

Stock Code: 601689

Abbr.: Tuopu Group

Ningbo Tuopu Group Co., Ltd.
Semi-annual Report
2021



August 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. This semi-annual report has not yet been audited.

IV. Jianshu Wu, a person in charge of the Company, Tieyang Hong, 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

No profit distribution or conversion of public reserve funds into additional share capital is made in this reporting period

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 III 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 private offering of A-shares of the Company by issuing the “Approval on private offering of shares by Ningbo Tuopu Group Co., Ltd.” (Zheng Jian Permit [2020] No.1982).

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

In this private offering, the Company issued 47,058,823 ordinary shares at a price of RMB 42.50/share, the total amount of raised funds is RMB 1,978,417,846.74.

The restricted period for the shares subscribed by the intended subjects is 6 months from the end of the private offering. These shares will be available for trading on August 23, 2021. In case of legal holidays or rest days, it will be postponed to the next immediately trading day.

This report is prepared in Chinese and English and if there is any discrepancy between two texts, the Chinese text shall apply.

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Catalogue of Files for Future Inspection	(1) Full text and extracts of this semi-annual report affixed with the signature of the company's legal representative and common seal.
	(2) Financial statements signed and sealed by the legal representative of the company, the officer in charge of accounting work and the person in charge of the accounting institution.
	(3) Original and manuscript of all company documents and announcements that are disclosed on the information disclosure media designated by the company during the reporting period

Section 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, 2021 to June 30, 2021
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	Ningbo Tuopu Group Co., Ltd.
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	Jianshu Wu

II. Contact Person and Contact Information

	Security of the Board	Representative of Securities Affairs
Name	Mingzhen Wang	Yuchao Gong
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	gyc@tuopu.com

III. General Information Summary

Registered Address of the Company	268 Yuwangshan Rd, Daqi Street, Beilun District, Ningbo, Zhejiang
Change History of Registered Address	On 16 June 2020, the company address was changed from “215 Huangshan West Road, Beilun, Ningbo, Zhejiang” to “268 Yuwangshan Rd, Daqi Street, Beilun District, Ningbo, Zhejiang”
Office Address of the Company	268 Yuwangshan Rd, Daqi Street, Beilun District, Ningbo, Zhejiang
Postal Code of Office Address	315806
Website	www.tuopu.com
E-mail	tuopu@tuopu.com
Search index of changes during the reporting period	NA

IV. Information Disclosure and Location

The Media Selected by the Company for Disclosure	<Securities Times>
Website Designated by CSRC for Publishing Semi-annual Report	SSE website (www.sse.com.cn)
Location for Annual Report of the Company	Office of Board Secretary
Search index of changes during the reporting period	NA

V. 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

Applicable Non-applicable

VII. Key Accounting Data and Financial Indicators over the Past Three Years**(1) Key Accounting Data**

Unit: Yuan Currency: RMB

Key Accounting Data	During this reporting period (January-June)	Figures in previous period	Increase/decrease compared with previous year (%)
Operating income	4,916,747,063.20	2,562,015,814.84	91.91
Net profit attributable to shareholders of the listed Company	459,702,187.79	215,983,238.50	112.84
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	444,689,918.25	197,851,324.09	124.76
Net cash flow generated by operational activities	745,334,877.96	487,393,567.66	52.92
	End of this reporting period	End of previous year	Increase/Decrease at the end of the current year compared with the end of the previous year (%)
Net assets attributable to shareholders of the listed company	10,037,497,070.47	7,786,994,893.67	28.90
Total assets	15,616,389,881.17	12,115,228,519.89	28.90

(2) Key Financial Indicators

Key Financial Indicators	During this reporting period (January-June)	Figures in previous period	Increase/decrease compared with previous year (%)

Basic Earnings per Share (RMB/Share)	0.42	0.20	110.00
Diluted Earnings per Share (RMB/Share)	0.42	0.20	110.00
Basic Earnings per Share after deducting non-recurring gains and losses (RMB/Share)	0.41	0.19	115.79
Weighted Average ROE	4.81	2.93	Increased by 1.88%
Weighted Average ROE after deducting non-recurring gains and losses (%)	4.65	2.68	Increased by 1.97%

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

Applicable Non-applicable

The operating income for the current period increased by 91.91% over the previous period, which is attributed to a substantial increase in NEV customers during the current period. The net profit, basic EPS and diluted EPS attributable to shareholders of listed companies increased by 112.84%, 110.00% and 110.00% respectively over the previous period, which is attributed to the expansion of sales scale and the increase in operating income.

