formed by merger of enterprises to the relevant asset groups, or if there is a difficulty in allocation, to allocate it to the sets of asset groups. The relevant asset group or combination of asset groups is the asset group or combination of asset groups that can benefit from the synergies of business combination.

For the purpose of impairment test on the relevant asset groups or the sets of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or sets of asset groups related to goodwill is possible, an impairment test will be made first on the asset groups or sets of asset groups not containing goodwill, thus calculating the recoverable amount and comparing it with the relevant book value so as to recognize the corresponding impairment loss. Asset group or combination of group assets containing goodwill are tested for impairment and the book value and recoverable amount shall be compared. If the recoverable amount is less than the book value, the amount of impairment loss shall be deducted and apportioned to the book value of goodwill in asset group or combination of asset groups, before deducting to the book value of all other assets proportionally based on the proportion of the book value of all assets other than goodwill in the asset group or combination of asset groups. Once the above asset impairment loss is recognized, it will not be reversed in the subsequent accounting periods.

**31. Long-term prepaid expenses**√Applicable Non-applicable

Long-term prepaid expenses are expenses which have occurred but will benefit over 1 year and shall be amortized over the current period and subsequent periods.

Item	Expected useful live	Basis
Renovation cost	5 years	Expected benefited period
Software maintenance fee	5 years	Expected benefited period
Others	3-5 years	Expected benefited period

**32. Contract liabilities****(1).Recognition method of contract liabilities**√Applicable Non-applicable

Accounting policies adopted from January 1, 2020

The Company shall show the contract assets or contract liabilities in the balance sheet in accordance with the relationship between the performance of the contract obligations and the Customer payment. The Company's obligation to transfer goods or provide services to customers for which

consideration has been received or receivable are presented as contractual liabilities. Contract assets and contract liabilities under the same contract shall be shown on a net basis.

### 33. Employee remuneration

#### (1). Accountant arrangement method of short-term remuneration

√Applicable Non-applicable

During the accounting period when the staff provides service, the Company will recognize the short-term remuneration actually incurred as liabilities, and the liabilities would be charged into current profits and loss or costs of assets.

The Company will pay social insurance and housing funds, and will make provision of trade union funds and staff education costs in accordance with the requirements. During the accounting period when the staff provides service, the Company will determine the relevant amount of employee benefits in accordance with the required provision basis and provision ratios.

The expenses on employee benefit incurred by the Company shall be included in the current profit or loss or related asset cost based on the actual amount when actually incurred, and the non-monetary benefit shall be measured at its fair value.

#### (2).Accounting treatment method of retirement benefit plan

√Applicable Non-applicable

##### (1) Defined contribution plan

The Company will pay basic pension insurance and unemployment insurance in accordance with the relevant provisions of the local government for the staff. During the accounting period when the staff provides service, the Company will calculate the amount payable in accordance with the local stipulated basis and proportions which will be recognized as liabilities, and the liabilities would be charged into current profits and loss or costs of assets.

##### (2) Defined benefit plan

The welfare responsibilities generated from defined benefit scheme based on the formula determined by projected unit credit method would be vested to the service period of the staff and charged into current profits and loss or costs of assets.

The deficit or surplus formed by the present value of obligations of the defined benefit plan minus the fair value of the assets of the defined benefit plan is recognized as a net liability or net asset of the defined benefit plan. If there is a surplus in the defined benefit plan, the Company shall use the lower of the surplus of the defined benefit plan and the asset ceiling to measure the net assets of the defined benefit plan.

All defined benefit plan obligations, including obligations expected to be paid within twelve months after the end of the annual reporting period in which employees render services, are discounted at the market rate of return in respect of the national debts matching the term and currency of the defined benefit plan, or in respect of high-quality corporate bonds available on the active market on the balance sheet date.

The service cost incurred by the defined benefit plan and the net interest of the net liabilities or net assets of the defined benefit plan are included in the current profit and loss or the related asset cost; the changes in the net liabilities or net assets of the defined benefit plan are recorded in other comprehensive income, and it will not be reversed to profit or loss in the subsequent accounting period. When the original defined benefit plan is terminated, all that originally included in other comprehensive income will be carried forward to undistributed profit within the scope of equity.

At the settlement of the defined benefit plan, the gain or loss from the settlement is recognized by the difference between the present value of the obligation of the defined benefit plan and the settlement price determined on the settlement date.

#### (3).Accountant arrangement method of termination benefits

√Applicable Non-applicable

Where the Company pays termination benefit to employees, the liabilities of employee remuneration generated by termination benefit shall be recognized at the earlier of the following date and included in the current profit or loss: when the company cannot unilaterally withdraw termination benefit provided by labor relationship termination plan or layoff proposal; when the Company recognizes costs or expenses related to a restructuring of the payment of termination benefits.

**(4).Accountant arrangement method of other long-term employee benefits**

Applicable Non-applicable

**34. Lease liabilities**

Applicable Non-applicable

**35. Estimated liabilities**

Applicable Non-applicable

**36. Share-based payment**

Applicable Non-applicable

**37. Preference shares, perpetual bonds and other financial instruments**

Applicable Non-applicable

**38. Revenue****(1). Accounting policies for revenue recognition and measurement**

Applicable Non-applicable

The Company has fulfilled its contractual obligation to recognize income when the Customer obtains control over the relevant goods or services. Obtaining control over related goods or services means to be able to dominate the use of the goods or services and obtain virtually all economic benefits from it.

Where the Contract contains the performance of two or more obligations, the Company shall, on the commencement date of the Contract, apportion the transaction price to each individual performance obligation on the basis of the relative proportion of the individual selling price of the goods or service committed by each individual performance obligation. The Company shall measure its income on the basis of the transaction price apportioned to each individual performance obligation.

The transaction price refers to the amount of consideration the Company is expected to be entitled to receive for the transfer of goods or services to the Customer, excluding payments received on behalf of third parties and the amounts expected to be refunded to the Customer. The Company determines the transaction price in accordance with Contract terms and by taking into consideration its past practices. In determining the transaction price, it takes into consideration the impact of variable consideration, material financing elements in the Contract, non-cash consideration, consideration payable to customers and other factors. The Company determines the transaction price that includes the variable consideration at an amount not exceeding the amount of accumulated recognized income which is not likely to be materially reversed when the relevant uncertainty is eliminated. Where there is material financing components in the Contract, the Company shall determine the transaction price on the basis of the amount payable based on the assumption that the Customer pays in cash upon obtaining control over the goods or services, and shall amortize the difference between the transaction price and the Contract consideration by effective interest method during the Contract period.

It shall be deemed as fulfilling performance obligation within a certain period of time if one of the following conditions is satisfied. Otherwise, it shall be deemed as fulfilling performance obligation at a certain point in time:

- The Customer obtains and consumes the economic benefits arising from the Company's performance of obligations at the same time of that the Company perform its obligations.
- The Customer can control the goods under construction during the process that the Company perform its obligations.
- The product produced by the Company during the performance of its obligations is irreplaceable in use, and the Company shall be entitled to receive payment for the accumulated part of the performance completed so far during the whole Contract period.

For obligations performed within a certain period of time, the Company shall recognize income on the basis of the performance progress during that period, except when the performance progress cannot be reasonably determined. The Company will adopt output method or input method to determine the performance progress by taking the nature of the goods or services into consideration. Where the performance progress cannot be reasonably determined and the costs incurred are expected to be compensated, the Company shall recognize income on the basis of the costs incurred until the performance progress can be reasonably determined.

For obligations performed at a certain point of time, the Company recognizes income at the point when the Customer obtain control over relevant goods or services. The Company takes the following indications into consideration when determining whether the Customer has obtained control over relevant goods or services:

- The Company is entitled to collect payment in respect of the goods or services immediately, i.e. the Customer is obliged to make payment in respect of the goods or services immediately
- The Company has transferred legal ownership of the goods to the Customer, i.e. the Customer has legal ownership of the goods.
- The Company has physically transferred the goods to the Customer, i.e. the Customer has physically possessed the goods.
- The Company has transferred the principal risks and rewards in the ownership of the goods to the Customer, i.e. the Customer has obtained the principal risks and rewards in the ownership of the goods.
- The Customer has received the goods or services, etc.

Accounting policy adopted prior to January 01, 2020

#### 1. General principles for the recognition of revenue from commodity sales

(1) Revenue from the sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been transferred to the buyer;

(2) The Company does not retain either continuing managerial involvement to the degree usually associated with ownership or effective control over the sold goods;

(3) The amount of revenue can be reliably measured;

(4) It is probable that the economic benefits associated will flow to the Company;

(5) The relevant amount of costs incurred or to be incurred can be measured reliably.

#### 2. Specific principles

(1) Domestic company

##### 1) Domestic sales

For sales to domestic carmakers, the goods received by customer and the notice of issuing an invoice is treated as the time point of revenue recognition. For domestic after-sales market sales, the time of delivery is treated as the time point of revenue recognition.

##### 2) Overseas

For general trade sales, customs declaration and export are treated as the revenue confirmation time point. For the sales based on DDU and DDP as contained in the sales contract, the time of arrival at the destination and the acknowledgment of receipt by customer is treated as the time point of revenue recognition.

(2) Tuopu North American Ltd

The time of shipment and the acknowledgment of receipt by customer is treated as the time point of revenue recognition.

(2). Different business models adopted for similar businesses leading to differences in revenue recognition accounting policies

Applicable Non-applicable

### 39. Contract costs

Applicable Non-applicable

Accounting policies effective from January 1, 2020

Contract costs include contract performance costs and contract acquisition costs.

The Company recognizes the costs incurred for performing the contract and that not fall within the scope of inventories, fixed assets or intangible assets as stipulated by related standards as an asset when the following conditions are met:

- The cost is directly related to a current or anticipated contract.
- The cost increases the Company's future resources to perform obligations.
- The cost is expected to be recovered

The Company regards the incremental cost incurred to acquire the contract and that are expected to be recovered as contract acquisition costs, and recognizes them as an asset.

Assets related to contract costs shall be amortized using the same basis as income recognition of goods or services related to the asset. However, the Company shall include the amount in current profit or loss if the amortization period of the contract acquisition cost is less than one year.

The Company shall draw an impairment provision for the excess part when the book value of an asset related to the contract cost is higher than the difference between the following two items, and recognize it as an impairment loss of the asset:

1. The remaining consideration expected to be obtained due to the transfer of goods or services related to the asset;
2. Estimated costs to be incurred for the transfer of goods or services related to the asset.

The Company shall reverse the impairment provision withdrawn and include it in current profit or loss if the impairment factors of the previous period change and cause the aforementioned difference higher than the book value of the asset. However, the book value of the asset after reverse shall not exceed the book value of the asset on the reverse date under the assumption that no provision for the impairment is withdrawn.

#### 40. Government subsidies

Applicable Non-applicable

##### 1. Type

Government grants are monetary assets and non-monetary assets acquired by the Company from the government free of charge. Government grants are classified into government grants related to assets and government grants related to revenue.

Government grants related to assets refer to government grants acquired by the Company for the purpose of purchasing or constructing or otherwise forming long-term assets. Government grants related to revenue refer to the government grants other than those related to assets.

The company classifies government grants into asset-related grants in accordance with the following criteria:

If the government document specifies the specific intended project of subsidies, it will be classified according to the relative ratio of the amount paid of the asset and the amount paid included in the expenses as part of the specific project, and the classification ratio needs to be checked and if necessary, changed on each balance sheet date.

The company classifies government grants into revenue-related grants in accordance with the following criteria:

The government document only makes a general statement on the use and no item is specified, as revenue-related government subsidies.

##### 2. Confirmation of time point

Government subsidies are confirmed when the company can meet its attached conditions and can be received.

##### 3. Accounting treatment

Government grants related to assets shall write off the book value of relevant assets or be recognized as deferred income. When recognized as deferred income, the government grant related to assets will be period by period credited to the profits and losses of the current period in a reasonable and systematic manner within the service life of relevant assets (those related to the Company's daily activities shall be recognized as other income; those unrelated to the Company's daily activities shall be recognized as non-operating income).

The revenue-related government grants shall be recognized as deferred income if they are used to compensate relevant expenses or losses in subsequent periods, and they shall be included in profit and loss of the current period (those related to Company's routine activities shall be included in other income; those unrelated to the Company's routine activities shall be included in non-operating income) or used to offset relevant expenses or losses during the recognition of related expenses or losses; the grants used to compensate related expenses or losses incurred shall be included in profit and loss of the current period (those related to Company's routine activities shall be included in other income; those unrelated to the Company's routine activities shall be included in non-operating income) or used to offset relevant expenses or losses.

#### 41. Deferred income tax assets/deferred income tax liabilities

Applicable Non-applicable

Income tax includes current income tax and deferred income tax. The Company will include current income tax and deferred income tax in the current profit or loss, except for income tax arising from

business combination and transaction or event directly included in the owners' equity (including other comprehensive income).

Deferred income tax assets and deferred income tax liabilities shall be calculated and recognized on the basis of the difference (temporary difference) between the tax basis of the assets and liabilities and their book value.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. For deductible losses and tax credits that can be reversed in the future period, deferred tax assets shall be recognized to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

Save as the exceptions, deferred income tax liabilities shall be recognized for the taxable temporary difference.

Special circumstances in which deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transaction or event that is not a business combination and would not affect accounting profit and taxable income (or deductible loss) at the time of occurrence.

For taxable temporary differences related to investments in subsidiaries, associates and joint ventures, deferred income tax liability is recognized, unless the Company can control the timing of reversal of such temporary differences and such temporary differences are not likely to be reversed in the foreseeable future. For deductible temporary differences related to the investments of subsidiaries, associates and joint ventures, deferred tax asset is recognized when the temporary differences are likely to be reversed in the foreseeable future and the taxable income amount used to offset the deductible temporary differences is likely to be obtained in the future.

On the balance sheet date, the Company reviews the book value of the deferred income tax assets. The book value of the deferred income tax asset will be written down if sufficient taxable income is not likely to be obtained to offset the benefit of the deferred income tax asset in the future period. The write-down amount will be reversed when sufficient taxable income is likely to be obtained.

After granted the legal rights of net settlement and with the intention to use net settlement or obtain assets and repay debt at the same time, the net amount after offsetting its current income tax assets and current income tax liabilities shall be recorded.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be, as stipulated by tax law, measured by the applicable tax rate of the period of expected recovery of the relevant assets or settlement of the relevant liabilities.

- The taxpayer has the legal right to settle the current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred tax liabilities are related to the income tax to be paid by the same entity liable to pay tax to the same tax collection and management authority or related to different entities liable to pay tax. The relevant entity liable to pay tax is intended to apply net settlement of current income tax assets and liabilities or, at the same time, obtain assets and repay debt in every future period that deferred income tax assets and liabilities with importance would be reversed.

## 42. Lease

### (1). Accounting of operating lease

Applicable Non-applicable

(1) As the lessee of operating leases, rental payments under operating leases are recognized as costs or expenses on a straight line basis over the lease term (including rent free periods). Initial direct costs that are attributable to an operating lease incurred by the Company are charged to current profit and loss.

When the lesser bears the lease related expenses which should be undertaken by the Company, the Company shall deduct this part of expense from the rent and amortize the net amount over the lease term.

(2) Leasing charges received by the Company for the assets leased out shall be amortized in a straight-line basis over the lease term without deducting the rent-free periods, and recognized as leasing income. The initial direct fee related to the leasing transactions paid by the Company shall be charged to current expenses; if the amount is significant, it shall be capitalized and charged to current income evenly on the same basis as the leasing income is recognized over the lease term. When the Company bears the

lease related expenses which should be undertaken by the lessee, the Company shall deduct this part of expense from the rent income, and amortize the net amount over the lease term.

**(2). Accounting treatment method of financing lease**

Applicable Non-applicable

**(3). Determination method and accounting treatment method of lease under the new lease standard**

Applicable Non-applicable

**43. Other significant accounting policies and accounting estimates**

Applicable Non-applicable

**44. Changes in significant accounting policies and accounting estimates**

**(1). Changes in significant accounting policies**

Applicable Non-applicable

Content and reason of changes in accounting policies	Approval procedure	Remark (Name and amount of the items subject to significant impact)
The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 14-Revenue (2017 Revision)" (Cai Kuai [2017] No. 22) on July 5, 2017, the Company will implement the updated version of revenue standards from January 1, 2020.	"Accounting Standards for Business Enterprises No. 14-Revenue (2017 Revision)" (Cai Kuai [2017] No. 22)	The Company will implement the updated version of revenue standards from January 1, 2020, and adjust the received prepayments at RMB 24,717,751.02 as contained in the consolidated balance sheet at the beginning of the year to contract liabilities at RMB 21,874,115.95 and other current liabilities at RMB 2,843,635.07, respectively; adjust the received prepayments at RMB 10,850,973.20 as contained in the balance sheet of the parent company at the beginning of the year to contract liabilities at RMB 9,602,631.15 and other current liabilities at RMB 1,248,342.05, respectively.

**Other Notes**

In 2017, the Ministry of Finance revised the "Accounting Standards for Business Enterprises No. 14-Revenue". The revised standard provides that the amount of retained earnings and other relevant items as contained in the financial statements at the beginning of the year should be adjusted given the cumulative impact for the initial implementation of the standard, and no adjustment should be implemented to comparable period information.

The Company will implement the updated version of revenue standard from January 1, 2020. Under the updated standard, the Company only adjusts the retained earnings at the beginning of 2020 and the amount of other related items in the financial statements for the cumulative impact of contracts that have not been completed on the date of initial implementation, and no adjustment should be implemented to comparable period statements.

**(2). Changes in significant accounting estimates**

Applicable Non-applicable

**(3). Since 2020, the company first implemented the revised revenue standards, the new rent standards, and adjusted related items of the financial statements at the beginning of the year**

Applicable Non-applicable



Unit: Yuan Currency: RMB

Item	December 31st, 2019	January 1st, 2020	Adjusted amount
<b>Current assets:</b>			
Cash and Bank Balances	822,457,801.96	822,457,801.96	
Deposit Reservation for Balance			
Loans to Banks and Other Financial Institutions			
Trading Financial Assets	780,000,000.00	780,000,000.00	
Derivative Financial Assets			
Notes receivable	440,734,534.85	440,734,534.85	
Accounts receivable	1,357,020,447.94	1,357,020,447.94	
Receivables Financing	587,351,790.19	587,351,790.19	
Prepayments	35,367,527.97	35,367,527.97	
Premium Receivable			
Reinsurance Accounts Receivable			
Reinsurance Contract Reserves Receivable			
Other Receivables	13,981,969.00	13,981,969.00	
Including: interest receivable			
Dividends Receivable			
Buying Back the Sale of Financial Assets			
Inventory	1,239,786,152.44	1,239,786,152.44	
Contract Assets			
Holding for-sale assets			
Non-current Assets Due within 1 year			
Other Current Assets	156,215,913.11	156,215,913.11	
Subtotal of Current Assets	5,432,916,137.46	5,432,916,137.46	
<b>Non-current Assets:</b>			
Granting of loans and advances			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	125,215,950.32	125,215,950.32	
Investment in Other Equity			
Other Non-current Financial Assets			
Investment Property	30,960,256.31	30,960,256.31	
Fixed Assets	3,941,027,638.25	3,941,027,638.25	
Projects under Construction	611,737,763.71	611,737,763.71	
Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets			
Intangible Assets	605,767,648.14	605,767,648.14	
Development Expenditure			
Goodwill	253,310,074.24	253,310,074.24	
Long-term unamortized expenses	58,311,175.02	58,311,175.02	
Deferred Income Tax Assets	77,212,058.81	77,212,058.81	
Other Non-current Assets	97,855,571.08	97,855,571.08	
Subtotal of Non-current	5,801,398,135.88	5,801,398,135.88	

Assets			
Total Assets	11,234,314,273.34	11,234,314,273.34	
<b>Current Liabilities:</b>			
Short-term loan	500,318,635.16	500,318,635.16	
Borrowings from the Central Bank			
Borrowings from Banks and Other Financial Institutions			
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable	1,184,846,663.26	1,184,846,663.26	
Accounts Payable	1,458,517,214.69	1,458,517,214.69	
Received Prepayments	24,717,751.02		-24,717,751.02
Contract liabilities		21,874,115.95	21,874,115.95
Financial Assets Sold for Repurchase			
Deposit Taking and Interbank Deposit			
Receiving from Vicariously Traded Securities			
Receiving from Vicariously Sold Securities			
Payroll payable	118,780,048.70	118,780,048.70	
Tax Payable	68,557,861.25	68,557,861.25	
Other Payables	8,181,531.69	8,181,531.69	
Including: interest payable			
Dividends Payable			
Service Charge and Commission Payable			
Reinsurance Accounts Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year	62,837,810.76	62,837,810.76	
Other Current Liabilities		2,843,635.07	2,843,635.07
Subtotal of Current Liabilities	3,426,757,516.53	3,426,757,516.53	
<b>Non-current Liabilities:</b>			
Insurance Contract Reserves			
Long-term loan	182,500,000.00	182,500,000.00	
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities			
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income	172,340,145.15	172,340,145.15	
Deferred Income Tax Liabilities	48,067,326.66	48,067,326.66	
Other Non-current Liabilities			
Subtotal of Non-current Liabilities	402,907,471.81	402,907,471.81	
Total Liabilities	3,829,664,988.34	3,829,664,988.34	
<b>Owners' Equity(or Shareholders' Equity):</b>			
Paid-in Capital (or Share Capital)	1,054,987,749.00	1,054,987,749.00	

Other Equity Instruments			
Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves	3,409,439,863.07	3,409,439,863.07	
Less: Treasury Share			
Other Comprehensive Incomes	-4,380,983.53	-4,380,983.53	
Special Reserves			
Surplus Reserves	412,680,608.91	412,680,608.91	
General Risk Reserves			
Undistributed Profits	2,502,765,125.43	2,502,765,125.43	
Total Owners' Equity (Shareholders' Equity) Attributable to the Parent Company	7,375,492,362.88	7,375,492,362.88	
Minority Shareholders' Equity	29,156,922.12	29,156,922.12	
Total Owners' Equity(or Shareholders' Equity)	7,404,649,285.00	7,404,649,285.00	
Total Liabilities and Total Owners' Equity(or Shareholders' Equity)	11,234,314,273.34	11,234,314,273.34	

Notes to adjustment of all items:

√Applicable □Non-applicable

The Company will implement the updated version of revenue standards from January 1, 2020, and adjust the received prepayments at RMB 24,717,751.02 as contained in the consolidated balance sheet at the beginning of the year to contract liabilities at RMB 21,874,115.95 and other current liabilities at RMB 2,843,635.07, respectively;

Balance Sheet of the Parent Company

Unit: Yuan Currency: RMB

Item	December 31st, 2019	January 1st, 2020	Adjusted amount
<b>Current assets:</b>			
Cash and Bank Balances	381,471,584.55	381,471,584.55	
Trading Financial Assets	780,000,000.00	780,000,000.00	
Derivative Financial Assets			
Notes receivable			
Accounts receivable	1,251,021,599.94	1,251,021,599.94	
Receivables Financing			
Prepayments	15,387,320.53	15,387,320.53	
Other Receivables	49,355,223.60	49,355,223.60	
Including: interest receivable			
Dividends Receivable			
Inventory	569,539,150.24	569,539,150.24	
Contract Assets			
Holding-for-sale assets			
Non-current Assets Due within 1 Year			
Other Current Assets			
Subtotal of Current Assets	3,046,774,878.86	3,046,774,878.86	
<b>Non-current Assets:</b>			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	3,437,103,706.24	3,437,103,706.24	
Investment in Other Equity			

Instruments			
Other Non-current Financial Assets			
Investment Property	30,960,256.31	30,960,256.31	
Fixed Assets	2,163,880,764.04	2,163,880,764.04	
Projects under Construction	255,670,050.01	255,670,050.01	
Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets			
Intangible Assets	263,906,427.20	263,906,427.20	
Development Expenditure			
Goodwill			
Long-term unamortized expenses	24,317,606.15	24,317,606.15	
Deferred Income Tax Assets	25,299,141.67	25,299,141.67	
Other Non-current Assets	28,726,157.69	28,726,157.69	
Subtotal of Non-current Assets	6,229,864,109.31	6,229,864,109.31	
Total Assets	9,276,638,988.17	9,276,638,988.17	
<b>Current Liabilities:</b>			
Short-term loan	500,318,635.16	500,318,635.16	
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable			
Accounts Payable	886,276,735.51	886,276,735.51	
Received Prepayments	10,850,973.20		-10,850,973.20
Contract liabilities		9,602,631.15	9,602,631.15
Payroll payable	63,291,315.71	63,291,315.71	
Tax Payable	43,013,189.57	43,013,189.57	
Other Payables	31,414,682.50	31,414,682.50	
Including: interest payable			
Dividends Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year	62,837,810.76	62,837,810.76	
Other Current Liabilities		1,248,342.05	1,248,342.05
Subtotal of Current Liabilities	1,598,003,342.41	1,598,003,342.41	
<b>Non-current Liabilities:</b>			
Long-term loan	182,500,000.00	182,500,000.00	
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities			
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income	53,152,160.61	53,152,160.61	
Deferred Income Tax Liabilities	26,087,040.58	26,087,040.58	
Other Non-current Liabilities			
Subtotal of Non-current Liabilities	261,739,201.19	261,739,201.19	
Total Liabilities	1,859,742,543.60	1,859,742,543.60	

<b>Owners' Equity(or Shareholders' Equity):</b>			
Paid-in Capital (or Share Capital)	1,054,987,749.00	1,054,987,749.00	
Other Equity Instruments			
Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves	3,409,439,863.07	3,409,439,863.07	
Less: Treasury Share			
Other Comprehensive Incomes			
Special Reserves			
Surplus Reserves	412,680,608.91	412,680,608.91	
Undistributed Profits	2,539,788,223.59	2,539,788,223.59	
Total Owners' Equity(or Shareholders' Equity)	7,416,896,444.57	7,416,896,444.57	
Total Liabilities and Total Owners' Equity(or Shareholders' Equity)	9,276,638,988.17	9,276,638,988.17	

Notes to adjustment of all items:

Applicable Non-applicable

The Company will implement the updated version of revenue standards from January 1, 2020, and adjust the received prepayments at RMB 10,850,973.20 as contained in the balance sheet of the parent company at the beginning of the year to contract liabilities at RMB 9,602,631.15 and other current liabilities at RMB 1,248,342.05, respectively.

**(4). Notes to compared data before and after the adjustment according to the first implementation of the new revenue recognition standard and the new lease accounting standard in 2020**

Applicable Non-applicable

**45. Others**

Applicable Non-applicable

**VI. Taxes**

**1. Major categories of taxes and tax rates**

Main categories of taxes and tax rates

Applicable Non-applicable

Tax Type	Taxation basis	Tax rate
VAT	According to the provisions of the tax law, the sales tax shall be calculated on the basis of the income by selling goods and taxable services. After deducting the input tax that is allowed to be deducted from the sales tax in the current period, the difference shall be the value added tax	13%, 9%, 6% (Note 1)
Consumption tax		
Business tax		
Urban Maintenance and Construction Tax	Calculated based on the actual VAT paid	7%, 5%, 1% (Note 2)
Enterprise income tax	Calculated based on the taxable income	34%、28%、25%、24%、22.2%、16.5%、15%、13%
Education Surcharges	Calculated based on the actual VAT paid	3%
Local Education Surcharges	Calculated based on the actual	2%, 1.5% (Note 3)

	VAT paid	
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Note 1: The VAT tax of technology development service fees are calculated at 6% of the taxable income; if other VAT taxable sales activities are occurred in the Company, under the “Announcement of the Ministry of Finance, the State Administration of Taxation, and the General Administration of Customs on deepening the policies of VAT reform” (Announcement of the Ministry of Finance, the State Administration of Taxation, and the General Administration of Customs, 2019 No.39), the tax rate applicable to VAT will be adjusted to 13% and 9% from April 1<sup>st</sup>, 2019.

Note 2: If there are taxable entities applicable to different corporate city maintenance and construction tax rates, make a disclosure of statement:

Name of Taxpayer	Urban Maintenance and Construction Tax Rate
Liuzhou Tuopu	5%
Ningbo Qianhui	5%
Sichuan Tuopu	5%
Pinghu Tuopu	5%
Taizhou Tuopu	5%
Tuopu Mechatronic System	5%
Zhejiang Towin	5%
Sichuan Maigao	5%
Shanghai Towin	1%
Other companies	7%

Note 3: If there are taxpayers applicable to different corporate local education surcharge rates, make a disclosure of the description:

Name of Taxpayer	Local Education Surcharges Rate
Wuhan Tuopu	1.5%
Other company	2%

If there are taxable entities applicable to different corporate income tax rates, disclose statement

Applicable Non-applicable

Name of Taxpayer	Income Tax Rate (%)
The Company	15
Ningbo Qianhui	15
Tuopu Intelligent Brake	15
Baoji Tuopu	15
Tuopu Mechatronic System	15
Zhejiang Towin	15
Sichuan Maigao	15
Tuopu North American Ltd	28
Tuopu North American USA Limited, INC	13
Tuopu International	16.50
Tuopu Sweden	22.20
TUOPU (MALAYSIA) SDN.BHD.	24
Tuopu Brasil	34
Other company	25

## 2. Preferential tax rate

Applicable Non-applicable

1. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Ningbo Science and Technology Bureau, Ningbo Finance Bureau, and Ningbo Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR201833100473). As set out in the certificate, the Company was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from 2018 to 2020. The corporate income tax rate for 2020 is 15%.

2. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Ningbo Science and Technology Bureau, Ningbo Finance Bureau, and Ningbo Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR202033100564). As set out in the certificate, Ningbo Qianhui was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from January 1<sup>st</sup>, 2020 to December 31<sup>st</sup>, 2022. The corporate income tax rate for 2020 is 15%.

3. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Ningbo Science and Technology Bureau, Ningbo Finance Bureau, and Ningbo Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR201833100196). As set out in the certificate, Tuopu Smart Brake was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from 2018 to 2020. The corporate income tax rate for 2020 is 15%.

4. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Shaanxi Department of Science and Technology, Shaanxi Department of Finance, and Shaanxi Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR201961001257). As set out in the certificate, Baoji Tuopu was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from 2019 to 2021. The corporate income tax rate for 2020 is 15%.

5. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), Ningbo Science and Technology Bureau, Ningbo Finance Bureau, and Ningbo Tax Service, SAT issued the certificate of hi-tech enterprise (No. GR201933100261). As set out in the certificate, Tuopu Mechatronic System was accredited as a hi-tech enterprise and this accreditation is valid for 3 years. Within this period of validity, the preferential tax rate for corporate income tax is 15%, which is effective from 2019 to 2021. The corporate income tax rate for 2020 is 15%.

6. Under the provisions of the “Administrative measures for the accreditation of hi-tech enterprises” (Guo Ke Fa Huo [2016] No. 32) and the “Guidelines for the accreditation management of hi-tech enterprises” (Guo Ke Fa Huo [2016] No.195), the Office of the Steering Group for the National Hi-tech Enterprise Accreditation Management Work announced the list of hi-tech enterprises prospectively accredited in Zhejiang Province in 2019, in which Zhejiang Towin was accredited as a hi-tech enterprise. The preferential tax rate for corporate income tax is 15%, which is effective from 2019 to 2021. The corporate income tax rate for 2020 is 15%.

7. Under the "Notice of the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation on taxation policy issues concerning the further implementation of the Western Development Strategy" (Cai Shui [2011] No. 58), any enterprise engaged in an encouraged industry in Western China will pay corporate income tax at 15% from January 1<sup>st</sup>, 2011 to December 31<sup>st</sup>, 2020. Under the “Letter of confirming the main operations of Sichuan Maigao as the state encouraged industry” (Chuan Jing Xin Gui Chan Han No. [2019]890), as circulated by Sichuan

Department of Economic and Information, the main operations of Sichuan Maigao are confirmed as the state encouraged industry in the “Catalogue of Guidelines for Adjustment of Industrial Structure” and “Catalogue of Encouraged Industries in Western China”, so the tax reduction policy applies. The corporate income tax rate for 2020 is 15%.

### 3. Others

Applicable Non-applicable

## VII. Notes to the Items in the Consolidated Financial Statement

### 1. Cash and bank balances

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Cash on Hand	8,899.73	8,113.38
Bank Balance	674,857,522.35	715,173,954.74
Other Cash and Bank Balances	112,257,224.37	107,275,733.84
Total	787,123,646.45	822,457,801.96
Including: Total Amount Deposited in Overseas Banks	70,846,825.02	30,805,176.27

Other notes

Schedule of the cash and bank balances restricted for use

Item	Balance at the End of the Period	Balance at the End of Previous Year
Documentary Credit Deposit	112,257,224.37	106,875,733.84
L/C Guarantee deposits		400,000.00
Total	112,257,224.37	107,275,733.84

### 2. Trading Financial Assets

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Financial assets that are measured at fair value and whose changes are included in the current profit and loss	176,111.00	780,000,000.00
Including:		
Short-term financial products		780,000,000.00
Equity instrument investment	176,111.00	
Financial assets that are designated to be measured at fair value and whose changes are included in the current profit and loss		
Including:		
Total	176,111.00	780,000,000.00

Other Notes

Applicable Non-applicable

### 3. Derivative Financial Assets

Applicable Non-applicable



**4. Notes Receivable****(1) Notes receivable presented by category**√Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Bank Acceptance Notes	296,283,951.73	422,499,894.27
Commercial Acceptance Notes		19,194,358.51
Provision for impairment of commercial acceptance bills		-959,717.93
Total	296,283,951.73	440,734,534.85

**(2). Notes receivable pledged by the Company at the end of the period**√Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Pledged amount by the end of period
Bank Acceptance Notes	296,225,046.21
Commercial Acceptance Notes	
Total	296,225,046.21

**(3). Notes receivable that the Company has endorsed or discounted at the end of the period and that have not yet expired on the balance sheet date**Applicable Non-applicable**(4). Notes that the Company has transferred to accounts receivable due to a failure of contract performance at the end of the period.**Applicable Non-applicable**(5). Categorical disclosure of accounts receivable**Applicable Non-applicable

Provision for bad debts by single item:

Applicable Non-applicable

Provision for bad debts by combination:

Applicable Non-applicable

If the bad debt provision is made by the general expected credit loss model, refer to the disclosure of other receivables:

Applicable Non-applicable**(6). Provision for bad debts**√Applicable Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period			Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	
Provision for bad debts of commercial acceptance bills	959,717.93		959,717.93		
Total	959,717.93		959,717.93		

Significant withdrawal or reversal amount of provision for bad debts in the current period:

Applicable Non-applicable**(7). Notes receivable actually written off in the current period**Applicable Non-applicableApplicable Non-applicable

**5. Accounts receivable****(1). Disclosure by aging**√Applicable Non-applicable

Unit: Yuan Currency: RMB

Aging	Book Balance at the End of the Period
Within 1 year	
Including: sub-item within 1 year	
Within 1 year	1,852,308,912.50
Subtotal within 1 year	1,852,308,912.50
1 to 2 years	17,017,466.57
2 to 3 years	10,380,883.70
Over 3 years	8,279,853.97
3 to 4 years	
4 to 5 years	
Over 5 years	5,627,793.14
Provision for bad debts	-110,347,902.23
Total	1,783,267,007.65

**(2) . Categorical disclosure by provision for bad debts**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Balance		Bad Debt Provision		Book Value	Book Balance		Bad Debt Provision		Book Value
	Amount	(%) Percentage (%)	Amount	Accrued Proportion (%)		Amount	Percentage (%)	Amount	Accrued Proportion (%)	
Bad debt provision accrued based on single item	7,929,510.12	0.42	7,929,510.12	100.00		7,790,842.99	0.54	7,790,842.99	100.00	
Including:										
Bad debt provision accrued based on single item	7,929,510.12	0.42	7,929,510.12	100.00		7,790,842.99	0.54	7,790,842.99	100.00	
Bad debt provision accrued based on combinations	1,885,685,399.76	99.58	102,418,392.11	5.43	1,783,267,007.65	1,434,544,085.11	99.46	77,523,637.17	5.40	1,357,020,447.94
Including:										
Bad debt provision accrued based on aging combinations	1,885,685,399.76	99.58	102,418,392.11	5.43	1,783,267,007.65	1,434,544,085.11	99.46	77,523,637.17	5.40	1,357,020,447.94
<b>Total</b>	<b>1,893,614,909.88</b>	<b>/</b>	<b>110,347,902.23</b>	<b>/</b>	<b>1,783,267,007.65</b>	<b>1,442,334,928.10</b>	<b>/</b>	<b>85,314,480.16</b>	<b>/</b>	<b>1,357,020,447.94</b>

Bad debt provision accrued based on single item

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name	Balance at the End of the Period			
	Book Balance	Bad Debt Provision	Accrued Proportion (%)	Reason for Accrual
Henan Dongqi Chenfei Rubber and Plastic Co., Ltd.	2,438,745.39	2,438,745.39	100.00	Expected to be unable to recover
Chongqing Hyosow Parts Co., Ltd.	4,682,782.60	4,682,782.60	100.00	Expected to be unable to

				recover
Zhejiang Green Field Motor Co., Ltd.	414,778.13	414,778.13	100.00	Expected to be unable to recover
Chongqing Lifan Passenger Vehicle Co., Ltd.	393,204.00	393,204.00	100.00	Expected to be unable to recover
Total	7,929,510.12	7,929,510.12	100.00	/

Notes to Bad debt provision accrued based on single item:

Applicable Non-applicable

Bad debt provision accrued based on combinations

Applicable Non-applicable

Accrued items based on combinations: accounts receivable with bad debt provision by aging portfolio

Unit: Yuan Currency: RMB

Name	Balance at the End of the Period		
	Accounts Receivable	Bad Debt Provision	Accrued Proportion(%)
Within 1 year (including 1 year)	1,852,308,912.50	92,615,445.62	5.00
1-2 years (including 2 years)	17,017,466.57	1,701,746.65	10.00
2-3 years (including 3 years)	9,966,105.57	2,989,831.67	30.00
3-5 years (including 5 years)	3,203,867.37	1,922,320.42	60.00
Over 5 years	3,189,047.75	3,189,047.75	100.00
Total	1,885,685,399.76	102,418,392.11	

Recognition criteria for and notes to bad debt provision by combinations

Applicable Non-applicable

If the bad debt provision is made by the general expected credit loss model, e refer to the disclosure of other receivables:

Applicable Non-applicable

### (3). Bad debt provision

Applicable Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period				Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	Other Changes	
Bad debt provision accrued based on single item	7,790,842.99	138,667.13				7,929,510.12

Bad debt provision accrued based on combinations	77,523,637.17	24,894,754.94				102,418,392.11
Total	85,314,480.16	25,033,422.07				110,347,902.23

Significant withdrawal or reversal amount of provision for bad debts in the current period:

Applicable Non-applicable

**(4). Accounts receivable actually written off in the current period**

Applicable Non-applicable

**(5). Accounts receivable of the top five closing balances collected by debtors**

√Applicable □Non-applicable

Name of Entity	Balance at the End of the Period		
	Accounts Receivable	Proportion in Total Accounts Receivable (%)	Bad Debt Provision
No.1	442,999,760.20	23.39	22,149,988.01
No.2	337,923,690.04	17.85	16,896,184.50
No.3	206,946,830.18	10.93	10,347,341.51
No.4	79,593,506.53	4.2	3,979,675.33
No.5	46,199,384.89	2.44	2,309,969.24
Total	1,113,663,171.84	58.81	55,683,158.59

**(6).Accounts receivable derecognized due to the transfer of financial assets**

□Applicable √Non-applicable

**(7). Amount of assets and liabilities formed by the transfer of accounts receivable and continued involvement**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**6. Receivables Financing**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Notes receivable	742,203,122.21	587,351,790.19
Total	742,203,122.21	587,351,790.19

Changes in the financing of receivables and changes in fair value in the current period:

√Applicable □Non-applicable

Item	Balance at the End of Previous Year	Increase in the Current Period	Derecognition in the Current Period	Other Changes	Balance at the End of the Period	Cumulative loss provision recognized in other comprehensive income
Bank Acceptance Notes	587,351,790.19	4,499,901,156.99	4,372,392,149.83		714,860,797.35	
Commercial		40,692,965.07	11,911,570.48	-1,439,069.73	27,342,324.86	

Acceptance Notes						
Total	587,351,790.19	4,540,594,122.06	4,384,303,720.31	-1,439,069.73	742,203,122.21	

If the bad debt provision is made by the general expected credit loss model, refer to the disclosure of other receivables:

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

1. Notes receivable pledged by the Company at the end of the period

Item	Pledged amount by the end of period
Bank Acceptance Notes	605,111,448.46
Commercial Acceptance Notes	13,474,904.41
Total	618,586,352.87

2. Notes receivable that the Company has endorsed or discounted at the end of the period and that have not yet expired on the balance sheet date

Item	Derecognised amount at the end of the period	Not derecognised amount at the end of the period
Bank Acceptance Notes	1,118,453,642.11	
Total	1,118,453,642.11	

3. Provision for impairment of accounts receivable financing

As of December 31<sup>st</sup>, 2020, the amount of commercial acceptance notes was RMB 28,781,394.59, the Company managed the unmatured commercial acceptance notes as accounts receivable according to the principle of prudence and made a provision for bad debts of unmatured commercial acceptance notes in RMB 1,439,069.73 according to the principle of continuous calculation in respect of the age of its corresponding accounts receivable.