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

Applicable Non-applicable

IX. Non-recurring Gains and Losses Items and Amounts

Applicable Non-applicable

Unit: Yuan Currency: RMB		
Non-recurring Gains and Losses Items	Amount	Note (if applicable)
Gains and losses from disposal of non-current assets	-1,258,747.17	
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	13,938,042.57	Note X, 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	1,711,141.42	
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	3,641,696.58	
Other gains and losses items that fit the definition of non-recurring gains and losses		
Impact of minority equity	-56,934.88	
Impact of income tax	-2,962,928.98	
Total	15,012,269.54	

X. Other

Applicable Non-applicable

Section III Discussion and Analysis of Management

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

(1) Main business operations

The Company is a modular supplier engaged in R&D, production and sales of automobile core parts and its main product lines include dampers, interior trims, chassis products, automobile electronics, and thermal management system.

During the reporting period, the Company's main business by industry, product, and region is listed below:

Unit: Yuan Currency: RMB						
Main business operations by industry						
By industry	Operating income	Operating cost	Gross profit rate	Increase/Decrease of operating	Increase/Decrease of operating cost	Increase/Decrease of gross profit rate

			(%)	income over the previous year (%)	over the previous year (%)	over the previous year (%)
Automobile parts	4,771,583,403.09	3,848,796,980.15	19.34	92.86	97.39	Decreased by 1.85%
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 (%)
AVS Products	1,701,953,814.51	1,291,943,066.33	24.09	68.60	73.93	Decreased by 2.33%
Interior trims	1,529,285,656.54	1,286,788,666.00	15.86	77.02	80.78	Decreased by 1.74%
Chassis products	890,104,120.95	748,079,805.64	15.96	68.92	69.13	Decreased by 0.10%
Mechatronics	80,898,354.46	59,520,323.30	26.43	9.65	12.48	Decreased by 1.84%
Thermal management system	569,341,456.63	462,465,118.89	18.77	NA	NA	NA
Main business operations by region						
By region	Operating income in the current period				Increase or decrease of operating income over the previous period (%)	
Domestic	3,500,559,144.09				98.27	
Overseas	1,271,024,259.00				79.39	

(2) Industry updates

In the first half of 2021, the global automotive market drove to the lane of recovery. According to data from MarkLines Global Automobile Information Platform, in the period of January 2021 to June 2021, the global automobile production and sales exceeded 40 million units, with a YoY growth of over 25%. In which, the cumulative sales of NEVs reached 2.5468 million units, in 6.3% of the global automotive market sales.

The production and sales of NEVs still outperforms fuel vehicles, both the month-on-month and year-on-year rates can maintain rapid growth and break the record high. According to statistics from the China Association of Automobile Manufacturers and the Ministry of Public Security, from January to June 2021, the production and sales of NEVs in Chinese market reached 1.215 million and 1.206 million units respectively, with YoY growth of two folds. The production and sales increased by 94.4% and 92.3% respectively over the same period in 2019. As of the end of June 2021, the car parc of NEVs reached 6.03 million units. In the first half of 2021, the number of registered NEVs was 1.103 million units, with a YoY growth of 234.9%, an increase of 74.9% over the first half of 2019, breaking the record high. The number of registered NEVs accounts for 7.8% of total registered units.

In the first half of 2021, as the global auto market is recovering, it is also impacted by short supply of chips, raw material prices and rising freight rates. At present, uncertain factors cannot completely eliminated.

II. 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, for market-oriented construction of the organization, pool resources and make quick response; under the pyramid organization, business units 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 has established an integrated, specific and open financial indicator system to transform officers from managers to operators and entrepreneurs.

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 has prospectively programmed the NEV track and is rolling out the "2+3" industrial mapping: automobile NVH vibration control system, vehicle acoustic sets and lightweight chassis products, thermal management system, and intelligent driving system.

Chassis products 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. Chassis products is composed of sub-frames, AVS products, 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 (IBS), the electric power steering system (EPS), the electronic vacuum pump (EVP), and intelligent cockpit product. IBS and EPS are considered as the two core executive ends of ADAS, in which IBS is the “bottlenecking project” in China. The Company is able to provide IBS+EPS solutions for its customers, an integration of IBS 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 value added 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 in 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 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.