## 7. Prepayments

### (1). Aging analysis of prepayments is as follows

Applicable Non-applicable

Unit: Yuan Currency: RMB

Aging	Balance at the End of the Period		Balance at the Start of the Period	
	Amount	Percentage(%)	Amount	Percentage(%)
Within 1 year	38,834,366.57	90.56	33,352,625.65	94.30
1-2 years	2,579,881.03	6.02	1,379,449.26	3.90
2-3 years	838,134.84	1.95	89,812.40	0.25
Over 3 years	631,435.96	1.47	545,640.66	1.55
Total	42,883,818.40	100.00	35,367,527.97	100.00

### (2).Particulars of advance payment of the top five closing balances by prepayment parties

Applicable Non-applicable

Prepayments made to	Balance at the end of the period	Proportion in total balance of prepayments at the end of the period
GLOBAL GLORY GROUP LIMITED	2,454,288.53	5.72
Sri Trang Agro-Industry (Shanghai) Co., Ltd.	2,286,718.89	5.33
Ningbo Wanguhui Li Plastic Chemical	1,546,245.00	3.61

Prepayments made to	Balance at the end of the period	Proportion in total balance of prepayments at the end of the period
Trading Co., Ltd.		
Lianyi Dawang Rubber Co., Ltd.	1,321,874.65	3.08
Johnson Electric (Guangdong) Co., Ltd.	951,906.22	2.22
<b>Total</b>	<b>8,561,033.29</b>	<b>19.96</b>

Other Notes

Applicable Non-applicable**8. Other Receivables****Presentation of items**Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Interest receivable		
Dividend receivable		
Other Receivables	31,087,166.38	13,981,969.00
<b>Total</b>	<b>31,087,166.38</b>	<b>13,981,969.00</b>

Other Notes:

Applicable Non-applicable**Interest receivable****(1). Category of interest receivable**Applicable Non-applicable**(2). Important late payment interest**Applicable Non-applicable**(3). Particulars of bad debt provision**Applicable Non-applicable

Other Notes:

Applicable Non-applicable**Dividend receivable****(4). Dividend Receivable**Applicable Non-applicable**(5). Important dividend receivable with an aging over 1 year**Applicable Non-applicable**(6). Particulars of bad debt provision**Applicable Non-applicable

Other Notes:

Applicable Non-applicable**Other Receivables****(7). Disclosure by aging**Applicable Non-applicable

Unit: Yuan Currency: RMB

Aging	Book Balance at the End of the Period
-------	---------------------------------------



Within 1 year	
Including: sub-item within 1 year	
Within 1 year	31,493,515.91
Subtotal within 1 year	31,493,515.91
1-2 years	600,751.95
2-3 years	453,930.00
Over 3 years	774,746.23
3-4 years	
4-5 years	
Over 5 years	339,600.00
Bad debt provision	-2,575,377.71
Total	31,087,166.38

**(8). Categorized by the nature of funds**

√Applicable □Non-applicable Currency: RMB

Nature of Funds	Book balance at the end of the period	Book balance at the beginning of the period
Export tax rebate receivable		3,067,052.92
Petty cash funds	122,815.13	670,096.10
Security deposit	29,417,358.76	15,633,181.45
Others	4,122,370.20	3,045,023.12
Total	33,662,544.09	22,415,353.59

**(9). Particulars of bad debt provision**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Bad debt provision	Phase 1	Phase 2	Phase 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2020	8,433,384.59			8,433,384.59
Balance of the current period on January 1, 2020				
--Transfer to Phase 2				
--Transfer to Phase 3				
--Transfer to Phase 2				
--Transfer to Phase 1				
Provision made in the current period				
Reversal in the current period	5,858,006.88			5,858,006.88
Write-off in the current period				
Write-off in the current period				

Other changes				
Balance on December 31, 2020	2,575,377.71			2,575,377.71

Notes to significant changes in the book balance of other receivables that have changed in the current period:

Applicable Non-applicable

Amount of bad debt provision in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

Applicable Non-applicable

#### (10). Particulars of bad debt provision

Applicable Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period				Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	Other Changes	
Accounts receivable with bad debt accrued based on aging portfolio	8,433,384.59		5,858,006.88			2,575,377.71
Total	8,433,384.59		5,858,006.88			2,575,377.71

Bad debt provision in the current period with significant amount of withdrawal or reversal:

Applicable Non-applicable

#### (11). Particulars of other receivables actually written off in the current period

Applicable Non-applicable

#### (12). Particulars of other receivables of the top five closing balances collected by debtors

Applicable Non-applicable

Unit: Yuan Currency: RMB

Name of Unit	Nature of funds	Balance at the end of the period	Aging	Proportion in total other receivables at the end of the period (%)	Balance of bad debt provision at the end of the period
Ningbo Hangzhou Bay New Zone Administration Committee for Development and Construction	Security deposit	19,831,703.00	Within 1 year	58.91	991,585.15
Special account for online security deposits of Cixi Public Resources Trading Center	Security deposit	6,040,000.00	Within 1 year	17.94	302,000.00

Special custody account of Beilun Customs of the People's Republic of China	Security deposit	2,039,571.58	Within 1 year	6.06	101,978.58
Zhejiang Geely Holding Group Automobile Sales Co., Ltd.	Security deposit	500,000.00	Within 1 year	1.49	25,000.00
Liu Hongsong	Other	455,000.00	Within 1 year	1.35	200,100.00
Total	/	28,866,274.58	/	85.75	1,620,663.73

**(13). Accounts receivable related to government subsidies**

Applicable Non-applicable

**(14). Other accounts receivable derecognised due to transfer of financial assets**

Applicable Non-applicable

**(15). Amount of assets and liabilities generated due to transfer of other receivables and continued involvement**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**9. Inventories****(1).Category of inventories**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period			Balance at the Start of the Period		
	Book Balance	Inventory depreciation provision or contract performance cost impairment provision	Book Value	Book Balance	Inventory depreciation provision or contract performance cost impairment provision	Book Value
Raw materials	217,685,102.37		217,685,102.37	174,632,264.90		174,632,264.90
WIPs						
Finished goods	617,392,628.62	38,312,844.14	579,079,784.48	479,800,587.16	24,824,483.78	454,976,103.38
Revolving materials	15,283,612.95		15,283,612.95	11,017,609.64		11,017,609.64
Consumptive biological assets						
Contract performance cost						
Production cost	244,417,226.39		244,417,226.39	209,879,246.83		209,879,246.83
Delivered goods	446,286,110.69		446,286,110.69	389,280,927.69		389,280,927.69
Total	1,541,064,681.02	38,312,844.14	1,502,751,836.88	1,264,610,636.22	24,824,483.78	1,239,786,152.44

**(2). Inventory depreciation provision and contract performance cost impairment provision**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the Start of the Period	Increase in the Current Period		Decrease in the Current Period		Balance at the End of the Period
		Accrued	Others	Reversal or Write-off	Others	
Raw materials						
WIPs						
Finished goods	24,824,483.78	20,176,862.13		6,688,501.77		38,312,844.14
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Total	24,824,483.78	20,176,862.13		6,688,501.77		38,312,844.14

**(3). Notes to the balance at the end of the inventory period with the capitalized amount of borrowing costs**Applicable Non-applicable**(4). Notes to the amortized amount in the current period of contract performance cost**Applicable Non-applicable

Other Notes

Applicable Non-applicable**10. Contract Assets****(1). Particulars of contract assets**Applicable Non-applicable**(2). Amount and reason for the significant change in the book value during the reporting period**Applicable Non-applicable**(3). Particulars of impairment provision of contract assets in the current period**Applicable Non-applicable

If the bad debt provision is made by the general expected credit loss model, e refer to the disclosure of other receivables:

Applicable Non-applicable

Other Notes:

Applicable Non-applicable**11. Holding-for-sale assets**Applicable Non-applicable**12. Non-current assets due within one year**Applicable Non-applicable

Important debt investments and other debt investments at the end of the period:

Applicable Non-applicable**13. Other Current Assets**Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Contract acquisition cost		
Return cost receivable		
Unpaid VAT	168,424,657.71	151,599,906.30
Prepaid income tax	5,400,034.11	4,616,006.81
Total	173,824,691.82	156,215,913.11

**14. Debt Investment****(1). Particulars of debt investment**Applicable Non-applicable**(2). Important debt investment at the end of the period**Applicable Non-applicable**(3). Particulars of provision for impairment**Applicable Non-applicable

The amount of impairment provision for the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable Non-applicable

Other Notes

Applicable Non-applicable

**15. Other Debt Investments****(1). Particulars of other debt investments**

Applicable Non-applicable

**(2). Other important debt investments at the end of the period**

Applicable Non-applicable

**(3). Particulars of provision for impairment**

Applicable Non-applicable

The amount of impairment provision for the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**16. Long-term Receivables****(1). Particulars of long-term receivables**

Applicable Non-applicable

**(2). Particulars of provision for bad debts**

Applicable Non-applicable

The amount of provision for bad debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable Non-applicable

**(3). Long-term receivables derecognized due to the transfer of financial assets**

Applicable Non-applicable

**(4). The amount of assets and liabilities formed by the transfer of long-term receivables and continued involvement**

Applicable Non-applicable

Applicable Non-applicable

**17. Long-term Equity Investment**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Invested Entity	Balance at the Beginning of the Period	Decrease/Increase in the current period								Balance at the End of the Period	Balance of impairment provision at the end of the period
		Investment Increased	Investment Decreased	Investment profit and loss recognized under the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends or profit declared to distribute	Provision for impairment accrued	Others		
<b>I. Joint ventures</b>											
Tuopu Electrical Appliances Co., Ltd. (hereinafter referred to as "Tuopu Electrical Appliances")	55,128,214.81			7,448,199.22						62,576,414.03	
Ningbo Borgers Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Ningbo Borgers")	59,530,818.39			17,551,044.91						77,081,863.30	
Subtotal	114,659,033.20			24,999,244.13						139,658,277.33	
<b>II. Affiliates</b>											
Chongqing Antolin Tuopu Overhead System Co., Ltd. (hereinafter referred to as "Chongqing Antolin")	10,556,917.12			80,789.13						10,637,706.25	
Subtotal	10,556,917.12			80,789.13						10,637,706.25	
<b>Total</b>	<b>125,215,950.32</b>			<b>25,080,033.26</b>						<b>150,295,983.58</b>	

**18. Other equity instrument investments****(1). Particulars of other equity instrument investments**

□Applicable √Non-applicable

**(2). Particulars of investment in non-trading equity instruments**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**19. Other non-current financial assets**

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

**20. Investment property**

Measurement options of investment property

**(1). Investment properties measured by cost method**

Unit: Yuan Currency: RMB

Item	Buildings and constructions	Land use rights	Projects under Construction	Total
I. Original book value				
1. Balance at the beginning of the period	44,143,733.52	6,689,012.00		50,832,745.52
2. Increased in the Current Period	4,919,549.41			4,919,549.41
(1) Purchase				
(2) Transfer-in of Inventory\Fixed assets\Construction in progress	4,919,549.41			4,919,549.41
(3) Increase from business combination				
3. Decreased in the Current Period				
(1) Disposal				
(2) Other Transfer-out				
4. Balance at the end of the period	49,063,282.93	6,689,012.00		55,752,294.93
II. Accumulated Depreciation and Amortization				
1. Balance at the beginning of the period	17,571,599.87	2,300,889.34		19,872,489.21



2. Increased in the Current Period	4,115,851.31	160,536.29		4,276,387.60
(1) Accrual or Amortization	2,135,859.41	160,536.29		2,296,395.70
(2) Transfer of fixed assets	1,979,991.90			1,979,991.90
3. Decreased in the Current Period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at the end of the period	21,687,451.18	2,461,425.63		24,148,876.81
III. Provision for Impairment				
1. Balance at the beginning of the period				
2. Increased in the Current Period				
(1) Accrual				
3. Decreased in the Current Period				
(1) Disposal				
(2) Other Transfer-out				
4. Balance at the end of the period				
IV. Book value				
1. Book value at the end of the period	27,375,831.75	4,227,586.37		31,603,418.12
2. Book value at the beginning of the period	26,572,133.65	4,388,122.66		30,960,256.31

**(2). Particulars of investment property without the property right certificate granted**

Applicable Non-applicable

Other Notes

Applicable Non-applicable

**21. Fixed assets**

**Presentation of items**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Fixed assets	4,248,257,966.73	3,941,027,638.25
Disposal of fixed assets		
Total	4,248,257,966.73	3,941,027,638.25

Other Notes:

Applicable Non-applicable**Fixed Assets****(1). Particulars of fixed Assets**Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Means of transportation	Machinery and equipment	Office equipment and others	Buildings for commercial use	Total
I. Original book value						
1. Balance at the beginning of the period	2,024,581,827.43	32,905,724.82	3,189,999,047.12	175,950,529.18	68,200,328.83	5,491,637,457.38
2. Increased in the Current Period	72,090,392.25	1,935,483.59	689,516,728.60	23,248,604.92		786,791,209.36
(1) Purchase	1,556,559.87	1,935,483.59	128,468,737.46	11,106,440.76		143,067,221.68
(2) Transfer-in of construction in progress	70,533,832.38		561,047,991.14	12,142,164.16		643,723,987.68
(3) Increase from business combination						
3. Decreased in the Current Period	23,408,214.96	2,852,595.19	33,381,264.33	198,405.74		59,840,480.22
(1) Disposal or scrapping	18,488,665.55	2,852,595.19	33,381,264.33	198,405.74		54,920,930.81
(2) Transfer-in of investment property	4,919,549.41					4,919,549.41
4. Balance at the end of the period	2,073,264,004.72	31,988,613.22	3,846,134,511.39	199,000,728.36	68,200,328.83	6,218,588,186.52
II. Accumulated Depreciation						
1. Balance at the beginning of the period	272,893,395.21	24,022,884.89	1,175,732,815.18	77,065,969.77	894,754.08	1,550,609,819.13
2. Increased in the Current Period	91,563,567.14	2,562,088.83	327,479,371.69	17,457,307.16	1,533,864.14	440,596,198.96
(1) Accrual	91,563,567.14	2,562,088.83	327,479,371.69	17,457,307.16	1,533,864.14	440,596,198.96
3. Decreased in the Current Period	7,250,756.33	2,697,140.79	10,182,059.21	745,841.97		20,875,798.30
(1) Disposal or scrapping	5,270,764.43	2,697,140.79	10,182,059.21	745,841.97		18,895,806.40
(2) Transfer-in of investment	1,979,991.90					1,979,991.90

property						
4. Balance at the end of the period	357,206,206.02	23,887,832.93	1,493,030,127.66	93,777,434.96	2,428,618.22	1,970,330,219.79
III. Provision for Impairment						
1. Balance at the beginning of the period						
2. Increased in the Current Period						
(1) Accrual						
3. Decreased in the Current Period						
(1) Disposal or scrapping						
4. Balance at the end of the period						
IV. Book value						
1. Book value at the end of the period	1,716,057,798.70	8,100,780.29	2,353,104,383.73	105,223,293.40	65,771,710.61	4,248,257,966.73
2. Book value at the beginning of the period	1,751,688,432.22	8,882,839.93	2,014,266,231.94	98,884,559.41	67,305,574.75	3,941,027,638.25

**(2). Particulars of temporarily idle fixed assets**Applicable Non-applicable**(3). Particulars of fixed assets rented under financial leasing**Applicable Non-applicable**Fixed assets rented under operating leases**Applicable Non-applicable**(5). Particulars of fixed assets without property right certificate granted**Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Book Value	Reason for non-granted property right certificate
Houses and buildings	487,949,105.78	In process

## Other Notes:

Applicable Non-applicable

The above factories are under construction with a full set of documents and relevant procedures are gone through. The process of obtaining property right certificates is expedited, some construction projects have been accepted and recorded by competent authority, and there is no substantial obstacle in this process.

**Disposal of Fixed Assets**Applicable Non-applicable**22. Construction in progress****Presentation of items**Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the End of the Period	Balance at the Beginning of the Period
Construction in progress	943,993,396.96	611,737,763.71
Construction supplies and materials		
Total	943,993,396.96	611,737,763.71

## Other Notes:

Applicable Non-applicable

**Construction in Progress****(1). Details of construction in progress**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period			Balance at the beginning of the period		
	Book Balance	Provision for decline in value	Book value	Book Balance	Provision for decline in value	Book value
Equipment and software installation project	682,154,841.45		682,154,841.45	511,861,666.03		511,861,666.03
Molds of the group under fabrication	83,278,532.30		83,278,532.30	51,944,098.87		51,944,098.87
Intelligent Brake project of the group headquarter	10,760,304.53		10,760,304.53	3,223,901.07		3,223,901.07
Wuhan Tuopu Project	5,106,988.41		5,106,988.41	1,944,635.96		1,944,635.96
Liuzhou Tuopu Project				77,878.41		77,878.41
Taizhou Tuopu Project	43,526,245.62		43,526,245.62	15,962,027.86		15,962,027.86
Mechatronic System Phase II Project	25,674,905.15		25,674,905.15			
Zhejiang Towin Project				19,480,780.07		19,480,780.07
Sichuan Maigao Project	11,545,959.74		11,545,959.74	6,525,794.31		6,525,794.31
Hunan Tuopu Project	27,462,126.30		27,462,126.30	716,981.13		716,981.13
Tuopu Thermal Management Project	10,706,712.33		10,706,712.33			
Tuopu Chassis Project	43,776,781.13		43,776,781.13			
Total	943,993,396.96		943,993,396.96	611,737,763.71		611,737,763.71

**(2). Changes in significant construction in progress during the current period**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Budget	Balance at the Start of the Period	Increased in the current period	Transfer amounts of fixed assets in this period	Other amounts decreased in current period	Balance at the End of the Period	Project accumulative investment as a percentage of the budget (%)	Project progresses	Accumulated capitalized interest amount	Including : capitalized interest amount in the current period	Capitalization rate of the interest in the current period (%)	Capital Source
Equipment and software installation project		511,861,666.0 <sub>3</sub>	677,083,967.9 <sub>2</sub>	501,203,495.7 <sub>9</sub>	5,587,296.7 <sub>1</sub>	682,154,841.4 <sub>5</sub>		Under construction				Self-funded or raised
Molds of the group under fabrication		51,944,098.87	45,280,158.23	13,945,724.80		83,278,532.30		Under construction				Self-funded
Intelligent Brake project of the group headquarter	530,000,000.0 <sub>0</sub>	3,223,901.07	76,651,802.77	69,115,399.31		10,760,304.53	96.86%	Under construction				Self-funded or raised
Taizhou Tuopu Project	45,000,000.00	15,962,027.86	27,890,810.25	326,592.49		43,526,245.62	97.45%	Under construction				Self-funded
Mechatronic System Phase I Sporadic Project			27,792,808.60	27,792,808.60				As built				

Mechatronic System Phase II Project	130,000,000.00		25,674,905.15			25,674,905.15	19.75%	Under construction				Self-funded or raised
Zhejiang Towin Project	45,000,000.00	19,480,780.07	6,790,583.75	26,271,363.82			100.00%	As built				Self-funded
Other houses and structures		9,265,289.81	94,401,879.97	5,068,602.87		98,598,566.91		Under construction				Self-funded
Total	750,000,000.00	611,737,763.71	981,566,916.64	643,723,987.68	5,587,296.71	943,993,395.96	/	/			/	/

**(3). Provision for impairment of construction in progress in the current period**

Applicable Non-applicable

Other Notes

Applicable Non-applicable

**Construction materials and supplies****(4). Particulars of construction materials and supplies**

Applicable Non-applicable

**23. Productive biological assets****(1). Productive biological assets measured at cost**

Applicable Non-applicable

**(2). Productive biological assets measured at fair value**

Applicable Non-applicable

Other Notes

Applicable Non-applicable

**24. Oil and gas assets**

Applicable Non-applicable

**25. Right-of-use assets**

Applicable Non-applicable



**26. Intangible assets****(1). Particulars of intangible assets**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Patent rights	Non-patented technologies	Softwares	Emission rights	Total
I. Original book value						
1. Opening Balance	612,079,126.53			67,174,814.04	1,548,222.50	680,802,163.07
2. Increased in the Current Period	103,547,459.95			731,827.92		104,279,287.87
(1) Purchase	103,547,459.95			731,827.92		104,279,287.87
(2) Internal research and development						
(3) Acquisition						
3. Decreased in the Current Period	12,232,811.96			58,923.97		12,291,735.93
(1) Disposal	12,232,811.96			58,923.97		12,291,735.93
4. Balance at the end of the period	703,393,774.52			67,847,717.99	1,548,222.50	772,789,715.01
II. Accumulated amortization						
1. Balance at the beginning of the period	54,261,479.05			20,348,778.00	424,257.88	75,034,514.93
2. Increased in the Current Period	14,762,313.13			5,473,209.45	309,644.50	20,545,167.08
(1) Accrual	14,762,313.13			5,473,209.45	309,644.50	20,545,167.08
3. Decreased in the Current Period	1,198,387.35			152,685.51		1,351,072.86
(1) Disposal	1,198,387.35			152,685.51		1,351,072.86
4. Balance at the end of the period	67,825,404.83			25,669,301.94	733,902.38	94,228,609.15

III. Provision for Impairment						
1. Balance at the beginning of the period						
2. Increased in the Current Period						
(1) Accrual						
3. Decreased in the Current Period						
(1) Disposal						
4. Balance at the end of the period						
IV. Book value						
1. Book value at the end of the period	635,568,369.69			42,178,416.05	814,320.12	678,561,105.86
2. Book value at the beginning of the period	557,817,647.48			46,826,036.04	1,123,964.62	605,767,648.14

Intangible assets formed through the R&D activities within the company at the end of the period as a percentage in the balance of intangible assets

**(2). Particulars of land use rights without property right certificate granted**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**27. Development expenditure**

□Applicable √Non-applicable

**28. Goodwill****(1) Original book value of goodwill**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name of invested entity or matter forming goodwill	Balance at the beginning of the period	Increased in the current period		Decreased in the current period		Balance at the end of the period
		Generated from business combination		Disposal		
Tuopu North American USA Limited,INC	1,080,371.29					1,080,371.29
Ningbo Qianhui	6,058,537.77					6,058,537.77
Goodwill formed by the acquisition of chassis business from Zhejiang Towin and Sichuan Maigao	279,645,980.89					279,645,980.89
Total	286,784,889.95					286,784,889.95

**(1). Provision of impairment in goodwill**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name of invested entity or matter forming goodwill	Balance at the beginning of the period	Increased in the current period		Decreased in the current period		Balance at the end of the period
		Accrual		Disposal		
Goodwill formed by the acquisition of chassis business from Zhejiang Towin and Sichuan Maigao	33,474,815.71					33,474,815.71
Total	33,474,815.71					33,474,815.71

**(1). Information about the asset group or combination of asset groups where the goodwill is a part**

√Applicable □Non-applicable

For the goodwill impairment test concerning Zhejiang Towin and Sichuan Maigao, the chassis business comprising Zhejiang Towin and Sichuan Maigao, and Tuopu Parts that ultimately carries out the sales of the chassis business are deemed as asset groups for impairment testing. The main cash inflows are independent of cash inflows from other assets or asset groups.

**(2). Explain the process of impairment testing of goodwill, key parameters (for example, the forecast period growth rate, stable period growth rate, profit rate, discount rate, forecast period, etc., if applicable) and business Recognition method of reputation impairment loss**

√Applicable □Non-applicable

(1) Impairment test of goodwill formed by the acquisition of chassis business of Zhejiang Towin and Sichuan Maigao

The recoverable amount of goodwill is calculated at the present value of the expected future cash flow. The expected cash flow is based on the cash flow forecast approved by the Company for a period of five years (the period from 2021 to 2025 and the stable period after 2025), and estimated from sales revenue growth rate, gross profit and other key data determined based on the historical experience and market development forecast. The discount rate applicable to the Company is a pre-tax interest rate that reflects the time value of currency in the current market and the particular risks of related asset group.

### (3). Impact of goodwill impairment test

Applicable Non-applicable

After testing, the recoverable amount of the asset group containing goodwill formed by the acquisition of chassis business of Zhejiang Towin and Sichuan Maigao exceeds the book value of the asset group containing goodwill. Referring to the result of impairment test, no provision for goodwill impairment is required at the end of the period.

Other Notes

Applicable Non-applicable

### 29. Long-term prepaid expenses

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Increased in the current period	Prepaid Expenses in This Period	Other Amounts Decreased	Balance at the End of the Period
Decoration cost et al.	25,395,786.69	8,417,595.79	10,427,214.10	771,061.01	22,615,107.37
Others	32,915,388.33	49,890,848.32	36,503,461.10	11,238,622.98	35,064,152.57
Total	58,311,175.02	58,308,444.11	46,930,675.20	12,009,683.99	57,679,259.94

### 30. Deferred income tax assets/deferred income tax liabilities

#### (1). Deferred income tax assets not written off

Applicable Non-applicable Unit: Yuan Currency: RMB

Item	Balance at the end of the period		Balance at the beginning of the period	
	Taxable temporary difference	Deferred Income Tax Liabilities	Taxable temporary difference	Deferred Income Tax Liabilities
Provision for impairment of assets	152,675,193.81	33,337,345.97	119,526,467.48	25,959,050.93
Unrealized profits from internal transactions	111,200,512.26	25,696,889.57	101,961,915.76	23,798,120.81
Deductible loss				
Deferred income	214,204,302.56	35,934,324.34	172,340,145.15	27,454,887.07
Total	478,080,008.63	94,968,559.88	393,828,528.39	77,212,058.81

#### (2). Deferred income tax liabilities not written-off

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period		Balance at the beginning of the period	
	Taxable temporary difference	Deferred Income Tax Liabilities	Taxable temporary difference	Deferred Income Tax Liabilities
Assessed appreciation of assets from business combination of the companies not under the	46,761,294.44	11,690,323.61	50,076,548.48	12,519,137.12

same control				
Changes in the fair value of other equity instrument investments				
Changes in the fair value of other debt investments				
Accelerated depreciation of fixed assets	268,117,758.73	40,217,663.81	236,987,930.23	35,548,189.54
Total	314,879,053.17	51,907,987.42	287,064,478.71	48,067,326.66

### (3) Deferred Income Tax Assets or Liabilities Listed by Net Amount after Offset

Applicable Non-applicable

#### (4).Particulars of unrecognized deferred income tax asset

Applicable Non-applicable

#### (5). The deductible losses of unrecognized deferred income tax assets will expire in the following years

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

#### (2). Other non-current assets

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period			Balance at the beginning of the period		
	Book balance	Provision for decline in value	Book value	Book balance	Provision for decline in value	Book Value
Contract acquisition cost						
Contract performance cost						
Return cost receivable						
Contract assets						
Prepayments or construction equipment	296,957,402.06		296,957,402.06	97,855,571.08		97,855,571.08
Total	296,957,402.06		296,957,402.06	97,855,571.08		97,855,571.08

### (3) Short-term loans

#### (1). Categories of short-term loan

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Pledge loan		

Mortgage loan	400,378,888.89	500,318,635.16
Guaranteed loan		
Credit loan		
Total	400,378,888.89	500,318,635.16

**(2). Short-term loans that have been late for repayment**

Applicable Non-applicable

Significant short-term loans that have been late for repayment:

Applicable Non-applicable

Other Notes

Applicable Non-applicable

**(4) Transactional financial liabilities**

Applicable Non-applicable

**(5) Derivative financial liabilities**

Applicable Non-applicable

**(6) Notes payable****(1). Presentation of notes payable**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the end of the period	Balance at the beginning of the period
Commercial acceptance bill		
Bank acceptance bill	1,471,327,551.91	1,184,846,663.26
Total	1,471,327,551.91	1,184,846,663.26

At the end of the current period, total amount of notes payable that have not yet been paid is 0 Yuan.

**(7) Accounts payable****(1). Presentation of accounts payable**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Within 1 year (including 1 year)	1,853,269,995.18	1,407,097,012.11
1-2 years (including 2 years)	31,986,841.31	42,806,138.81
2-3 years (including 3 years)	7,239,675.36	4,545,216.35
Over 3 years	5,758,604.32	4,068,847.42
Total	1,898,255,116.17	1,458,517,214.69

**(2). Important accounts payable aged over 1 year**

Applicable Non-applicable

Other Notes

Applicable Non-applicable

**(8) Advance receipts****(1). Presentation of advance receipts**

Applicable Non-applicable

**(2). Important accounts payable aged over 1 year**

Applicable Non-applicable

Other Notes

Applicable Non-applicable

**(9) Contract liabilities**

**(1). Particulars of contract liabilities**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Within 1 year (including 1 year)	11,522,861.56	17,236,132.93
1-2 years (including 2 years)	6,673,269.49	1,058,243.59
2-3 years (including 3 years)	838,769.34	1,478,054.64
Over 3 years	3,650,760.02	2,101,684.79
Total	22,685,660.41	21,874,115.95

**(2). The amount and reason for significant change in the book value during the reporting period**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**(10) Payroll payable****(1). Presentation of payroll payable**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the Beginning of the Period	Increased in the current period	Decreased in the current period	Balance at the End of the Period
I. Short-term remuneration	118,223,468.37	867,319,746.28	847,365,105.18	138,178,109.47
II. Demission benefits - defined contribution scheme	556,580.33	15,736,450.33	16,178,778.46	114,252.20
III. Dismissal benefits				
IV. Other benefits due within 1 year				
Total	118,780,048.70	883,056,196.61	863,543,883.64	138,292,361.67

**(2). Presentation of short-term remuneration**

Unit: Yuan Currency: RMB

Item	Balance at the Beginning of the Period	Increased in the current period	Decreased in the current period	Balance at the End of the Period
1. Wages or salaries, bonuses, allowances and subsidies	112,070,603.88	737,879,686.59	714,014,521.90	135,935,768.57
2. Staff welfare	140,000.00	52,259,436.97	52,292,876.17	106,560.80
3. Social insurance contributions	325,905.23	32,779,101.13	32,900,852.09	204,154.27
Including: medical insurance premium	270,457.28	6,471,171.61	6,582,153.15	159,475.74
Work injury insurance premium	26,896.10	24,943,816.83	24,972,393.01	-1,680.08
Birth insurance premium	28,551.85	1,364,112.69	1,346,305.93	46,358.61
4. Housing funds	78,708.00	36,191,139.54	36,159,452.54	110,395.00
5. Labor union and education funds	5,608,251.26	8,210,382.05	11,997,402.48	1,821,230.83
6. Short-term paid absences				
7. Short-term profit sharing plan				
Total	118,223,468.37	867,319,746.28	847,365,105.18	138,178,109.47



**(3). Presentation of defined contribution plan**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Increased in the current period	Decreased in the current period	Balance at the end of the period
1. Basic pension insurance premium	532,289.25	14,580,697.02	15,008,591.35	104,394.92
2. Unemployment insurance premium	24,291.08	1,155,753.31	1,170,187.11	9,857.28
3. Corporate annuity payment				
Total	556,580.33	15,736,450.33	16,178,778.46	114,252.20

Other Notes

□Applicable √Non-applicable

**(11) Taxes payable**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
VAT	37,476,861.48	12,909,472.50
Consumption tax		
Business tax		
Enterprise Income Tax	13,247,733.04	30,198,542.41
Individual income tax	1,126,989.40	1,900,456.99
Urban Maintenance and Construction Tax	2,555,965.45	866,128.41
Property tax	17,409,122.91	14,423,301.45
Education surcharges	1,124,111.62	380,160.53
Local education surcharges	748,551.75	253,440.39
Land use tax	8,463,193.68	7,091,250.59
Environmental protection tax	454.86	546.99
Disabled security fund	313,642.20	207,441.16
Special funds for water conservancy construction	8,547.00	8,323.08
Stamp duty	390,129.90	318,796.75
Total	82,865,303.29	68,557,861.25

**(12) Other payables****Presentation of items**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Interest Payable		
Dividends Payable		
Other payables	15,722,105.17	8,181,531.69
Total	15,722,105.17	8,181,531.69

Other Notes:

□Applicable √Non-applicable

**Interest Payable****(1). Presentation by category**

Applicable Non-applicable

**Dividends payable****(2). Presentation by category**

Applicable Non-applicable

**Other payables****(1) Other payables presented by nature of funds**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Security deposits	8,120,598.94	3,416,048.96
Others	7,601,506.23	4,765,482.73
Total	15,722,105.17	8,181,531.69

**(2). Significant other payables aged over 1 year**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**(2) Held-for-sale liabilities**

Applicable Non-applicable

**(3) Non-current liabilities due within 1 year**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Long-term loans due within 1 year		62,837,810.76
Bonds payable due within 1 year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year		
Total		62,837,810.76

**(4) Other current liabilities**

Particulars of other current liabilities

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Short-term bonds payable		
Return payment payable		
Prepaid and deferred output tax	1,507,896.52	2,843,635.07
Total	1,507,896.52	2,843,635.07

Changes in short-term bonds payable:

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

### (5) Long-term loans

#### (1). Category of long-term loans

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Pledge loans		
Mortgage loans		182,500,000.00
Guaranteed loans		
Credit loans		
Total		182,500,000.00

Other notes, including interest rate range:

Applicable Non-applicable

### (6) Bonds payable

#### (1). Bonds payable

Applicable Non-applicable

**(2). Changes in bonds payable: (excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities)**

Applicable Non-applicable

#### (3). Conversion conditions and time of convertible corporate bonds

Applicable Non-applicable

#### (4). Notes to other financial instruments classified as financial liabilities

General particulars of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Applicable Non-applicable

Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Applicable Non-applicable

Notes to the basis for classification of other financial instruments as financial liabilities:

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

### (7) Lease liabilities

Applicable Non-applicable

### (8) Long-term payables

#### Presentation of items

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

#### Long-term payables

**(1). Long-term payables presented by the nature of payments**

Applicable Non-applicable

**Special payables****(2). Special payables presented by the nature of payments**

Applicable Non-applicable

**(9) Long-term payroll payable**

Applicable Non-applicable

**(10) Estimated liabilities**

Applicable Non-applicable

**(11) Deferred income**

Deferred income

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Increased in the period	Decreased in the period	Balance at the end of the period	Reason
Government grants	172,340,145.15	56,728,451.00	14,864,293.59	214,204,302.56	
Total	172,340,145.15	56,728,451.00	14,864,293.59	214,204,302.56	/

Items related to government grants:

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Additional grants increased in the period	Amount included in non-operating income in the period	Amount included in other income in this period	Other changes	Balance at the end of the period	Assets-related/income-related
Machine substitution for human project with an annual capacity of 700,000 sets of vibration control products	2,714,000.00			472,000.00		2,242,000.00	Assets-related
Automobile composite fiber production project	541,666.67			100,000.00		441,666.67	Assets-related
Tuopu Intelligent Mechatronic System Industrial Park Project	16,504,166.67	10,000,000.00		983,928.57		25,520,238.10	Assets-related
Production line transformation project of high-performance vibration control system for cars	3,307,428.00			551,238.00		2,756,190.00	Assets-related
Production and application technology transformation project of lightweight materials for vehicles	5,249,999.96			874,999.96		4,375,000.00	Assets-related
Technological Transformation	6,285,946.52	1,638,992.00		794,849.79		7,130,088.73	Assets-related

Project of Automobile High-Performance Vibration control System							
Technological Transformation Project of Automobile Interior and Exterior Trimming System	6,067,981.05	1,539,712.00		729,926.93		6,877,766.12	Assets-related
Technological Transformation Project of Automobile Lightweight Control Arms	6,117,222.31	1,663,312.00		777,533.25		7,003,001.06	Assets-related
Technological Transformation Project of Automobile Lightweight Parts Production Line	6,363,749.43	1,769,472.00		811,169.86		7,322,051.57	Assets-related
Technological Transformation Project of Automobile High-Performance Vibration control System		1,723,800.00				1,723,800.00	Assets-related
Technological transformation project of lightweight auto parts		1,875,120.00				1,875,120.00	Assets-related
Digital workshop project with an annual capacity of 120,000 sets of intelligent brake systems		3,696,000.00				3,696,000.00	Assets-related
Auto parts production and industrial automation projects	84,666,861.65			4,500,000.00		80,166,861.65	Assets-related
Technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets	9,226,229.99	537,200.00		973,140.06		8,790,289.93	Assets-related
Technological Transformation Project of Automobile High-Performance Vibration control System		5,564,300.00		92,738.34		5,471,561.66	Assets-related
Shenyang Tuopu Auto Parts Base Project	687,500.05	1,000,000.00		388,888.85		1,298,611.20	Assets-related
Intelligent factory construction	815,833.31			110,000.00		705,833.31	Assets-related

project with an annual capacity of 2 million sets of automotive trimming system							
Technological transformation project of car roof, carpet assembly and other trimming system with an annual capacity of 1.6 million sets	1,155,000.00			165,000.00		990,000.00	Assets-related
Auto Parts Production Project of Liudong New District	1,446,790.70			84,279.07		1,362,511.63	Assets-related
Automobile Fabric Production Line Project	379,112.15	3,677,000.00		369,302.10		3,686,810.05	Assets-related
Pinghu Tuopu Auto Parts Production Project	6,149,750.00	7,235,000.00		651,150.00		12,733,600.00	Assets-related
Production line project with an annual capacity of 300,000 sets of related auto parts	748,340.50			86,798.28		661,542.22	Assets-related
Automobile chassis parts project with an annual capacity of 500,000 sets	4,610,917.54			103,229.50		4,507,688.04	Assets-related
Tuopu Chassis Auto Parts Industry Base Project		8,000,000.00				8,000,000.00	Assets-related
Auxiliary project outside the factory	4,519,916.40	2,268,553.00		303,202.77		6,485,266.63	Assets-related
Hunan Xiangtan Auto Parts Industry Base Project		2,000,000.00				2,000,000.00	Assets-related
Relocation project with an annual capacity of 300,000 sets of automotive trimming system	884,750.38			110,593.80		774,156.58	Assets-related
Technological transformation project for the production line of automobile front and rear axle with an annual output of 200,000 sets	1,921,712.84			378,110.76		1,543,602.08	Assets-related
Technological transformation	322,936.40			48,688.54		274,247.86	Assets-related

project of automobile suspension chassis production line with annual capacity of 300,000 sets							
Production line of automobile suspension chassis with an annual capacity of 300,000 sets	1,652,332.63			240,498.68		1,411,833.95	Assets-related
Passenger vehicle chassis suspension project with an annual capacity of 500,000 sets		2,539,990.00		163,026.48		2,376,963.52	Assets-related
Total	172,340,145.15	56,728,451.00		14,864,293.59		214,204,302.56	

## Other Notes:

√Applicable □Non-applicable

1. Under the "Notice of Ningbo Economic and Information Commission on Announcement of 2016 As-built Technical Transformation Projects in Ningbo" Yong Jing Xin Ji Gai [2016] No. 95, as circulated by Ningbo Economic and Information Commission, the Company received the grants at RMB 4,720,000.00 for machine substitution for human project with an annual capacity of 700,000 sets of vibration control products. As of September 30, 2015, the said project was substantially completed and put into production operation. Amortized by the depreciation years (10 years) corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2020, there was a remaining sum of RMB 2,242,000.0 to be amortized over the remaining years.

2. Under the "Notice on releasing incentives for 2016 Ningbo Strategic Emerging Industry Development Projects" Yong Cai Zheng Fa 【2016】 No.584, as circulated by Ningbo Finance Bureau, the Company received the grants at RMB 1,000,000.00 for automobile composite fiber production project in September 2016. As of September 30, 2015, the said project was substantially completed and put into production operation. Amortized by the depreciation years (10 years) corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 441,666.67 to be amortized over the remaining years.

3. The Company received two grants at RMB 17,000,000.00 and RMB 10,000,000.00 respectively in September 2016 and October 2020, in a gross sum of RMB 27,000,000.00, and used the sums for Tuopu Intelligent Mechatronic System Industrial Park Project. In May 2019, this project was completed step by step and put into production operation. Amortized by the depreciation years (20 years) corresponding to the buildings and structures constructed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 25,520,238.10 to be amortized over the remaining years.

4. Under the "Notice on releasing the subsidies for the first and second batches of district-level partial as-built projects of 2017 Industrial Investment (Technical Transformation) in Ningbo" Lun Jing Xin 【2018】 No.55, as circulated by Beilun District Finance Bureau of Ningbo, the Company received the automobile composite fiber production project. The Company received the grants at RMB 4,409,904.0 for automobile composite fiber production project in September 2018. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2020, there was a remaining sum of RMB 2,756,190.00 to be amortized over the remaining years.

5. Under the "Notice on releasing the subsidies for the first and second batches of district-level partial as-built projects of 2017 Industrial Investment (Technical Transformation) in Ningbo" Lun Jing Xin 【2018】 No.55, as circulated by Beilun District Finance Bureau of Ningbo, the Company received the grants



at RMB 7,000,000.00 for production and application technology transformation project of lightweight materials for vehicles. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2020, there was a remaining sum of RMB 4,375,000.00 to be amortized over the remaining years.

6. The Company received three grants at RMB 2,772,000.00, RMB 3,840,000.00 and RMB 1,638,992.00 respectively in February 2019, November 2019 and July 2020 respectively, and used the sums for Technological Transformation Project of Automobile High-Performance Vibration control System. As of December 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 7,130,088.73 to be amortized over the remaining years.

7. The Company received three grants at RMB 2,654,400.00, RMB 3,600,000.00 and RMB 1,539,712.00 respectively in February 2019, December 2019 and July 2020 respectively, and used the sums for Technological Transformation Project of Automobile Interior and Exterior Trimming System. As of June 2019, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 6,877,766.12 to be amortized over the remaining years.

8. The Company received three grants at RMB 2,532,000.00, RMB 3,890,000.00 and RMB 1,663,312.00 respectively in February 2019, November 2019 and July 2020 respectively, and used the sums for Technological Transformation Project of Automobile Lightweight Control Arms. As of December 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 7,003,001.06 to be amortized over the remaining years.

9. The Company received three grants at RMB 2,544,000.00, RMB 4,130,000.00 and RMB 1,769,472.00 respectively in February 2019, November 2019 and July 2020 respectively, and used the sums for Technological Transformation Project of Automobile Lightweight Parts Production Line. As of December 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 7,322,051.57 to be amortized over the remaining years.

10. The Company received the grants at RMB 1,723,800.00 in September 2020 and used the sums for Technological Transformation Project of Automobile High-Performance Vibration control System. As of December 31, 2020, this project has not yet been completed and no amortization is made in this period.

11. The Company received the grants at RMB 1,875,120.00 in September 2020 and used the sums for technological transformation project of lightweight auto parts. As of December 31, 2020, this project has not yet been completed and no amortization is made in this period.

12. The Company received the grants at RMB 3,696,000.00 in September 2020 and used the sums for digital workshop project with an annual capacity of 120,000 sets of intelligent brake systems. As of December 31, 2020, this project has not yet been completed and no amortization is made in this period.

13. Tuopu Mechatronic System received two grants at RMB 60,000,000.00 and RMB 30,000,000.00 in August 2017 and December 2018 and used the sums for auto parts production and industrial automation projects. The said project was substantially completed and put into production operation in 2018. Amortized by the depreciation years (20 years) corresponding to the buildings and structures constructed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 80,166,861.65 to be amortized over the remaining years.

14. Tuopu Mechatronic System received two grants at RMB 9,462,800.00 and RMB 537,200.00 in October 2019 and July 2020 and used the sums for technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets. As of December 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 8,790,289.93 to be amortized over the remaining years.

15. Tuopu Mechatronic System received the grants at RMB 5,564,300.00 in November 2020 and used the sums for technological transformation project for Technological Transformation Project of Automobile High-Performance Vibration control System. As of November 2020, the said project was substantially

completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of December 31, 2020, there was a remaining sum of RMB 5,471,561.66 to be amortized over the remaining years.

16. Tuopu Mechatronic System received two grants at RMB 1,000,000.00 and RMB 1,000,000.00 in October 2018 and August 2020 respectively, in a gross sum of RMB 2,000,000.00, and used the sums for Shenyang Tuopu Auto Parts Base Project. The said project was completed and put into operation in 2013. Amortized by the depreciation years corresponding to the fixed assets using the above grants, as of December 31, 2020, there was a remaining sum of RMB 1,298,611.20 元 to be amortized over the remaining years.

17. Under the “Notice on issuing special funds for information and industrial development of Guangxi Zhuang Autonomous Region in 2017” Gui Cai Gong Jiao 【2017】 No.57, as circulated by Department of Finance of Guangxi Zhuang Autonomous Region, Liuzhou Tuopu received the technological transformation project funds at RMB 1,100,000.00 and used the sums for Intelligent factory construction project with an annual capacity of 2 million sets of automotive trimming system in August 2017. As of May 31, 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2020, there was a remaining sum of RMB 705,833.31 to be amortized over the remaining years.

18. Under the “Notice on issuing the first batch of Liuzhou enterprise support funding project investment plans in 2017” Liu Gong Xin Tong 【2017】 No.164, as circulated by Liuzhou Industry and Information Technology Commission and Liuzhou Finance Bureau, Liuzhou Tuopu received the potential exploitation transformation funds at RMB 1,650,000.00 and used the sums for technological transformation project of car roof, carpet assembly and other trimming system with an annual capacity of 1.6 million sets in December 2017. As of December 26, 2016, the said project was substantially completed and put into production operation. Amortized by the depreciation years (10 years) corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2020, there was a remaining sum of RMB 990,000.00 to be amortized over the remaining years.

19. Liuzhou Tuopu received the grants at RMB 1,510,000.00 and used the sums for Auto Parts Production Project of Liudong New District in April 2019. As of February 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the buildings and structures constructed and acquired using the above grants, as of December 31, 2020, there was a remaining sum of RMB 1,362,511.63 to be amortized over the remaining years.

20. Wuhan Tuopu received the grants at RMB 427,000.00, RMB 1,767,000.00 and RMB 1,910,000.00 in January 2019, April 2020 and June 2020 respectively, and used the sums for Fabric Production Line Project. As of November 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2020, there was a remaining sum of RMB 3,686,810.05 to be amortized over the remaining years.

21. Pinghu Tuopu received two grants at RMB 7,235,000.00 and RMB 7,235,000.00 in January 2016 and May 2020 respectively, in a gross sum of RMB 14,470,000.00, and used the sums for Automotive Trimming System Production Project. As of January 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years (20 years) corresponding to the buildings and structures constructed and acquired using the above grants, as of December 31, 2020, there was a remaining sum of RMB 12,733,600.00 to be amortized over the remaining years.