III. Discussion and Analysis of Operation Conditions

In the first half of 2021, the automotive industry was impacted by several factors such as shortage of chips, skyrocketing material price, and rising freight rates. Owing to the prospective programming of the NEV industry, pooled efforts in the expansion of product line and customer group, and many orders received, the Company maintained the fast growth rate and earned revenue at RMB 4,916,747,100, an increase of 91.91%; its net profit attributed to the parent company was RMB 459,702,200, an increase of 112.84%.

As the shortage of chips is expected to ease up in the second half of the year and the peak season comes, coupled with the rapid release of key models from key clients, and the batch supply of new

products to FORD, RIVIAN and other new clients, it is expected that revenue and profits will maintain a high growth rate and the future outcome is about to release quickly in the second half of the year.

In the first half of 2021, the Company will concentrate on the following tasks:

(1) Marketing and sales.

As a platform-based company accessible to many product lines, the Company has implemented Tier0.5 model with success. This model features a plurality of automotive components at higher amounts, which can greatly improve efficiency and reduce costs for clients.

With this model accepted by intelligent EV enterprises, the Company has established strategic partnerships with some car makers and solicited many orders. In particular, the value of components per vehicle partnered with RIVIAN is up to RMB 11,000. The Company initiated some products such as lightweight chassis products for key models along with Chongqing Jinkang, and initiated some products related to thermal management system along with Huawei.

Thanks to broad product line, R&D capacity, fast response and other integrated factors in the field of NEV, the Company received many orders in the first half of the year, which in turn paves the road for fast-track sustainable development in the future.

(2) New project development.

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, and is pacing up the R&D and validation of V2.0 heat pump assemblies.

In joint development of digital QC technology partnered with some clients, the Company readily built up the capacity for the volume supply of integrated heat pump assemblies, maintained the zero-defect quality level, received good reviews from clients, and paved the road for soliciting more follow-up orders.

Lightweight chassis is a product extensively used on NEVs, the Company is equipped with some technologies in relation with lightweight chassis and maintains the privileged presence in the industry and first-mover advantage. The aluminum alloy one-piece vacuum casting chassis was approved by clients and supplied in batches, and the aluminum alloy casting welded chassis was approved by some clients including FORD and RIVIAN and supplied in batches.

Ongoing efforts are made to hurry in the verification and matching of intelligent brake system and steering system, and to seek approval of clients. Ongoing efforts are made to make materials, process and equipment of dampers and vehicle acoustic sets in line with the NEV requirements.

(3) Capacity layout.

With respect to new orders, the Company has paced up the capacity layout. The Company is accelerating the construction of Xiangtan Base, Phase II, Phase III, Phase IV, Phase V bases in Ningbo Hangzhou Bay New Area, and the production base in Yinzhou, Ningbo, in order to meet the surging orders. The Company set up new factories in Shanghai, Huzhou, and Xi'an in order to render better services to its clients.

Given the fact that the Company is receiving more orders for chassis, integrated heat pump assemblies and interior trims, the maximum value of components per vehicle is about RMB 6,000, the Company made further investments in Poland and accelerated the building of production capacity in order to render better services to clients. To reduce tariffs and distribution cost, render better services to clients and support global platform project, the Company paced up the preparation for Mexican factory at the client request, the Phase 1 project investment at USD 150 million is intended for capacity build-up of lightweight chassis, thermal management, and interior trims. If the designed capacity of the above project can be reached, the Company anticipates greater economic benefits.

(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) Photovoltaic business.

The Company is highly aware of eco-friendly development and plans to construct 150MW distributed photovoltaic power station on available roofs, which not only delivers good economic benefits, but also contributes to carbon peak and neutrality.

Significant changes in operating conditions of the Company during the reporting period, as well as events that significantly impact its operating conditions during the reporting period and are expected to have a significant impact in the future

Applicable Non-applicable

IV. Main business operations during the reporting period

(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 current period	Amount in previous period	Change as percentage (%)
Operating income	4,916,747,063.20	2,562,015,814.84	91.91
Operating cost	3,890,647,152.66	1,972,469,869.51	97.25
Cost of sales	67,811,133.02	48,374,902.80	40.18
Overhead expenses	138,616,680.48	100,232,074.78	38.30
Financial expenses	-875,186.94	14,651,080.49	-105.97
R&D cost	233,873,710.58	165,130,113.43	41.63
Net cash flow from operating activities	745,334,877.96	487,393,567.66	52.92
Net cash flows from investing activities	-1,866,786,551.76	-167,283,521.77	NA
Net cash flow from financing activities	2,153,875,320.02	-227,474,369.47	NA

Note to the reason for changes in operating income: mainly due to a substantial increase in the orders placed by NEV clients during the current period.