22. Under the “Request for application of special funds for Technological Transformation and Transformation and Upgrading of Sichuan Province in 2015” Sui Jing Xin 【2015】 No.28, as circulated by Suining Industrial and Information Technology Commission and Suining Finance Bureau, Sichuan Maigao received the technological transformation and upgrading funds in October 2015 at RMB 1,110,000.00, and used the sums for production line project with an annual capacity of 300,000 sets of related auto parts. As of October 2015, the said project was substantially completed and put into production operation. Amortized by the depreciation years (20 years) corresponding to the purchased machinery and equipment and constructed plants using the above funds, as of December 31, 2020, there was a remaining sum of RMB 661,542.22 to be amortized over the remaining years.

23. Under the “Investment Agreement” Nr. B-ZS-GY/(2013)4 signed between and by Anju Industrial Concentration Development Committee of Suining and Zhejiang Fortuna Auto Parts Co., Ltd. On January 28, 2013, Sichuan Maigao received land subsidies at RMB 5,032,438.00 in December 2015 and used the sums for Automobile chassis parts project with an annual capacity of 500,000 sets. As of December 2015, the said project was substantially completed and put into production operation. Amortized by the depreciation years (48.75 years) corresponding to the land subsidies, as of December 31, 2020, there was a remaining sum of RMB 4,507,688.04 to be amortized over the remaining years.

24. Tuopu Chassis received the grants at RMB 8,000,000.00 in September 2020 and used the sums for Tuopu Chassis Auto Parts Industry Base Project. As of December 31, 2020, this project has not yet been completed and no amortization is made in this period.

25. Under the investment contract made between Yantai Tuopu and the Investment Promotion Bureau of Yantai Economic and Technological Development Zone, Yantai Tuopu received five grants at RMB 2,330,000.00, RMB 290,000.00, RMB 301,458.00, RMB 1,810,000.00 and RMB 2,268,533.00 in July 2018, May 2019, July 2019, December 2019 and September 2020 respectively, and used the sums for auxiliary project outside the factory. As of July 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the buildings and structures using the above grants, as of December 31, 2020, there was a remaining sum of RMB 6,485,266.63 to be amortized over the remaining years.

24. Tuopu Chassis received the grants at RMB 2,000,000.00 in September 2020 and used the sums for Hunan Xiangtan Auto Parts Industry Base Project. As of December 31, 2020, this project has not yet been completed and no amortization is made in this period.

27. Under the “Notice on issuing special fiscal funds for provincial industrial and information development of Linhai in 2018” (Lin Cai Qi [2018]30), as circulated by Linhai Finance Bureau and Linhai Economic and Information Bureau, Taizhou Tuopu received four grants at RMB 175,100.00, RMB 193,300.00, RMB 70,900.00 and RMB 526,000.00 in September 2018, November 2019 and December 2019, and used the sums for relocation project with an annual capacity of 300,000 sets of automotive trimming system. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above grants, as of December 31, 2020, there was a remaining sum of RMB 774,156.58 to be amortized over the remaining years.

28. Under the “Review comment on the second batch of technological renovation and industrial and information project grants for industrial enterprises in 2016”, as circulated by Wuxi County People’s Government and Wuyi County Economic and Commercial Bureau, Zhejiang Towin received the technological transformation and upgrading funds at RMB 3,056,045.00 in December 2016, and used the sums for technological transformation project for the production line of automobile front and rear axle with an annual output of 200,000 sets. As of December 2016, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2020, there was a remaining sum of RMB 1,543,602.08 to be amortized over the remaining years.

29. Under the “Review comment on the first batch of technological renovation and industrial and information project grants for industrial enterprises in 2017”, as circulated by Wuxi County People’s Government and Wuyi County Economic and Commercial Bureau, Zhejiang Towin received the county-level robot purchase grants at RMB 448,715.00 in May 2017, and used the sums for Technological transformation project of automobile suspension chassis production line with annual capacity of 300,000 sets. As of May 2017, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2020, there was a remaining sum of RMB 274,247.86 to be amortized over the remaining years.

30. Under the “Notice on appropriating special fiscal funds (Investment and Development) for provincial industrial and information development in 2016”, as circulated by Wuyi County Economic and Commercial Bureau and Wuyi County Finance Bureau, Zhejiang Towin received technological transformation funds at RMB 2,133,330.00 in December 2017 and used the sums for technological transformation project of automobile suspension chassis production line with annual capacity of 300,000 sets. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the depreciation years

corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2020, there was a remaining sum of RMB1,411,833.95 to be amortized over the remaining years.

31. Zhejiang Towin received technological transformation funds at RMB 2,539,990.00 for passenger vehicle chassis suspension project with an annual capacity of 500,000 sets in July 2020. As of July 2020, the said project was substantially completed and put into production operation. Amortized by the depreciation years corresponding to the machinery and equipment purchased using the above funds, as of December 31, 2020, there was a remaining sum of RMB 2,376,963.52 to be amortized over the remaining years.

**(12) Other non-current liabilities**□Applicable Non-applicable**(13) Equity**Applicable □Non-applicable

Unit: Yuan Currency: RMB

	Balance at the beginning of the period	Increased or decreased amount in this period (+/-)					Balance at the end of the period
		New issue	Bonus issue	Shares converted from capital reserves	Others	Subtotal	
Total shares	1,054,987,749.00						1,054,987,749.00

**(14) Other equity instruments****(1). Basic information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period**□Applicable Non-applicable**(2). Changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period**□Applicable Non-applicable

Changes in other equity instruments during the current period, the reason for the changes, and the basis for related accounting treatments:

□Applicable Non-applicable

Other Notes

□Applicable Non-applicable**(15) Capital reserve**Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Increased in the period	Decreased in the period	Balance at the end of the period
Capital premium (equity premium)	3,409,429,514.29			3,409,429,514.29
Other capital reserves	10,348.78			10,348.78
Total	3,409,439,863.07			3,409,439,863.07

**(16) Treasury stocks**□Applicable Non-applicable

**(17) Other comprehensive income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Amount incurred in the current period						Balance at the end of the period
		Amount incurred before income tax in the current period	Less: recorded into other comprehensive incomes in previous period and transferred to P/L in current period	Less: Recorded into other comprehensive incomes in previous period and transferred to retained income in current period	Less: Income Tax Expense	Attributable to the Company after tax	Attributable to the minority shareholders after tax	
1. Other comprehensive income that cannot be reclassified into profit and loss								
Including: re-measurement of changes in defined benefit plans								
Other comprehensive income that cannot be transferred to profit and loss under the equity method								
Changes in the fair value of other equity instrument investments								
Changes in fair value of the enterprise's own credit risk								
2. Other comprehensive income that will be reclassified into profit and loss	-4,380,983.53	-16,254,480.41				-16,250,685.21	-3,795.20	-20,631,668.74
Including: other comprehensive income that can be transferred to profit or loss under the equity method								
Changes in the fair value of other debt investments								
Amount of financial assets								

reclassified and included in other comprehensive income								
Provision for impairment of other debt investment								
Cash flow hedge reserves								
Translation difference of foreign currency financial statements	-4,380,983.53	-16,254,480.41				-16,250,685.21	-3,795.20	-20,631,668.74
Total	-4,380,983.53	-16,254,480.41				-16,250,685.21	-3,795.20	-20,631,668.74

**(18) Special reserves**

□Applicable √Non-applicable

**(19) Surplus reserve**

√Applicable □Non-applicable

Unit: Yuan Currency: 人 RMB

Item	Balance at the beginning of the period	Increased in the current period	Decreased in the current period	Balance at the end of the period
Statutory surplus reserve	412,680,608.91	62,089,021.95		474,769,630.86
Discretionary surplus reserve				
Reserve fund				
Business development fund				
Others				
Total	412,680,608.91	62,089,021.95		474,769,630.86

Notes to the surplus reserve, including the changes in the current period and the reason for such changes:

The statutory surplus reserve at RMB 62,089,021.95 shall be withdrawn at 10% of the parent company's net profit in 2020.

**(20) Undistributed profit**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Undistributed Profit before Adjustment at the End of Previous Period	2,502,765,125.43	2,392,885,245.28
Adjust the total undistributed profits at the start of the period (increase +, decrease -)		
Undistributed Profit after Adjustment at the Start of the Period	2,502,765,125.43	2,392,885,245.28
Add: net profit attributable to parent company's owner in current period	628,200,888.31	456,205,818.45
Less: withdrawal of statutory surplus reserve	62,089,021.95	46,563,902.00
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk reserve		
Ordinary stock dividend payable	200,447,672.31	299,762,036.30
Ordinary stock dividends converted into equity		
Undistributed profit at the end of the period	2,868,429,319.48	2,502,765,125.43

Adjust the particulars of undistributed profit at the beginning of the period:

1. The impact of the retrospective adjustment of the "Accounting Standards for Business Enterprises" and updated regulations on undistributed profit at the beginning of the period is RMB 0.

2. The impact of changes in accounting policies on undistributed profit at the beginning of the period is RMB 0.

3. The impact of the correction of major accounting errors on undistributed profit at the beginning of the period is RMB 0.

4. The impact of change in the scope of business combination as a result of the same control on undistributed profit at the beginning of the period is RMB 0.

5. The gross impact of other adjustments on the undistributed profit at the beginning of the period is RMB 0.



Other notes to undistributed profits:

According to the resolution passed at 2019 Annual General Meeting, the Company distributed RMB 1.90 per 10 shares (tax included) to all shareholders as cash dividends with total shares on the record date for distribution plan as the base number, and total dividends at 200,447,672.31 were distributed.

## (21) Operating income and operating cost

### (1). Particulars of operating income and operating cost

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main operation	6,293,917,541.95	4,961,882,743.49	5,167,036,145.83	3,890,238,683.98
Other operations	217,177,372.10	72,131,784.90	191,917,667.77	59,754,660.08
Total	6,511,094,914.05	5,034,014,528.39	5,358,953,813.60	3,949,993,344.06

### (2). Particulars of the income generated from contract

Applicable Non-applicable

Notes to the income generated from contract:

Applicable Non-applicable

### (3). Notes to discharge of obligation

Applicable Non-applicable

### (4). Notes to allocation to remaining performance obligations

Applicable Non-applicable

## (22) Taxes and surcharges

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Consumption tax		
Business tax		
Urban Maintenance and Construction Tax	13,570,057.87	11,262,152.38
Education Surcharges	5,956,703.64	5,016,149.58
Resource tax		
Property tax	20,117,208.23	17,752,678.64
Land use tax	10,461,916.66	10,165,783.97
Vehicle and vessel use tax	10,234.20	20,703.80
Stamp duty	3,021,739.93	2,737,793.40
Local education surcharges	3,971,135.24	3,332,064.93
Environmental protection tax	10,262.22	4,406.54
Franchise tax	8,272.92	
Land VAT	945,000.00	
Total	58,072,530.91	50,291,733.24

## (23) Sales expense

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
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Transportation and vehicle expenses		135,879,033.92
Service expense	37,448,497.63	36,716,218.98
Payroll	31,090,097.76	27,053,953.83
Business hospitality expense	17,554,681.58	26,722,100.66
Storage fee		29,408,219.61
Repair cost	26,297,852.61	19,652,605.57
Travel expense	1,427,006.29	3,488,768.15
Packaging fee	3,833,817.82	1,625,847.62
Vehicle cost	1,982,733.62	2,308,113.24
Exhibition fee	28,514.85	185,679.24
Others	4,233,050.08	4,038,182.22
Total	123,896,252.24	287,078,723.04

Other Notes:

According to the revised revenue standard, the Company will include the transportation and storage fees related to the sales of goods of RMB 197,271,674.62 into the operating cost.

**(24) Overhead expense**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Payroll	129,407,881.39	124,126,882.92
Depreciation expense	30,504,149.76	24,364,820.33
Business hospitality expense	2,659,235.25	2,457,752.71
Vehicle cost	3,513,929.80	3,591,320.09
Taxes	2,128,205.29	1,938,578.48
Travel expenses	1,812,974.57	4,026,965.61
Amortization of intangible assets	15,182,606.65	15,128,248.66
Office expenses	4,061,233.20	6,614,027.93
Insurance premiums	3,745,476.72	3,784,683.44
Intermediary fee	3,219,840.84	2,905,434.21
Utility bills	2,460,308.10	3,262,667.44
Service charge	11,734,847.31	13,168,122.20
Rent	719,363.07	1,849,888.81
Others	21,921,822.52	22,424,061.57
Total	233,071,874.47	229,643,454.40

**(25) R&D expenses**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Material	109,027,532.14	85,965,457.50
Payroll	147,953,842.51	142,560,480.32
Depreciation and amortization	58,210,594.82	42,347,773.52
Transportation and storage fee	2,864,077.02	5,285,814.38
Energy consumption fee	14,812,836.86	15,012,653.31
Travel expense	2,872,311.90	4,367,891.16
Trial production expense	4,015,146.73	7,958,697.31
Others	15,095,405.68	10,808,423.72
Total	354,851,747.66	314,307,191.22

**(26) Financial expense**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Interest expense	19,744,058.04	28,508,893.08
Interest income	-17,108,552.05	-24,504,258.91
Gain and loss from exchange	39,191,206.52	-3,143,730.18
Handling charge	2,291,850.08	2,237,121.82
Total	44,118,562.59	3,098,025.81

**(27) Other income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Government grants	33,135,066.17	26,527,210.85
Total	33,135,066.17	26,527,210.85

Other Notes:

Government grants included in other income:

Item	Amount in the current period	Amount in previous period	Assets-related/Income-related
Special funds for promoting industrial restructuring		820,000.00	Income-related
Technology project subsidies	60,000.00	1,010,900.00	Income-related
Information support subsidies		3,100,000.00	Income-related
Special subsidies for patents	182,600.00	800,000.00	Income-related
Foreign economic and trade support funds	518,600.00	50,000.00	Income-related
R&D patent subsidies	72,184.00	2,231,577.50	Income-related
Investment promotion incentives		1,759,000.00	Income-related
Stable employment subsidies	522,523.95	154,358.55	Income-related
Tax subsidies	395,862.09	2,925,895.58	Income-related
Social security premium subsidies	121,216.54	1,732,996.40	Income-related
Technology project funds	2,103,600.00	300,000.00	Income-related
Industrial enterprise subsidies		594,664.00	Income-related
Energy-saving evaluation report subsidies	130,000.00	5,000.00	Income-related
Incentives for overfulfill production target by business enterprises	300,000.00	50,000.00	Income-related
Intellectual property rights subsidies		120,000.00	Income-related

Power bill subsidies	50,000.00	100,000.00	Income-related
Corporate funding subsidies	2,000.00	100,000.00	Income-related
Innovation and entrepreneurship subsidies		100,000.00	Income-related
Subsidies for small and micro enterprises featuring innovation and business startups		100,000.00	Income-related
Bonus for enterprise above designated size		20,000.00	Income-related
Enterprise transformation and upgrading incentives	321,600.00	299,100.00	Income-related
Machine substitution for human project with an annual capacity of 700,000 sets of vibration control products	472,000.00	472,000.00	Assets-related
Automobile composite fiber production project	100,000.00	100,000.00	Assets-related
Tuopu Intelligent Mechatronic System Industrial Park Project	983,928.57	495,833.33	Assets-related
Production line transformation project of high-performance vibration control system for cars	551,238.00	551,238.00	Assets-related
Production and application technology transformation project of lightweight materials for vehicles	874,999.96	875,000.04	Assets-related
Wuhan Automobile Fabric Production Line Project	369,302.10	47,887.85	Assets-related
Shenyang Tuopu Auto Parts Base Project	388,888.85	249,999.96	Assets-related
Intelligent factory construction project with an annual capacity of 2 million sets of automotive trimming system	110,000.00	110,000.00	Assets-related
Technological transformation project of car roof, carpet assembly and other trimming system with an annual capacity of 1.6 million sets	165,000.00	165,000.00	Assets-related
Auto Parts Production Project of Liudong New District	84,279.07	63,209.30	Assets-related
Auxiliary project outside the factory	303,202.77	150,225.81	Assets-related
Pinghu Tuopu Auto Parts Production Project	651,150.00	361,750.00	Assets-related
Relocation project with an	110,593.80	43,709.62	Assets-related

annual capacity of 300,000 sets of automotive trimming system			
Auto parts production and industrial automation projects	4,500,000.00	4,246,468.39	Assets-related
transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets	973,140.06	236,570.01	Assets-related
Technological transformation project of production line for automobile front and rear axle with annual output of 200,000 sets	378,110.76	378,110.72	Assets-related
County-level subsidies for purchasing robots	48,688.54	48,688.56	Assets-related
2017 Technological Transformation Project	240,498.68	240,498.76	Assets-related
Production line project with an annual capacity of 300,000 sets of related auto parts	86,798.28	86,798.28	Assets-related
Automobile chassis parts project with an annual capacity of 500,000 sets	103,229.50	103,229.50	Assets-related
Technological Transformation Project of Automobile High-Performance Vibration control System	794,849.79	326,053.48	Assets-related
Technological Transformation Project of Automobile Interior and Exterior Trimming System	729,926.93	186,418.95	Assets-related
Technological Transformation Project of Automobile Lightweight Control Arms	777,533.25	304,777.69	Assets-related
Technological Transformation Project of Automobile Lightweight Parts Production Line	811,169.86	310,250.57	Assets-related
Incentive post-subsidies for the transformation of scientific and technological achievements of automotive trimming system	600,000.00		Income-related
Technology subsidies	1,607,000.00		Income-related
"One District, Multiple Parks" Development Fund	500,000.00		Income-related
Design report grants of initial solution for	100,000.00		Income-related

intelligent transformation			
VAT exemption for veterans	9,000.00		Income-related
Industrial production and capacity expansion rewards	1,700,000.00		Income-related
Import discount subsidies	1,344,164.00		Income-related
Information and industrialization management system certification	100,000.00		Income-related
Annual fee grants for domestic authorized invention patents	4,680.00		Income-related
Funding grants for science and technology plan projects	795,000.00		Income-related
Strategic emerging industry development funds (recognized by the National Enterprise Technology Center)	1,000,000.00		Income-related
Talent grants	647,650.00		Income-related
Intellectual property project subsidies	35,600.00		Income-related
2018 invention patent annual fee grants	720.00		Income-related
2018 technology transaction post grants	59,000.00		Income-related
2019 "Going Global" project grants	178,500.00		Income-related
Enterprise R&D post-grants	892,800.00		Income-related
Subsidies for resumption of work and epidemic response supplies	1,144,872.00		Income-related
High-tech Enterprise Award	100,000.00		Income-related
Construction fund for slope protection project in Guang'an High-tech Zone	30,000.00		Income-related
Statistical funding subsidies granted from Economic and Information Bureau	86,000.00		Income-related
2020 Industrial Special Fund Subsidies	697,900.00		Income-related
"2-year exemption, 3-year collection of corporate income tax by half" government subsidies	1,347,700.00		Income-related
Premium investment project award on the "Leaderboard" of New District Industrial Economy	50,000.00		Income-related
High-tech enterprise grants	400,000.00		Income-related

2019 pollution source monitoring system operation and maintenance subsidies	60,000.00		Income-related
Automobile high-performance vibration control system production project	92,738.34		Assets-related
Passenger vehicle chassis suspension project with an annual capacity of 500,000 sets	163,026.48		Assets-related
Total	33,135,066.17	26,527,210.85	

**(28) Investment income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Long-term equity investment income calculated by the equity method	25,080,033.26	24,507,700.52
Investment income from disposal of long-term equity investments		
Investment income of trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets		
Investment income from the disposal of other equity instrument investments		
Investment income from disposal of debt investment		
Investment income from the disposal of other debt investments		
Investment income from financial management products	18,164,183.51	26,928,822.54
Total	43,244,216.77	51,436,523.06

**(29) Net exposure hedging income**

□Applicable √Non-applicable

**(31) Credit impairment loss**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Bad debt loss on accounts receivable	479,351.80	959,717.93
Bad debt loss on accounts receivable	25,033,422.07	11,866,290.11

Bad debt loss on other receivables	-5,858,006.88	2,197,687.05
Impairment loss of debt investment		
Impairment loss of other debt investment		
Bad debt loss of long-term receivables		
Impairment loss of contract assets		
Total	19,654,766.99	15,023,695.09

**(32) Asset impairment loss**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
1. Loss of bad debts		
2. Loss of inventory falling price and loss of contract performance cost impairment	22,439,872.62	16,948,061.74
3. Long-term equity investment impairment losses		
4. Impairment loss of investment real estate		
5. Impairment loss of fixed assets		
6. Impairment loss of construction materials		
7. Impairment loss of construction in progress		
8. Impairment loss of productive biological assets		
9. Impairment losses of oil and gas assets		
10. Intangible assets impairment loss		
11. Goodwill impairment loss		33,474,815.71
12. Others		
Total	22,439,872.62	50,422,877.45

**(33) Income from disposal of assets**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Income from disposal of assets	8,747,482.63	-5,522,498.81
Total	8,747,482.63	-5,522,498.81

**(34) Non-operating income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period	Amount included in the current non-recurring profit and loss
Total gains from disposal of non-current assets			



Including: gains from disposal of fixed assets			
Gains from disposal of intangible assets			
Gains from debt restructuring			
Gains from non-monetary asset exchange			
Capital from donation			
Government grants	1,215,201.24	591,762.00	1,215,201.24
Compensation income	3,168,618.05	66,366.70	3,168,618.05
Others	1,270,852.96	632,764.95	1,270,852.96
Total	5,654,672.25	1,290,893.65	5,654,672.25

Government grants included in current profit and loss

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period	Assets-related/Income-related
Foreign economic and trade subsidies		167,600.00	Income-related
Stable employment subsidies	296,701.24	5,612.00	Income-related
Enterprise upgrade and level-up incentives		50,000.00	Income-related
Industrial strong district subsidies		40,000.00	Income-related
Real economy booster incentives		800.00	Income-related
Science and technology project subsidies		100,000.00	Income-related
Step-up subsidies		100,000.00	Income-related
Poverty relief subsidies		50,000.00	Income-related
SMEs subsidies		9,000.00	Income-related
VAT incentive subsidies		30,000.00	Income-related
Subsidies for recruitment of veterans		38,750.00	Income-related
Zhejiang Cloud-based Benchmark Enterprise	100,000.00		Income-related
Epidemic response subsidies for foreign trade enterprise	500,000.00		Income-related
"Two direct subsidies" for small and micro enterprises	20,000.00		Income-related
Business cultivation incentives from Shanxi Finance Bureau	10,000.00		Income-related
Information and industrialization management system certification	283,500.00		Income-related
2019 invention patents	5,000.00		Income-related
Total	1,215,201.24	591,762.00	

Other Notes:

Applicable Non-applicable

**(35) Non-operating expenses**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period	Amount included in the current non-recurring profit and loss
Total loss from disposal of non-current assets	44,105.24	139,437.62	44,105.24
Including: Loss on disposal of fixed assets	44,105.24	139,437.62	44,105.24
Loss on disposal of intangible assets			
Loss from debt restructuring			
Loss from exchange of non-monetary assets			
External donation	466,097.35	52,000.00	466,097.35
Special funds for water conservancy construction	88,561.51	64,551.35	
Others	1,071,261.55	3,818,502.51	1,071,261.55
Total	1,670,025.65	4,074,491.48	1,581,464.14

**(36) Income tax expense****(1). Schedule of income tax expense**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Income tax expense in the current period	93,867,817.06	60,522,841.72
Deferred income tax expense	-13,915,840.31	8,182,932.82
Total	79,951,976.75	68,705,774.54

**(2). Adjustment process of accounting profit and income tax expense**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profits	710,086,190.35
Income tax expense calculated at the statutory/applicable tax rate	106,512,928.55
Impact of different tax rates applied to subsidiaries	8,556,115.80
Adjusted impact of income tax in prior periods	
Impact of non-taxable income	
Impact of non-deductible costs, expenses and losses	4,803,754.01
Impact of using deductible losses of deferred income tax assets that have not been recognized in the previous period	
Impact of deductible temporary differences or deductible losses on unrecognized deferred income tax assets in the current period	
Impact of additional tax deductions for enterprise research and development	-39,920,821.61
Others	
Income tax expense	79,951,976.75

Other Notes:

Applicable Non-applicable

**(37) Other Comprehensive Income**

Applicable Non-applicable

More details are available in “Note VII. 57. Other comprehensive income”

**(38) Cash flow statement items**

**(1). Other cash received related to operating activities**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Receipt of temporary loans	22,053,972.32	12,213,952.22
Interest income	17,108,552.05	24,504,258.91
Government grants	76,335,520.04	57,325,812.03
Income from compensation and fines	3,169,158.05	42,366.70
Others	1,689,365.72	892,793.08
Total	120,356,568.18	94,979,182.94

**(2). Other cash paid related to operating activities**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Payment of temporary loans	28,824,851.17	1,891,089.29
Transportation expense		135,879,033.92
Storage expense		29,408,219.61
Business hospitality expense	20,213,916.83	29,179,853.37
Repair cost	26,285,029.83	19,652,605.57
R&D spending	148,687,310.33	129,384,072.21
Travel expense	3,239,980.86	7,515,733.76
Insurance premium	3,745,476.72	3,784,683.44
Office expense	4,061,233.20	6,614,027.93
Vehicle expense	5,496,663.42	5,899,433.33
Service charge	49,183,344.94	49,884,341.18
Intermediary fee	2,409,261.29	2,905,434.21
Packaging fee	3,833,817.82	1,625,847.62
Utility bill	2,460,308.10	3,262,667.44
Rent	719,363.07	2,886,877.27
Others	34,715,604.75	30,497,806.24
Total	333,876,162.33	460,271,726.39

**(3). Other cash received related to investment activities**

Applicable Non-applicable

**(4). Other cash paid related to investment activities**

Applicable Non-applicable

**(5). Other cash received related to financing activities**

Applicable Non-applicable

**(6). Other cash paid related to financing activities**

□Applicable √Non-applicable

**(39) Additional information on cash flow statement****(1). Additional information on cash flow statement**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Additional Information	Amount in the current period	Amount in previous period
<b>1. Reconciliation of net profit to cash flows from operational activities:</b>		
Net Profit	630,134,213.60	460,046,632.02
Add: provision for impairment of assets	22,439,872.62	50,422,877.45
Credit impairment provision	19,654,766.99	15,023,695.09
Depreciation of fixed assets, oil and gas assets, productive biological assets	442,576,190.86	341,112,804.96
Depreciation of right-of-use assets		
Amortization of Intangible Assets	20,545,167.08	19,263,054.98
Amortization of long-term prepaid expenses	46,930,675.20	27,942,088.74
Losses on disposal of fixed assets, intangible assets and other long-term assets (income as in "-")	-8,747,482.63	5,522,498.81
Losses on scrapping of fixed assets (income as in "-")	44,105.24	139,437.62
Losses on fair value changes (income as in "-")		
Financial expenses (income as in "-")	14,740,711.65	15,347,394.54
Losses on investment (income as in "-")	-43,244,216.77	-51,436,523.06
Decrease on deferred income tax assets (increase as in "-")	-17,756,501.07	-6,997,345.49
Increase on deferred income tax liabilities (decrease as in "-")	3,840,660.76	15,180,278.31
Decrease on inventories (increase as in "-")	-271,657,035.93	-32,905,566.69
Decrease on operational receivables (increase as in "-")	-385,860,564.15	110,183,234.16
Increase on operational payables (decrease as in "-")	650,045,016.56	270,576,797.96
Others		
Net cash flow generated by operating activities	1,123,685,580.01	1,239,421,359.40
<b>2. Major investing and financing activities not involving cash receipts and payment:</b>		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	674,866,422.08	715,182,068.12
Less: opening balance of cash	715,182,068.12	731,672,348.04
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net additions to balance of equivalents	-40,315,646.04	-16,490,279.92

**(2). Net cash receipts from disposal of subsidiaries in this period**

□Applicable √Non-applicable

**(3). Net cash received from disposal of subsidiaries in the current period**

□Applicable √Non-applicable

**(4). Composition of cash and cash equivalents**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
1. Cash	674,866,422.08	715,182,068.12
Including: cash on hand	8,899.73	8,113.38
Bank deposits that can be used for payment at any time	674,857,522.35	715,173,954.74
Other currency funds that can be used for payment at any time		
Deposits in the central bank that can be used for payment		
Deposits in Other Financial Institutions		
Call loans from Other Financial Institutions		
2. Cash equivalents		
Including: bond investments due within three months		
3. Balance of cash and cash equivalents at the end of the period	674,866,422.08	715,182,068.12
Including: cash and cash equivalents that are restricted for us by the parent company or subsidiary within the group		

Other Notes:

√Applicable □Non-applicable

“Balance of cash and cash equivalents at the end of the period” as contained in the current cash flow statement is RMB 112,257,224.37 less than the "monetary funds" at the end of the period as contained in the consolidated balance sheet, because the note margin deposit for security at RMB 112,257,224.37 is not deemed as cash and cash equivalents.

**(40) Notes to items in the statement of changes in owners' equity**

Give the name of the item “others” adjusting the balance at the end of previous year and the amount of adjustment:

□Applicable √Non-applicable

**(41) Assets with restricted ownership or use rights**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Book value at the end of the period	Reason for restricted use
Monetary funds	112,257,224.37	Bank Acceptance Draft Deposit
Notes receivable	296,225,046.21	Pledge
Inventories		
Fixed assets	47,372,168.16	Mortgage
Intangible assets	6,804,936.88	Mortgage
Receivables financing	618,586,352.87	Pledge
Total	1,081,245,728.49	/

**(42) Foreign currency balance at the end of the period****(1). Foreign currency balance at the end of the period**

√Applicable □Non-applicable

Unit: Yuan

Item	Foreign currency balance at the end of the period	Converted exchange rate	Balance converted to RMB at the end of the period
Monetary funds	-	-	60,893,777.03
Including: USD	4,934,280.28	6.5249	32,195,685.40
EUR	393,352.18	8.025	3,156,651.24
CAD	726,129.80	5.1161	3,714,952.67
AUD	0.56	5.0163	2.81
BRL	17,381,926.34	1.2557	21,826,484.91
Accounts receivable	-	-	322,987,297.71
Including: USD	32,221,918.03	6.5249	210,244,792.96
EUR	2,464,813.94	8.025	19,780,131.83
CAD	14,340,054.16	5.1161	73,365,151.09
GBP	3,931.20	8.8903	34,949.55
BRL	15,578,778.60	1.2557	19,562,272.29
Long-term loans	-	-	
Including: USD			
EUR			
HKD			
Accounts payable	-	-	75,271,306.14
Including: USD	6,098,864.80	6.5249	39,794,482.93
EUR	996,419.00	8.025	7,996,262.48
CAD	4,963,830.08	5.1161	25,395,451.07
BRL	1,660,515.78	1.2557	2,085,109.66

**(2). Notes to overseas business entities, overseas business locations, functional currency and the basis for selection in respect of important overseas business entities should be disclosed; if there is a change in the functional currency, the reason for the change should be further disclosed.**

√Applicable □Non-applicable

The Company has seven subsidiaries outside of China, i.e.: Tuopu North American USA Limited, INC, currently operating in Canada and with Canadian dollars as the functional currency; Tuopu North American USA Limited, INC, currently operating in the United States and with U.S. dollars as the functional currency; Tuopu Brasil, currently operating in Brasil and with Brazilian Real as the functional currency; Tuopu Sweden, currently operating in Sweden and with Swedish krona as the functional currency; Tuopu International, currently operating in Hong Kong and with Hong Kong dollar as the functional currency; TUOPU (MALAYSIA) SDN.BHD., currently operating in Malaysia and with Ringgit as the functional currency; Tuopu USA, LLC., currently operating in the United States and with U.S. dollars as the functional currency.

**(43) Hedging**

□Applicable √Non-applicable

**(44) Government subsidies****(1). General information of government subsidies**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Category	Amount	Presented Item	Amount included into current profit

			and loss
Machine substitution for human project with an annual capacity of 700,000 sets of vibration control products	4,720,000.00	Deferred income	472,000.00
Automobile composite fiber production project	1,000,000.00	Deferred income	100,000.00
Tuopu Intelligent Mechatronic System Industrial Park Project	27,000,000.00	Deferred income	983,928.57
Production line transformation project of high-performance vibration control system for cars	4,409,904.00	Deferred income	551,238.00
Production and application technology transformation project of lightweight materials for vehicles	7,000,000.00	Deferred income	874,999.96
Technological Transformation Project of Automobile High-Performance Vibration control System	8,250,992.00	Deferred income	794,849.79
Technological Transformation Project of Automobile Interior and Exterior Trimming System	7,794,112.00	Deferred income	729,926.93
Technological Transformation Project of Automobile Lightweight Control Arms	8,085,312.00	Deferred income	777,533.25
Technological Transformation Project of Automobile Lightweight Parts Production Line	8,443,472.00	Deferred income	811,169.86
Technological Transformation Project of Automobile High-Performance Vibration control System	1,723,800.00	Deferred income	
Lightweight auto parts technological transformation project	1,875,120.00	Deferred income	
Digital workshop project with an annual capacity of 120,000 sets of intelligent brake systems	3,696,000.00	Deferred income	
Auto parts production and industrial automation projects	90,000,000.00	Deferred income	4,500,000.00
Technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets	10,000,000.00	Deferred income	973,140.06
Automobile high-performance vibration control system production project	5,564,300.00	Deferred income	92,738.34
Shenyang Tuopu Auto Parts Base Project	2,000,000.00	Deferred income	388,888.85
Intelligent factory construction project with an annual capacity of 2 million sets of automotive trimming system	1,100,000.00	Deferred income	110,000.00
Technological transformation project of car roof, carpet assembly and other trimming system with an annual capacity of 1.6 million sets	1,650,000.00	Deferred income	165,000.00
Auto Parts Production Project of Liudong New District	1,510,000.00	Deferred income	84,279.07
Wuhan Automobile Fabric Production Line Project	4,104,000.00	Deferred income	369,302.10
Pinghu Tuopu Auto Parts Production Project	14,470,000.00	Deferred income	651,150.00
Relocation project with an annual capacity of	1,110,000.00	Deferred	86,798.28

300,000 sets of automotive trimming system		income	
Automobile chassis parts project with an annual capacity of 500,000 sets	5,032,438.00	Deferred income	103,229.50
Tuopu Chassis Auto Parts Industry Base Project	8,000,000.00	Deferred income	
Auxiliary project outside the factory	7,000,011.00	Deferred income	303,202.77
Hunan Xiangtan Auto Parts Industry Base Project	2,000,000.00	Deferred income	
Relocation project with an annual capacity of 300,000 sets of automotive trimming system	965,300.00	Deferred income	110,593.80
Technological transformation project of production line for automobile front and rear axle with annual output of 200,000 sets	3,056,045.00	Deferred income	378,110.76
Technological transformation project of production line with annual capacity of 300,000 sets of automobile suspension chassis	448,715.00	Deferred income	48,688.54
Technological transformation project of production line with annual capacity of 300,000 sets of automobile suspension chassis	2,133,330.00	Deferred income	240,498.68
Passenger vehicle chassis suspension project with an annual capacity of 500,000 sets	2,539,990.00	Deferred income	163,026.48
Science and technology project subsidies	60,000.00	Other income	60,000.00
Special subsidies for patents	182,600.00	Other income	182,600.00
Foreign economic and trade support funds	518,600.00	Other income	518,600.00
R&D patent subsidies	72,184.00	Other income	72,184.00
Stable employment subsidies	522,523.95	Other income	522,523.95
Tax subsidies	395,862.09	Other income	395,862.09
Social security premium subsidies	121,216.54	Other income	121,216.54
Technology project funds	2,103,600.00	Other income	2,103,600.00
Energy-saving evaluation report subsidies	130,000.00	Other income	130,000.00
Incentives for overfulfill production target by business enterprises	300,000.00	Other income	300,000.00
Power bill subsidies	50,000.00	Other income	50,000.00
Corporate funding subsidies	2,000.00	Other income	2,000.00
Enterprise transformation and upgrading incentives	321,600.00	Other income	321,600.00
Incentive post-subsidies for the transformation of scientific and technological achievements of automotive trimming system	600,000.00	Other income	600,000.00
Technology subsidies	1,607,000.00	Other income	1,607,000.00
"One District, Multiple Parks" Development	500,000.00	Other	500,000.00



Fund		income	
Design report grants of initial solution for intelligent transformation	100,000.00	Other income	100,000.00
VAT exemption for veterans	9,000.00	Other income	9,000.00
Industrial production and capacity expansion rewards	1,700,000.00	Other income	1,700,000.00
Import discount subsidies	1,344,164.00	Other income	1,344,164.00
Information and industrialization management system certification	100,000.00	Other income	100,000.00
Annual fee grants for domestic authorized invention patents	4,680.00	Other income	4,680.00
Funding grants for science and technology plan projects	795,000.00	Other income	795,000.00
Strategic emerging industry development funds (recognized by the National Enterprise Technology Center)	1,000,000.00	Other income	1,000,000.00
Talent grants	647,650.00	Other income	647,650.00
Intellectual property project subsidies	35,600.00	Other income	35,600.00
2018 invention patent annual fee grants	720.00	Other income	720.00
2018 technology transaction post grants	59,000.00	Other income	59,000.00
2019 "Going Global" project grants	178,500.00	Other income	178,500.00
Enterprise R&D post-grants	892,800.00	Other income	892,800.00
Subsidies for resumption of work and epidemic response supplies	1,144,872.00	Other income	1,144,872.00
High-tech Enterprise Award	100,000.00	Other income	100,000.00
Construction fund for slope protection project in Guang'an High-tech Zone	30,000.00	Other income	30,000.00
Statistical funding subsidies granted from Economic and Information Bureau	86,000.00	Other income	86,000.00
2020 Industrial Special Fund Subsidies	697,900.00	Other income	697,900.00
"2-year exemption, 3-year collection of corporate income tax by half" government subsidies	1,347,700.00	Other income	1,347,700.00
Premium investment project award on the "Leaderboard" of New District Industrial Economy	50,000.00	Other income	50,000.00
High-tech enterprise grants	400,000.00	Other income	400,000.00
2019 pollution source monitoring system operation and maintenance subsidies	60,000.00	Other income	60,000.00
Stable employment subsidies	296,701.24	Non-operating income	296,701.24
Zhejiang Cloud-based Benchmark Enterprise	100,000.00	Non-operating income	100,000.00

Epidemic response subsidies for foreign trade enterprise	500,000.00	Non-operating income	500,000.00
"Two direct subsidies" for small and micro enterprises	20,000.00	Non-operating income	20,000.00
Business cultivation incentives from Shanxi Finance Bureau	10,000.00	Non-operating income	10,000.00
Information and industrialization management system certification	283,500.00	Non-operating income	283,500.00
2019 invention patents	5,000.00	Non-operating income	5,000.00
Total	266,168,814.82		34,350,267.41

**(2). Refund of government subsidies**

Applicable Non-applicable

**(45) Others**

Applicable Non-applicable

**VIII. Changes in the scope of consolidation****1. Business combination not under common control**

Applicable Non-applicable

**2. Business combination under the same control**

Applicable Non-applicable

**3. Reverse purchase**

Applicable Non-applicable

#### 4. Disposal of subsidiaries

Whether there is a situation where a single disposal of the investment in the subsidiary will immediately lead to loss of control

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

#### 5. Changes in the scope of consolidation due to other reasons

Notes to changes in the scope of consolidation due to other reasons (e.g.: incorporated new subsidiaries, subsidiaries on liquidation) and relevant conditions:

Applicable Non-applicable

1. Two combined entities were added during the reporting period, due to:

The Company incorporated Ningbo Tuopu Chassis System Co., Ltd. and Tuopu Electric Vehicle Thermal Management System (Ningbo) Co., Ltd., which were included into the scope of consolidation from the date of establishment.

2. Two combined entities were decreased during the reporting period, due to:

The Company struck off its subsidiaries Qingdao Maigao Auto Parts Co., Ltd. and Ningbo Tuopu Drive Technology Co., Ltd. in this period, which were excluded from the scope of consolidation from the date of strike-off.

#### 6. Others

Applicable Non-applicable

**IX. Equity in Other Entities****1. Equity in Subsidiaries****(1). Composition of the group**

√Applicable □Non-applicable

Name of Subsidiary	Principal Business Site	Registered Address	Nature of Business	Percentage of Shares (%)		Method of Acquisition
				Direct	Indirect	
Tuopu Imp&Exp.	Ningbo	Ningbo	Trading	100.00		Business combination under the same control
Tuopu Parts	Ningbo	Ningbo	Trading	100.00		Business combination under the same control
Tuopu Acoustics Vibration	Ningbo	Ningbo	Trading	100.00		Business combination under the same control
Yantai Tuopu	Yantai	Yantai	Manufacturing	100.00		Business combination under the same control
Liuzhou Tuopu	Liuzhou	Liuzhou	Manufacturing	100.00		Business combination under the same control
Shenyang Tuopu	Shenyang	Shenyang	Manufacturing	100.00		Establishment
Tuopu Intelligent Brake	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Tuopu North American	Canada	Canada	Trading	51.00		Business combination not under the same control
Ningbo Qianhui	Ninghai	Ninghai	Manufacturing	51.00		Business combination not under the same control
Tuopu North American USA Limited, INC	USA	USA	Service		51.00	Establishment
Sichuan Tuopu	Lingshui	Lingshui	Manufacturing	100.00		Establishment
Wuhan Tuopu	Wuhan	Wuhan	Manufacturing	100.00		Establishment
Pinghu Tuopu	Jiaxing	Jiaxing	Manufacturing	100.00		Establishment
Shanghai Towin	Shanghai	Shanghai	Manufacturing	100.00		Establishment
Tuopu Industrial Automation	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Tuopu Investment	Ningbo	Ningbo	Investment	100.00		Establishment

Yuxiang E-commerce	Ningbo	Ningbo	Service	100.00		Establishment
Tuopu International	Hong Kong	Hong Kong	Investment	100.00		Establishment
Baoji Tuopu	Baoji	Baoji	Manufacturing	100.00		Establishment
Taizhou Tuopu	Linhai	Linhai	Manufacturing	100.00		Establishment
Tuopu Mechatronic System	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Tuopu Brasil	Brasil	Brasil	Manufacturing	99.96	0.04	Establishment
Tuopu Sweden	Sweden	Sweden	R&D		100.00	Establishment
Jinzhong Tuopu	Jinzhong	Jinzhong	Manufacturing	100.00		Establishment
Shenzhen Towin	Shenzhen	Shenzhen	Manufacturing	100.00		Establishment
Zhejiang Towin	Jinhua	Jinhua	Manufacturing	100.00		Business combination not under the same control
Sichuan Maigao	Suining	Suining	Manufacturing	100.00		Business combination not under the same control
Hunan Tuopu	Xiangtan	Xiangtan	Manufacturing	100.00		Establishment
TUOPU (MALAYSIA) SDN.BHD.	Malaysia	Malaysia	Manufacturing		100.00	Establishment
Tuopu USA, LLC	USA	USA	Trading	100.00		Establishment
Tuopu Chassis	Ningbo	Ningbo	Manufacturing	100.00		Establishment
Tuopu Thermal Management	Ningbo	Ningbo	Manufacturing	100.00		Establishment

**(2). Important non-wholly owned subsidiaries**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name of Subsidiary	Percentage of shares held by minority shareholders	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
Tuopu North American USA Limited, INC	49.00%	-398,125.85		-1,543,869.72

Notes to the percentage of shares held by minority shareholder that is different from the percentage of voting rights:

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**(3). Main financial information of important non-wholly-owned subsidiaries**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Balance at the end of the period						Balance at the beginning of the period					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities
Tuopu North American USA Limited, INC	17,873,744.68	6,467,320.70	24,341,065.38	27,491,819.92		27,491,819.92	86,433,797.07	5,105,967.08	91,539,764.15	93,870,271.64		93,870,271.64

Name of Subsidiary	Amount incurred in the current period				Amount incurred in previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Tuopu North American USA Limited, INC	394,096,953.97	-812,501.74	-812,501.74	-6,673,583.68	422,562,875.82	4,729,398.22	4,950,627.86	9,022,087.34