Note to the reason for changes in operating cost: mainly due to the year-on-year increase in operating income for the current period.

Note to the reason for changes in cost of sales: mainly due to a substantial increase in operating income during the current period, and an increase in sales service fees and business entertainment expenses.

Note to the reason for changes in overhead expenses: mainly due to the increase in management staff and salary increase in the current period.

Note to the reason for changes in financial expenses: mainly due to a substantial increase in interest income during the current period.

Note to the reason for changes in R&D expenses: mainly due to the continuous increase of the Company in R&D and innovation efforts during the current period, and an increase in R&D investment.

Note to the reason for changes in net cash flow from operating activities: mainly due to a substantial increase in cash received from sales of goods and provision of services during the current period.

Note to the reason for changes in net cash flows from investment activities: mainly due to a substantial increase in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets during the current period.

Note to the reason for the change in net cash flow from financing activities: mainly due to the receipt of funds raised by private offering of shares during the current period.

2 Particulars of major changes in the business type, profit composition or source of profit of the Company during the current period

Applicable Non-applicable

(2) Note to major changes in profits caused by operations other than main operations

Applicable Non-applicable

(3) Analysis of assets and liabilities

√Applicable □Non-applicable

1. 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
Cash and bank balances	1,822,102,703.57	11.67	787,123,646.45	6.50	131.49	Attributed to the receipt of funds raised by private offering of shares in the current period
Trading financial assets	401,276,432.56	2.57	176,111.00	0.00	227,754.27	Attributed to the increase in bank financial management products subscribed by the Company in the current period
Other receivable	51,992,724.93	0.33	31,087,166.38	0.26	67.25	Attributed to the increase in the deposit paid in the current period
Construction in progress	1,386,448,449.11	8.88	943,993,396.96	7.79	46.87	Attributed to the increase in plants and equipment under construction in the current period
Right-of-use assets	22,447,341.16	0.14			NA	Attributed to the right-of-use assets recognized by the Company in accordance with the “New Lease Standards” in the current period
Other non-current assets	559,073,830.90	3.58	296,957,402.06	2.45	88.27	Attributed to the increase in received prepayments for construction and equipment in the current period
Short-term borrowings	773,129,744.77	4.95	400,378,888.89	3.30	93.10	Attributed to the increase in short-term bank loans in the current period
Taxes payable	149,030,277.59	0.95	82,865,303.29	0.68	79.85	Attributed to the increase in VAT and corporate income tax payable
Non-current	7,333,430.63	0.05			NA	Attributed to the lease liabilities due within

liabilities due within 1 year						one year recognized by the Company in accordance with the “New Lease Standards” during the current period
Other current liabilities	3,658,909.50	0.02	1,507,896.52	0.01	142.65	Attributed to the increase in output tax to be written off
Lease liabilities	14,138,616.74	0.09			NA	Attributed to the lease liabilities recognized by the Company in accordance with the “New Lease Standards” during the current period
Capital reserve	5,340,798,886.81	34.20	3,409,439,863.07	28.14	56.65	Attributed to the increase in the proceeds from the private offering of shares received in the current period and the capital reserve-share premium

2. Overseas assets

Applicable Non-applicable

(1) Scale of assets

Including: overseas assets RMB 555,820,112.75 (Unit: Yuan Currency: RMB), in 3.56 % of total assets.

(2) Notes to overseas assets

Applicable Non-applicable

3. 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
Cash and bank balances	112,805,901.59	Margins for bank acceptance notes
Notes receivable	350,653,610.60	Pledge
Fixed Assets	46,907,530.34	Mortgage
Intangible Assets	6,698,677.70	Mortgage
Receivable financing	811,941,024.18	Pledge
Total	1,329,006,744.41	/

4. Other Notes

Applicable Non-applicable

(4) 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

i. Condition of purchased land

On January 19, 2021, Tuopu EV Thermal Management System (Ningbo) Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use 308 mu state-owned construction land in Hangzhou Bay New Zone, Ningbo, at a consideration of RMB 61.58 million in bidding process.