**(4). Significant restrictions on the use of group assets and the settlement of group debts**

Applicable Non-applicable

**(5). Financial support or other support provided to structured entities included in the scope of consolidated financial statements**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**2. Transactions leading to a change in the share of owner's equity in the subsidiary and the control over the subsidiary remains**

Applicable Non-applicable

**3. Rights and interests in joint ventures or associates**

Applicable Non-applicable

**(1). Important joint ventures or associates**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Name of joint venture or associate	Principal Business Site	Registered Address	Business Nature	Percentage of Shares Held (%)		Accounting treatment of investment in joint ventures or associate
				Direct	Indirect	
Tuopu Electrical Appliances	Ningbo	Ningbo	Manufacturing	50.00		Equity method
Ningbo Borgers	Ningbo	Ningbo	Manufacturing	50.00		Equity method
Antolin Tuopu	Chongqing	Chongqing	Manufacturing	39.00		Equity method

**(2). Main financial information of important joint ventures**

Applicable Non-applicable

Unit: Yuan Currency: RMB

	Balance at the end of the period/Amount incurred in the current period		Balance at the beginning of the period/Amount incurred in previous period	
	Tuopu Electrical Appliances	Ningbo Borgers	Tuopu Electrical Appliances	Ningbo Borgers
Current assets	138,270,376.94	195,623,586.03	118,735,688.53	160,188,647.78
Including: cash and cash equivalents	21,987,735.55	37,219,502.34	20,725,262.95	15,455,285.23
Non-current assets	36,800,692.85	33,719,670.26	39,174,903.00	38,287,224.08
Total assets	175,071,069.79	229,343,256.29	157,910,591.53	198,475,871.86
Current liabilities	49,632,204.32	73,608,535.10	47,230,496.81	74,005,621.65
Non-current liabilities				
Total liabilities	49,632,204.32	73,608,535.10	47,230,496.81	74,005,621.65
Minority shareholders' equity				
Equity attributable to shareholders of the parent company	125,438,865.47	155,734,721.19	110,680,094.72	124,470,250.21
Share of net assets calculated at the percentage of shares held	62,719,432.74	77,867,360.60	55,340,047.36	62,235,125.11
Adjusted events	-143,018.70	-785,497.31	-211,832.55	-2,704,306.72
--Goodwill				



--Unrealized profits from internal transactions	-143,018.70	-785,497.31	-211,832.55	-2,704,306.72
-				
-Others				
Book value of equity investment in joint ventures	62,576,414.04	77,081,863.29	55,128,214.81	59,530,818.39
Fair value of equity investment in joint ventures with public offers				
Operating income	108,952,145.74	401,650,158.77	114,834,878.54	415,941,250.33
Financial expenses	-379,571.01	78,053.73	-332,604.61	460,535.38
Income tax expense	1,757,999.77	1,083,664.74	2,227,985.94	7,646,950.43
Net profit	14,758,770.75	31,264,470.98	16,818,130.01	32,815,829.76
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	14,758,770.75	31,264,470.98	16,818,130.01	32,815,829.76
Dividends received from joint ventures in this year				

**(3). Main financial information of important associates**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

	Balance at the end of the period/Amount incurred in the current period		Balance at the beginning of the period/Amount incurred in previous period	
	Antolin Tuopu		Antolin Tuopu	
Current assets	74,131,960.92		92,197,475.73	
Non-current assets	6,611,365.37		10,122,468.68	
Total assets	80,743,326.29		102,319,944.41	
Current liabilities	53,467,156.43		75,250,926.16	
Non-current liabilities				
Total Liabilities	53,467,156.43		75,250,926.16	
Minority shareholders' equity				
Equity attributable to shareholders of the parent company	27,276,169.86		27,069,018.25	
Share of net assets calculated by the percentage of shares held	10,637,706.25		10,556,917.12	
Adjusted events				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of equity investment in associates	10,637,706.25		10,556,917.12	
Fair value of equity investment in associates with public offers				
Operating income	115,226,112.33		115,671,649.03	
Net profit	207,151.61		285,664.43	
Net profit from discontinued operations				
Other comprehensive income				

Total comprehensive income	207,151.61		285,664.43	
Dividends received from associates in this year				

**(4). Summary of financial information of unimportant joint ventures and associates**

Applicable Non-applicable

**(5). Notes to significant restrictions on the ability of joint ventures or associates to transfer funds to the Company**

Applicable Non-applicable

**(6). Excess losses suffered by joint ventures or associates**

Applicable Non-applicable

**(7). Unconfirmed commitments related to joint venture investment**

Applicable Non-applicable

**(8). Contingent liabilities related to investment in joint ventures or associates**

Applicable Non-applicable

**4. Important joint operations**

Applicable Non-applicable

**5. Equity in structured entities not included in the scope of consolidated financial statements**

Notes to structured entities not included in the scope of the consolidated financial statements:

Applicable Non-applicable

**6. Others**

Applicable Non-applicable

**X. Risks related to financial instruments**

Applicable Non-applicable

The Company faces various financial risks in the course of its operations: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). The said financial risks and the risk management policies adopted by the Company to reduce these risks are described below:

The Board of Directors is responsible for planning and establishing the risk management structure applicable to the Company, laying down the risk management policies and guidelines, and supervising the implementation of risk management measures. The Company has laid down some risk management policies to identify and analyze the risks exposed to it. These risk management policies clearly identify specific risks, ranging from market risk, credit risk to liquidity risk management. The Company assesses the market environment and changes in its business activities at regular intervals in order to decide whether to update the risk management policy and system or not. Its risk management is carried out by the financial department in accordance with the policies approved by the Board of Directors. Financial Division will identify, evaluate and avoid related risks by maintaining a close cooperation with other business units within the Company. The internal audit division conducts regular audits on risk management control and procedures, and reports the audit results to the Auditing Committee of the Company.

The Company carries out the diversification of risks in financial instruments through appropriate diversified investment and business portfolios, and prepares appropriate risk management policies to reduce the risk concentrated in a single industry, specific region or specific counterparty.

**(1) Credit risk**

Credit risk refers to the risk of the company's financial losses due to the failure of the counterparty to perform its contractual obligations.

The credit risk exposed to the Company mainly arises from monetary funds, notes receivable, accounts receivable, accounts receivable financing, other receivables, as well as those debt instrument investments and derivative financial assets that are not included in the scope of impairment assessment and are measured at fair value and whose changes are included in the current profit and loss. On the balance sheet date, the book value of the Company's financial assets has represented its maximum credit risk exposure.

The monetary funds owned by the Company are mainly bank deposits deposited in well-reputed state-owned banks with high credit ratings and other large and medium-sized listed banks. In the opinion of the Company, there is no significant credit risk, and there will be almost no critical loss caused by bank defaults.

The Company lays down relevant policies to control credit risk exposure in respect of notes receivable, accounts receivable, financing receivables and other receivables. The Company assesses the credit profile of each customer and defines the credit term based on its financial standing, the possibility of obtaining guarantees from a third party, credit record and other factors such as current market condition. The Company will monitor the credit record of each customer at regular intervals. For those found with poor credit record, the Company will maintain its overall credit risk to the extent controllable by written demand, shortening or cancellation of credit term.

#### (2) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligation of settlement by cash or other financial assets.

The Company's policy is to ensure that there is sufficient cash to repay the liabilities due. The liquidity risk is under the concentrated control of the Company's Financial Department. Through monitoring the balance of cash and securities cashable at any time and rolling forecasting the cash flow in the next 12 months, the Financial Department ensures that the Company has sufficient funds to repay its debts under all reasonable predictions. And it will continue to monitor whether the Company complies with the provisions of the borrowing agreement and obtains commitments from major financial institutions to provide sufficient reserve funds to meet its funding needs, whether short term or long term.

#### (3) Market risk

The market risk of financial instruments refers to the risk of fluctuation at fair value of financial instruments or future cash flows with the change of market prices, including exchange rate risk, interest rate risk and other price risks.

##### 1. Interest rate risk

The interest rate risk refers to the risk in which the fair value or future cash flow of financial instruments changes due to the change of market interest rate.

Interest-bearing financial instruments applicable to fixed interest rates and floating interest rates bring the Company up to fair value interest rate risk and cash flow interest rate risk respectively. The Company ascertains the ratio of fixed interest rates to floating interest rate instruments based on the market environment, and maintains an appropriate portfolio of fixed and floating interest rate instruments at regular intervals. If necessary, the Company will adopt interest rate swap instruments to hedge interest rate risk.

On December 31, 2020, if other variables remain the same, the borrowing interest rate calculated by floating interest rate rises or falls by 100 base points, the Company's net profit will decrease or increase by RMB 4,003,788.89. In the opinion of the management, 100 base points can reasonably reflect the reasonable range of possible changes in interest rates in the next year.

##### 2. Exchange rate risk

Exchange rate risk refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in foreign exchange rates.

The Company will try its best to match the revenues with the expenses in foreign currency, to lower the exchange rate risk. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risks. In the current period and the previous period, the company did not sign any forward foreign exchange contracts or currency swap contracts.

The exchange rate risk faced with by the Company is mainly from financial assets and liabilities in USD. The amounts of assets and liabilities in foreign currencies and converted into RMB are presented as below:

Item	Balance at the end of the period			Balance at the beginning of the year		
	US	Other	Total	US	Other foreign	Total

	dollars	foreign currencies		dollars	currencies	
Monetary funds	32,195,685.40	28,698,091.63	60,893,777.03	22,817,284.07	8,210,455.99	31,027,740.06
Accounts receivable	210,244,792.96	112,742,504.75	322,987,297.71	122,207,238.03	98,880,833.02	221,088,071.05
Accounts payable	39,794,482.93	35,476,823.21	75,271,306.14	11,245,861.82	99,380,742.65	110,626,604.48
Total	282,234,961.29	176,917,419.59	459,152,380.88	156,270,383.92	206,472,031.66	362,742,415.59

On December 31, 2020, if all other variables remain the same, if the exchange rate of RMB against any of foreign currencies (principally USD, Euro, CAD, BRL) appreciates or depreciates by 5%, the Company will increase or decrease the net profit by RMB 15,430,488.43. In the opinion of the management, 5% can reasonably reflect the reasonable range of possible changes in the exchange rate of RMB against USD in the next year.

### 3. Other price risks

Other price risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices other than exchange rate risk and interest rate risk.

Other price risks exposed to the Company mainly arise from investments in various equity instruments, and there is a risk of changes in the price of equity instruments.

## XI. Disclosure of Fair Values

### 1. Fair values of the assets and liabilities at the end of the period

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Fair value at the end of the period			
	Fair value measurement at the first-level	Fair value measurement at the second-level	Fair value measurement at the third-level	Total
<b>I. Constant measurement at fair value</b>				
(I) Trading Financial Assets	176,111.00			176,111.00
1. Financial assets at fair value through profit or loss in this period	176,111.00			176,111.00
(1) Investment in debt instruments				
(2) Investment in equity instrument	176,111.00			176,111.00
3) Derivative Financial Assets				
2. Designated financial assets that are measured at fair value and whose changes are included in the current profit and loss				
(1) Investment in debt instruments				
(2) Investment in equity instrument				
(II) Investment in Other Creditor's Rights				
(III) Investment in Other Equity Instruments				

(IV) Investment Property				
1. Land use rights for lease				
2. Rented buildings				
3. Land use rights held and prepared to transfer after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive Biological Assets				
(VI) Receivables Financing			742,203,122.21	742,203,122.21
<b>Total assets constantly measured at fair value</b>	176,111.00		742,203,122.21	742,379,233.21
(VIII) Transactional financial liabilities				
1. Financial liabilities that are measured at fair value and whose changes are included in the current profit and loss				
Including: issued trading bonds				
Derivative Financial Liabilities				
Others				
2. Designated Financial Liabilities Measured in Fair Value with Changes Recorded into Current Profit and Loss				
<b>Total amount of liabilities constantly measured at their fair values</b>				
<b>II. Non-continuous fair value measurement</b>				
(1) Holding-for-sale assets				
<b>Total assets that are not continuously measured at fair value</b>				
<b>Total liabilities not continuously measured at fair value</b>				

**2. Determination basis for the market price of continuous and non-continuous first-level fair value measurement projects**

Applicable Non-applicable

**3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous second-level fair value measurement items**

Applicable Non-applicable

**4. Continuous and non-sustainable third-level fair value measurement projects, qualitative and quantitative information on valuation techniques and important parameters used**

Applicable Non-applicable

**5. Continuous third-level fair value measurement items, adjustment information between the book value at the beginning of the period and that at the end of the period and sensitivity analysis of unobservable parameters**

Applicable Non-applicable

**6. Continuous fair value measurement items, if there is a conversion between levels occurred in the current period, the reasons for the conversion and the policies for determining the time point of the conversion**

Applicable Non-applicable

**7. Changes in valuation technique in the current period and reasons for the changes**

Applicable Non-applicable

**8. The fair value of financial assets and financial liabilities not measured at fair value**

Applicable Non-applicable

**9. Others**

Applicable Non-applicable

**XII. Related Parties and Related-party Transactions****1. The parent company**

Applicable Non-applicable

Unit: Yuan Currency: HKD

Name of parent company	Registered address	Nature of business	Registered capital	Percentage of the Company's shares held by the parent company	Percentage of the Company's voting rights held by the parent company
MECCA INTERNATIONAL HOLDING (HK) LIMITED	Hong Kong	Investment	1,000,000.00	65.75	65.75

The ultimate controlling party of the Company is Wu Jianshu.

**2. Subsidiaries of the Company**

More details of the subsidiaries of the Company are available in the notes.

Applicable Non-applicable

More details of the subsidiaries of the Company are available in "Note IX. Equity in Other Entities".

**3. Joint ventures and associates of the Company**

More details of the subsidiaries of the Company are available in the note.

Applicable Non-applicable

More details of important joint ventures or associates of the Company are available in "Note IX. Equity in Other Entities".

The situation of other joint ventures or associates that have related party transactions with the company during the current period or the balance of the related party transactions with the Company in the previous period is listed as follows.

Applicable Non-applicable

Name of Joint Ventures or Associates	Relationship with the Company
Tuopu Electrical Appliances	Joint venture of the Company
Ningbo Borgers	Joint venture of the Company
Antolin Tuopu	Associate of the Company

Other Notes

Applicable Non-applicable

#### 4. Other Related Parties

Applicable Non-applicable

Name of Other Related Party	Relationship between Other Related Party and the Company
Ninghai Jinsuoer Auto Parts Factory (hereinafter referred to as "Ninghai Jinsuoer")	A company controlled by the niece of the actual controller of the Company
Ninghai Jinsuoer Auto Parts Factory (hereinafter referred to as "Ninghai Jinsuoer")	A company controlled by the niece of the actual controller of the Company
Ninghai Saipu Rubber and Plastic Parts Factory (hereinafter referred to as "Ninghai Saipu")	A company controlled by the niece of the actual controller of the Company
Ninghai Jinxin Packaging Co., Ltd. (hereinafter referred to as "Ninghai Jinxin")	A company controlled by the young sister of the actual controller of the Company
Ninghai Zhonghao Plastic Products Co., Ltd. (hereinafter referred to as "Ninghai Zhonghao")	An officer's brother-in-law holds 40% of the shares and serves as an executive director of the company
Ninghai Xidian Qingqing Plastic Factory (hereinafter referred to as "Ninghai Qingqing")	A company controlled by the elder sister and brother-in-law of the officer of the Company
Ningbo Hongke Auto Parts Co., Ltd. (hereinafter referred to as "Ningbo Hongke")	A company controlled by the niece's husband of the actual controller of the Company
Ningbo Gloyel Intelligent Technology Co. Ltd. (hereinafter referred to as "Gloyel Intelligent")	Other company controlled by the actual controller of the Company
Ningbo Gloyel Motor Technology Co., Ltd. (hereinafter referred to as "Ningbo Gloyel")	Other company controlled by the actual controller of the Company

Note: Ningbo Gloyel Intelligent Technology Co. Ltd. was formerly known as "Ningbo Gloyel Precision Machinery Co., Ltd." before October 2020.

#### 5. Related party transactions

(1). Related-party transactions of purchase and sale of goods, rendering and acceptance of labor services

List of purchase of goods/acceptance of labor services

Applicable Non-applicable Currency: RMB

Related party	Related-party transaction	Amount incurred in the current period	Amount incurred in previous period
Ninghai Jinsuoer	Material	11,279,423.57	11,977,259.01
Ninghai Saipu	Material	2,352,171.89	2,466,379.94
Ninghai Jinxin	Material	8,944,151.65	4,216,114.02
Tuopu Electrical Appliances	Material	67,985.88	1,307,347.51
Ninghai Zhonghao	Material	12,318,377.23	11,145,970.34
Ninghai Qingqing	Material	6,178,391.42	5,385,836.82
Ningbo Borgers	Material	11,172,984.21	12,901,108.60
Ningbo Hongke	Material	69,767,683.10	57,495,964.42
Gloyel Intelligent	Equipment	575,203.54	1,491,777.87
Gloyel Motor	Material, equipment	33,186,089.13	11,977,626.48
Total		155,842,461.62	120,365,385.01

List of sale of goods/rendering of labor services

Applicable Non-applicable

Unit: Yuan Currency: RMB

Related party	Content of related transaction	Amount incurred in the current period	Amount incurred in previous period
Tuopu Electrical Appliances	Goods, labor services, et al.	5,173,521.78	5,313,812.77
Ningbo Borgers	Goods, labor services, et al.	108,487,714.27	108,828,334.13
Antolin Tuopu	Goods, labor services, et al.	10,605,090.50	90,805.25
Gloyel Intelligent	Goods, labor services, et al.	51,403.31	48,708.26
Total		124,317,729.86	114,281,660.41

Notes to related-party transactions in the purchase and sale of goods, rendering and acceptance of labor services

Applicable Non-applicable

**(2). Related trusteeship management/contracting and entrusted management/outsourcing**

List of trusteeship management/contracting of the Company:

Applicable Non-applicable

Related trusteeship/contracting

Applicable Non-applicable

List of entrusted management/outsourcing

Applicable Non-applicable

Related management/outsourcing

Applicable Non-applicable

**(3). Related leases**

The Company as landlord:

Applicable Non-applicable

Unit: Yuan Currency: RMB

Name of tenant	Kind of lease assets	Rental income recognized in the current period	Rental income recognized in previous period
Ningbo Borgers	Houses and structures	619,266.06	633,551.77
Gloyel Motor	Houses and structures	198,165.14	198,165.14
Total		817,431.20	831,716.91

The Company as tenant:

Applicable Non-applicable

Affiliated leases

Applicable Non-applicable

**(4). Related guarantees**

The Company as guarantor

Applicable Non-applicable

The Company as guaranteed party

Applicable Non-applicable

Notes to related guarantees

Applicable Non-applicable

**(5). Borrowed funds from related parties**

Applicable Non-applicable

**(6). Asset transfer and debt restructuring of related parties**

Applicable Non-applicable



**(7). Remuneration of key management members**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Remuneration from key management members	10,694,500.00	10,535,000.00

**(8). Other related-party transactions**

□Applicable √Non-applicable

**6. Accounts receivable and payable of related parties****(1). Items of receivable**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Related party	Balance at the end of the period		Balance at the beginning of the period	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Ningbo Borgers	29,293,492.21	1,464,674.61	26,408,959.54	1,320,447.98
Accounts receivable	Tuopu Electrical Appliances	2,638,160.39	131,908.02	2,534,988.97	126,749.45
Accounts receivable	Antolin Tuopu	2,326,696.22	116,334.81	102,609.93	5,130.50
Accounts receivable	Gloyel Motor			216,000.00	10,800.00
Other non-current assets	Gloyel Intelligent	16,200,000.00			

**(2). Items of payable**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Ningbo Borgers	5,202,246.00	11,296,473.75
Accounts payable	Ninghai Jinsuoer	5,293,108.17	4,467,887.02
Accounts payable	Ninghai Saipu	1,108,699.60	989,169.44
Accounts payable	Ninghai Jinxin	5,191,550.61	1,950,672.19
Accounts payable	Tuopu Electrical Appliances	160,365.20	812,456.00
Accounts payable	Ninghai Zhonghao	4,949,234.52	4,552,653.23
Accounts payable	Ninghai Qingqing	2,135,445.47	1,614,046.32
Accounts payable	Ningbo Hongke	35,419,299.60	28,377,443.19
Accounts payable	Gloyel Motor	7,111,998.16	2,518,944.01
Accounts payable	Gloyel Intelligent		155,500.00

**7. Related-party commitments**

□Applicable √Non-applicable

**8. Others**

□Applicable √Non-applicable

**XIII. Share-based payment****1. General situation of share-based payment**

Applicable Non-applicable

**2. Particulars of equity-settled share-based payment**

Applicable Non-applicable

**3. Particulars of cash-settled share-based payment**

Applicable Non-applicable

**4. Modification and termination of share-based payment**

Applicable Non-applicable

**5. Others**

Applicable Non-applicable

**XIV. Commitments and Contingencies****1. Important commitments**

Applicable Non-applicable

Important external commitments, nature, and amount on the balance sheet date

(1) On 13 July 2020, the Company signed a loan contract with the Export-Import Bank of China Ningbo Branch, with the granted credit line at RMB 210 million, under the loan contract number (2020) Jin Chu Yin (Yong Xin He) No. 1-061, the length of maturity of short-term loans is up to 24 months, the revolving use of credit loans is allowed, with the length of each sum up to 12 months. The form of guarantee is setting houses and structures on mortgage, under the guarantee contract number (2020) Jin Chu Yin (Yong Zui Xin Di) No. 1-004. As of December 31, 2020, the short-term loan balance under the contract is RMB 210 million, the original value and net value of properties on mortgage is RMB 118,839,780.32 and RMB 47,372,168.16 respectively; the original value and net value of land on mortgage is RMB 10,659,462.00 and RMB 6,804,936.8 respectively.

(1) On 27 August 2020, the Company signed a loan contract with the Export-Import Bank of China Ningbo Branch, with the granted credit line at RMB 190 million, under the loan contract number (2020) Jin Chu Yin (Yong Xin He) No. 1-068, the length of maturity of short-term loans is up to 24 months, the revolving use of credit loans is allowed, with the length of each sum up to 12 months. The form of guarantee is setting houses and structures on mortgage, under the guarantee contract number (2020) Jin Chu Yin (Yong Zui Xin Di) No. 1-004. As of December 31, 2020, the short-term loan balance under the contract is RMB 190 million, the original value and net value of properties on mortgage is RMB 118,839,780.32 and RMB 47,372,168.16 respectively; the original value and net value of land on mortgage is RMB 10,659,462.00 and RMB 6,804,936.88 respectively.

(3) On April 18, 2016, the Company signed the state-owned construction land use rights assignment contract No. 3302062016A21006 with Ningbo Bureau of Land and Resources, and signed the industrial land investment agreement with Administration Committee of Ningbo Economic & Technological Development Zone (NETD). Under the said industrial land investment agreement, if the Company fails to pay taxes at RMB 20.00/mu in any year within the period from October 31, 2019 to October 31, 2022, it must pay RMB 5 million as penalty to Ningbo Economic & Technological Development Zone (NETD).

On July 21, 2016, the Company signed the "Irrevocable Bank Guarantee" at the maximum sum of RMB 5 million with Bank of China Ningbo Branch in the beneficiary of Administration Committee of Ningbo Economic & Technological Development Zone (NETD), under the bank guarantee number GC1901316000107, with the term of bank guarantee effective from 1 May 2022 to 30 April 2023. The bank guarantee specifies that the Company must pay a penalty up to RMB 5 million to Administration Committee of Ningbo Economic & Technological Development Zone (NETD), upon the time in which the Bank of China Ningbo Branch receives the original written notice of notice in printed form and the proof of default from Administration Committee of Ningbo Economic & Technological Development Zone (NETD).

(4) Tuopu Parts signed the note pool cooperation agreement 33100000 Zhe Shang Piao Chi Zi 2017 No.01470, the asset pool cooperation agreement 33100000 Zhe Shang Zi Chan Chi Zi 2017 No.01470, and the asset pool pledge guarantee contract 33100000 Zhe Shang Zi Chan Chi Zi 2017 No.01471 with China Zheshang Bank Beilun Branch. As of December 31, 2020, there were bank

acceptance notes in a sum of RMB 497,822,268.70 under pledge and accordingly, the notes payable in a sum of RMB 492,826.372.62 were issued.

(5) Tuopu Acoustics Vibration signed the note pool cooperation agreement 33100000 Zhe Shang Piao Chi Zi 2017 No.01472, the asset pool cooperation agreement 33100000 Zhe Shang Zi Chan Chi Zi 2017 No.01472, and the asset pool pledge guarantee contract 33100000 Zhe Shang Zi Chan Chi Zi 2017 No.01473 with China Zheshang Bank Beilun Branch. As of December 31, 2020, there were bank acceptance notes in a sum of RMB 296,225,046.21 under pledge and accordingly, the notes payable in a sum of RMB 363,014,210.16 were issued.

(6) On July 5, 2018, Tuopu Parts signed the note pool cooperation and note pledge agreement 05101PC20188002 with Bank of Ningbo Beilun branch, and 7 November 2018, signed the additional note pool cooperation and note pledge agreement 05101PC20188002 with Bank of Ningbo Beilun branch. As of December 31st, 2020, there were bank acceptance notes in a sum of RMB 94,235,731.30 under pledge and accordingly, the notes payable in a sum of RMB 60,772,323.25 were issued.

(7) Tuopu Intelligent Brake signed the note pool cooperation agreement 9411202000000006 and the maximum pledge contract ZZ9411202000000006 with SPDB Ningbo Development Zone Sub-branch. As of December 31st, 2020, the bank acceptance notes in a sum of RMB 19,150,000.00 were put under pledge and the notes payable in a sum of RMB 10,258,954.96 were issued.

(8) Ningbo Qianhui signed the maximum pledge contract 06001PC20198005 with Bank of Ningbo Ninghai Branch. As of December 31, 2020, there were bank acceptance notes in a sum of RMB 7,378,352.87 under pledge and a part of notes receivable were discharged and converted to the bank deposits under pledge in a sum of RMB 3,085,111.32 upon the maturity and accordingly, the notes payable in a sum of RMB 9,768,277.75 were issued.

## 2. Contingencies

### (1). Important contingencies existing on the balance sheet date

Applicable Non-applicable

### (2). Even if the Company has no important contingencies to be disclosed, also state:

Applicable Non-applicable

### 3. Others

Applicable Non-applicable

## XV. Events after the Balance Sheet Date

### 1. Important non-adjusting events

Applicable Non-applicable

### 2. Profit distribution

Applicable Non-applicable

Unit: Yuan Currency: RMB

Proposed distribution of profits or dividends	189,552,010.38
Profits or dividends declared after deliberation and approval	189,552,010.38

According to the resolution passed at the 6th meeting of the fourth Board of Directors of the Company dated April 19, 2021, the profit distribution plan laid down for 2020 is: with a total of 1,102,046,572 shares on the date of plan announcement as the base number, RMB 1.72 per 10 shares (tax included) will be distributed to all shareholders as cash dividends. Then the gross amount of cash dividends proposed for distribution is RMB 189,552,010.38 (tax included), in 30.17% of the net profit attributable to shareholders of public company. The remaining undistributed profit rolls over to the next year. The Company will not convert any public reserve funds into additional share capital or issue any bonus shares this year. The said profit distribution plan remains to be submitted to the 2020 general meeting of the Company for consideration.

### 3. Sales return

Applicable Non-applicable

**4. Notes to Other Events after the Balance Sheet Date**

Applicable Non-applicable

**VI. Other Significant Events****1. Correction of previous accounting errors****(1). Retrospective restatement**

Applicable Non-applicable

**(2). Prospective application**

Applicable Non-applicable

**2. Debt restructuring**

Applicable Non-applicable

**3. Replacement of assets****(1). Exchange of non-monetary assets**

Applicable Non-applicable

**(2). Exchange of other assets**

Applicable Non-applicable

**4. Annuity plan**

Applicable Non-applicable

**5. Discontinuing operation**

Applicable Non-applicable

**6. Segment information****(1). Determination basis and accounting policies of the reportable segment**

Applicable Non-applicable

**(2). Financial information of the reportable segment**

Applicable Non-applicable

**(3). If the Company has no reportable segments or cannot disclose the total assets and total liabilities of individual reportable segment, state the reason**

Applicable Non-applicable

**(4). Other notes**

Applicable Non-applicable

**7. Other significant transactions and event that have an impact on investors' decisions**

Applicable Non-applicable

**8. Others**

Applicable Non-applicable

**XVII. Notes to the Main Items of the Financial Statements of the Parent Company****1. Accounts receivable****(1). Disclosure by age**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period
Within 1 year	
Including: sub-items within 1 year	
Within 1 year	1,738,258,183.77
Subtotal within 1 year	1,738,258,183.77
1 to 2 years	152,316,371.05
2-3 years	75,010,434.91
Over 3 years	
3 to 4 years	
4 to 5 years	

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Over 5 years	323,215.01
Bad debt provision	-124,970,891.78
Total	1,840,937,312.96

**(2). Categorical disclosure by provision for bad debts**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the End of the Period					Balance at the Beginning of the Period				
	Book Balance		Bad Debt Provision		Book Value	Book Balance		Bad Debt Provision		Book Value
	Amount	Percentage (%)	Amount	Accrued Proportion (%)		Amount	Percentage (%)	Amount	Accrued Proportion (%)	
Bad debt provision accrued based on single item										
Including:										
Bad debt provision accrued based on single item	1,965,908,204.74	100.00	124,970,891.78	6.36	1,840,937,312.96	1,330,943,270.95	100.00	79,921,671.01	6.00	1,251,021,599.94
Including:										
Bad debt provision accrued based on aging combinations	1,965,908,204.74	100.00	124,970,891.78	6.36	1,840,937,312.96	1,330,943,270.95	100.00	79,921,671.01	6.00	1,251,021,599.94
<b>Total</b>	1,965,908,204.74	/	124,970,891.78	/	1,840,937,312.96	1,330,943,270.95	/	79,921,671.01	/	1,251,021,599.94

Bad debt provision accrued based on single item:

Applicable Non-applicable

Bad debt provision accrued based on combinations

Applicable Non-applicable

Accrued items based on combinations: accounts receivable with bad debt provision by aging portfolio

Unit: Yuan Currency: RMB

Name	Balance at the End of the Period		
	Accounts Receivable	Bad Debt Provision	Accrued Proportion(%)
Within 1 year	1,738,258,183.77	86,912,909.19	5.00
1 to 2 years	152,316,371.05	15,231,637.11	10.00
2 to 3 years	75,010,434.91	22,503,130.47	30.00
3 to 5 years			100.00
Over 5 years	323,215.01	323,215.01	100.00
Total	1,965,908,204.74	124,970,891.78	

Recognition criteria for and notes to bad debt provision by combinations

Applicable Non-applicable

If the bad debt provision is made by the general expected credit loss model, refer to the disclosure of other receivables:

Applicable Non-applicable

### (3). Bad debt provision

Applicable Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period				Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	Other Changes	
Bad debt provision accrued based on combinations	79,921,671.01	45,049,220.77				124,970,891.78
Total	79,921,671.01	45,049,220.77				124,970,891.78

Significant withdrawal or reversal amount of provision for bad debts in the current period:

Applicable Non-applicable

### (4). Accounts receivable actually written off in the current period

Applicable Non-applicable

Write-off of significant accounts receivable

Applicable Non-applicable

### (5). Accounts receivable of the top five closing balances collected by debtors

Applicable Non-applicable

Name of Entity	Balance at the End of the Period		
	Accounts Receivable	Proportion in Total Accounts Receivable (%)	Bad Debt Provision
No.1	423,965,566.97	21.57	21,198,278.35
No.2	379,908,659.48	19.32	18,995,432.97
No.3	361,078,264.66	18.37	20,217,547.57

Name of Entity	Balance at the End of the Period		
	Accounts Receivable	Proportion in Total Accounts Receivable (%)	Bad Debt Provision
No.4	216,857,080.61	11.03	10,842,854.03
No.5	142,887,408.14	7.27	9,663,608.14
Total	1,524,696,979.86	77.56	80,917,721.06

**(6).Accounts receivable derecognized due to the transfer of financial assets**

Applicable Non-applicable

**(7). Amount of assets and liabilities formed by the transfer of accounts receivable and continued involvement**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**2. Other Receivables****Presentation of items**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Interest receivable		
Dividend receivable		
Other Receivables	76,146,034.58	49,355,223.60
Total	76,146,034.58	49,355,223.60

Other Notes:

Applicable Non-applicable

**Interest receivable****(1). Category of interest receivable**

Applicable Non-applicable

**(2). Important late payment interest**

Applicable Non-applicable

**(3). Particulars of bad debt provision**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**Dividend receivable****(4). Dividend Receivable**

Applicable Non-applicable

**(5). Important dividend receivable with an aging over 1 year**

Applicable Non-applicable

**(6). Particulars of bad debt provision**

Applicable Non-applicable



applicable

**(7). Particulars of bad debt provision**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**Other Receivables**

**(1). Disclosure by aging**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Aging	Book Balance at the End of the Period
Within 1 year	
Including: sub-item within 1 year	
Within 1 year	50,728,275.68
Subtotal within 1 year	50,728,275.68
1 to 2 years	20,371,000.00
2 to 3 years	11,745,400.00
Over 3 years	3,496,231.71
3 to 4 years	
4 to 5 years	
Over 5 years	205,800.00
Provision for bad debts	-10,400,672.81
Total	76,146,034.58

**(2). Categorical disclosure by provision for bad debts**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Nature of Funds	Book balance at the end of the period	Book balance at the beginning of the period
Temporary borrowings	84,615,981.71	50,568,981.71
Petty cash funds	88,700.00	84,000.00
Security deposit	19,250.00	13,948,225.00
Others	1,822,775.68	1,485,232.55
Total	86,546,707.39	66,086,439.26

**(2). Categorized by the nature of funds**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Bad Debt Provision	Phase 1	Phase 2	Phase 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2020	16,731,215.66			16,731,215.66
Balance of the current period on January 1, 2020				
--Transfer to Phase 2				
--Transfer to				

Phase 3				
--Transfer to Phase 2				
--Transfer to Phase 1				
Provision made in the current period				
Reversal in the current period	6,330,542.85			6,330,542.85
Write-off in the current period				
Write-off in the current period				
Other changes				
Balance on December 31, 2020	10,400,672.81			10,400,672.81

Notes to significant changes in the book balance of other receivables that have changed in the current period:

Applicable Non-applicable

Amount of bad debt provision in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

Applicable Non-applicable

**(4). Particulars of bad debt provision**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Category	Balance at the Beginning of the Period	Amount Changed in the Current Period				Balance at the End of the Period
		Provision	Withdrawal or Reversal	Write-off	Other Changes	
Accounts receivable with bad debt accrued based on aging portfolio	16,731,215.66		6,330,542.85			10,400,672.81
Total	16,731,215.66		6,330,542.85			10,400,672.81

Bad debt provision in the current period with significant amount of withdrawal or reversal:

Applicable Non-applicable

**(5). Particulars of other receivables actually written off in the current period**

Applicable Non-applicable

**(6). Particulars of other receivables of the top five closing balances collected by debtors**

Applicable Non-applicable

Unit: Yuan Currency: RMB

Name of Unit	Nature of funds	Balance at the end of the period	Aging	Proportion in total other receivables at the end of the period (%)	Balance of bad debt provision at the end of the period
Shanghai Towin	Temporary borrowings	53,115,981.71	1 to 4 years	61.37	8,194,589.03
Hunan Tuopu	Temporary borrowings	31,500,000.00	Within 2 years	36.40	1,622,500.00

Liu Hongsong	Other	455,000.00	Within 2 years	0.53	200,100.00
Li Dongmei	Other	255,800.00	Within 1 year	0.30	229,800.00
Xu Longhui	Other	153,500.00	1 to 2 years	0.18	14,375.00
Total	/	85,480,281.71	/	98.78	10,261,364.03

**(7). Accounts receivable related to government subsidies**

Applicable Non-applicable

**(8). Other accounts receivable derecognised due to transfer of financial assets**

Applicable Non-applicable

**(9). Amount of assets and liabilities generated due to transfer of other receivables and continued involvement**

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

**3. Long-term Equity Investment**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period			Balance at the beginning of the period		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investments in subsidiaries	3,921,478,960.48		3,921,478,960.48	3,311,887,755.92		3,311,887,755.92
Investments in joint ventures and associates	150,295,983.58		150,295,983.58	125,215,950.32		125,215,950.32
Total	4,071,774,944.06		4,071,774,944.06	3,437,103,706.24		3,437,103,706.24

**(1). Investments in subsidiaries**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Invested Entity	Balance at the beginning of the period	Increased in current period	Decreased in current period	Balance at the end of the period	Impairment provision accrued in the current period	Balance at the end of the period of impairment provision
Tuopu Imp&Exp.	178,081,940.48			178,081,940.48		
Tuopu Parts	196,984,594.91			196,984,594.91		
Tuopu Acoustics Vibration	184,685,004.03			184,685,004.03		
Yantai Tuopu	62,800,000.00			62,800,000.00		
Liuzhou Tuopu	100,000,000.00			100,000,000.00		
Shenyang Tuopu	10,000,000.00			10,000,000.00		
Tuopu Intelligent Brake	20,000,000.00			20,000,000.00		
Ningbo Qianhui	31,210,000.00			31,210,000.00		
Sichuan Tuopu	20,000,000.00			20,000,000.00		
Qingdao Maigao	2,800,000.00	17,200,000.00	20,000,000.00			
Wuhan Tuopu	150,000,000.00			150,000,000.00		
Pinghu Tuopu	208,000,000.00			208,000,000.00		
Shanghai Towin	10,000,000.00			10,000,000.00		
Tuopu Industrial Automation	17,700,000.00			17,700,000.00		

Tuopu Investment	100,000.00			100,000.00	
Yuxiang E-commerce	3,300,000.00	200,000.00		3,500,000.00	
Qudong Technology	6,000,000.00		6,000,000.00		
Baoji Tuopu	18,980,000.00			18,980,000.00	
Taizhou Tuopu	50,000,000.00	14,650,000.00		64,650,000.00	
Tuopu Mechatronic System	1,031,750,000.00	426,050,000.00		1,457,800,000.00	
Tuopu Brasil	32,623,203.41			32,623,203.41	
Jinzhong Tuopu	11,900,000.00	1,900,000.00		13,800,000.00	
Shenzhen Towin	53,653,013.09			53,653,013.09	
Zhejiang Towin	571,320,000.00			571,320,000.00	
Sichuan Maigao	290,000,000.00			290,000,000.00	
Hunan Tuopu	50,000,000.00			50,000,000.00	
Tuopu USA, LLC		35,091,204.56		35,091,204.56	
Tuopu Chassis		107,500,000.00		107,500,000.00	
Tuopu Thermal Management		33,000,000.00		33,000,000.00	
Total	3,311,887,755.92	635,591,204.56	26,000,000.00	3,921,478,960.48	

**(2). Investments in joint ventures and associates**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Invested Entity	Balance at the Beginning of the Period	Decrease/Increase in the current period								Balance at the End of the Period	Balance of impairment provision at the end of the period
		Investment Increased	Investment Decreased	Investment profit and loss recognized under the equity method	Adjustment on other comprehensive income	Other changes in equity	Cash dividends or profit declared to distribute	Provision for impairment accrued	Other		
<b>I. Joint ventures</b>											
Tuopu Electrical Appliances	55,128,214.81			7,448,199.22						62,576,414.03	
Ningbo	59,530,818.39			17,551,044.91						77,081,863.30	

Borgers											
Subtotal	114,659,033.20			24,999,244.13						139,658,277.33	
II. Associates											
Antolin Tuopu	10,556,917.12			80,789.13						10,637,706.25	
Subtotal	10,556,917.12			80,789.13						10,637,706.25	
Total	125,215,950.32			25,080,033.26						150,295,983.58	

**4. Operating Income and Operating Cost**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business operations	3,596,392,949.37	2,699,235,104.32	3,260,143,299.90	2,382,543,990.84
Other business operations	216,195,678.50	135,286,014.40	211,308,530.65	138,755,303.77
Total	3,812,588,627.87	2,834,521,118.72	3,471,451,830.55	2,521,299,294.61

**(2). Income generated by contracts**

□Applicable √Non-applicable

**(3). Notes to discharge of obligations**

□Applicable √Non-applicable

**(4). Notes to allocation to remaining discharge of obligations**

□Applicable √Non-applicable

**5. Investment income**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Long-term equity investment income measured by cost method	150,000,000.00	
Long-term equity investment income measured by equity method	25,080,033.26	24,507,700.52
Investment income from disposal of long-term equity investment	-12,827,681.96	
Investment income of trading financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investment during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of trading financial assets		
Investment income from the disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from the disposal of other debt investments		
Investment income from wealth management products	18,164,183.51	25,407,939.14
Total	180,416,534.81	49,915,639.66

**6. Others**

□Applicable √Non-applicable

**XVIII. Additional Information****1. Current non-recurring profit and loss schedule**

√Applicable □Non-applicable

Item	Unit: Yuan	Currency: RMB
Item	Amount	Note
Gains and losses from disposal of non-current assets	8,703,377.39	
Approval beyond authority, or without formal approval document, or incidental tax rebates, deducts and exempts		
Government subsidies included in the current profit and loss, but closely associated with the regular business operations of the Company, except for government subsidies that are consistent with national policies and continuously granted at a fixed quota or amount under certain national standard	34,350,267.41	XI、VII、84
Payment for the use of funds charged from non-financial enterprises that is included in current profit and loss		
Income generated from the investment cost of the Company in acquiring subsidiaries, associates and joint ventures that is less than the fair value of the identifiable net assets held by the invested entity at the acquisition of investment		
Gains and losses from exchange of non-monetary assets		
Gains and losses from the engagement of others in investment or management		
Provisions for impairment of various assets due to force majeure factors including natural disasters		
Gains and losses from restructuring of debts		
Expenses incurred in enterprise restructuring, including those incurred in staff placement and integration		
Gains and losses from the part of transactions whose prices are clearly unfair in excess of the fair value		
Net profits and losses for the current period from the beginning of the period to the date of the merger arising from a business combination under the same control		
Profits and losses generated from contingent events that are unrelated to the regular business operations of the Company		
Profits and losses resulting from the changes in fair value for holding trading financial assets, derivative financial assets and trading financial liabilities, derivative financial liabilities and investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other obligatory right investments, except for valid hedging businesses associated with the regular business operations of the Company	18,164,183.51	
Reversal of the receivables and contract assets depreciation reserves for separate impairment test		
Gains and losses from external entrusted loans		
Profits and losses generated from a change in the fair value of investment real estates that are subsequently measured by the fair value model		
Impact of one-off adjustment to the current profit and loss under the requirements of taxation, accounting and other laws and regulations on the current profit and loss		
Custody fee income from entrusted operations		
Non-operating income and expenses other than the above	2,813,550.60	
Other gains and losses items that fit the definition of non-recurring gains and losses		
Impact of income tax	-10,201,281.57	



Impact of minority equity	-312,026.70	
Total	53,518,070.64	

For items defined as non-recurring gains and losses according to the No. 1 Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to Public - Non-recurring Gains and Losses, or non-recurring gains and losses items listed in the said document defined as recurring ones, state the reasons.

Applicable Non-applicable

## 2. ROE and EPS

Applicable Non-applicable

Profit for the reporting period	Weighted Average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to common shareholders of the Company	8.29	0.60	0.60
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	7.58	0.54	0.54

## 3. Differences between international and Chinese accounting standards

Applicable Non-applicable

## 4. Others

Applicable Non-applicable

## Section XII Documents Available for Reference

Directory of Documents Available for Reference	Financial statements affixed with the signatures and seals of the legal representative of the Company, the officer in charge of accounting work and accounting institution
Directory of Documents Available for Reference	Original audit report affixed with the seal of the accounting firm and the signature and seal of CPAs
Directory of Documents Available for Reference	All original company documents and announcements disclosed on the website designated by CSRC during the reporting period

Chairman: Wu Jianshu

Date of Submission to Board of Directors: April 20, 2021

## Revisions

Applicable Non-applicable