On February 26, 2021, Tuopu EV Thermal Management System (Ningbo) Co., Ltd., a wholly-owned subsidiary of the Company, was awarded the right to use 341 mu state-owned construction land in Hangzhou Bay New Zone, Ningbo, at a consideration of RMB 68.21 million in bidding process.

ii. 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 Automotive Electronics 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 Automotive Electronics 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 Chassis products 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 signed in Xiangtan	The Company and the Administration Committee of Xiangtan Economic and Technological Development Zone signed the "Investment and Entry Contract" in relation to Hunan Production Base Project, and prospectively constructs the interior trims project with an annual capacity of 300,000 sets and the chassis products production base project with an annual capacity of 600,000 sets in Xiangtan Economic and Technological Development Zone.	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 is intended for implementing "Hunan Factory Lightweight Chassis products 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 Toumen Port Economic Development Zone of Zhejiang, and prospectively invests and constructs the NVH interior trims system project with an annual capacity of 300,000 sets in Toumen 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 Toumen 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.

(3) Financial assets measured at fair value

□Applicable √Non-applicable

Item	Balance at the end of the period	Note
Short-term financial products	400,000,000.00	Wealth management products
Equity instrument investment	1,276,432.56	Debt payment by customer in stocks
Total	401,276,432.56	/

(5) Disposal of major assets and equity

□Applicable √Non-applicable

(6) 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	5,487.98	1,735.96	3,752.02	8,458.75	27.99
Tuopu Imp&Exp.	20,000.00	41,194.51	24,711.04	16,483.47	92,393.12	2,466.42
Tuopu Parts	20,000.00	125,695.70	105,118.29	20,577.41	221,275.69	-461.93
Tuopu Acoustics Vibration	20,000.00	80,036.32	64,596.46	15,439.86	139,661.53	360.92
Sichuan Tuopu	2,000.00	6,378.93	3,808.64	2,570.29	8,457.26	397.32
Yantai Tuopu	6,280.00	7,627.48	1,968.96	5,658.52	4,186.58	-17.52
Pinghu Tuopu	20,800.00	26,422.65	8,443.06	17,979.58	19,977.05	892.98
Sichuan Maigao	15,000.00	23,275.49	3,718.74	19,556.74	8,829.37	162.29
Zhejiang Towin	18,000.00	54,029.66	9,615.58	44,414.08	19,033.73	542.08
Tuopu Automotive Electronics	250,000.00	315,777.21	72,975.71	242,801.50	141,832.76	10,371.70
Ningbo Qianhui	2,725.86	9,169.87	2,456.96	6,712.91	2,882.54	47.46
Tuopu North American Ltd	5.00	4,279.32	3,859.37	419.95	28,041.26	634.67
Tuopu Electrical Appliances	5,000.00	12,522.65	3,360.51	9,162.14	6,324.24	591.27
Ningbo Borgers	2,100.00	24,558.91	7,477.31	17,081.60	20,437.71	1,153.32
Antolin Tuopu	1,464.22	6,636.58	4,003.45	2,633.12	3,401.69	-72.25

(7) Structured entities controlled by the Company

□Applicable √Non-applicable

I.Other disclosures**(1) 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.

(2) Other disclosures

Applicable Non-applicable

Section IV Corporate Governance

I. 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	Resolution
2021 The 1st extraordinary general meeting of shareholders	March 15, 2021	www.sse.com.cn	March 16, 2021	5 proposals including the "Proposal on amendment of the Articles of Association" were deliberated and approved. More details are available in the "Announcement on Resolutions of the 2021 First Extraordinary General Meeting of Shareholders of Tuopu Group" (Announcement No.: 2021-015)
2020 General meeting of shareholders	May 10, 2021	www.sse.com.cn	May 11, 2021	17 proposals including the "Proposal on the Full Text and Summary of the 2020 Annual Report" and "Proposal on the 2020 Profit Distribution" were deliberated and approved. More details are available in the "Announcement on Resolutions of the 2020 Annual General Meeting of Shareholders of Tuopu Group" (Announcement No.: 2021-041)

Preferred shareholders whose voting rights have been restored request to convene an extraordinary general meeting

Applicable Non-applicable

Note to General Meeting

Applicable Non-applicable

II. Changes in directors, supervisors and officers

Applicable Non-applicable

Note to the changes in directors, supervisors and officers

Applicable Non-applicable

III. The plan for the profit distribution of common stocks or the transfer of capital reserves**The drafted semi-annual plan for the profit distribution of common stocks or the transfer of capital reserves**

Whether for the profit distribution or the transfer of capital reserves	No
Number of bonus issues (stocks) every 10 shares	NA
Number of dividends distributed (Yuan) (with tax included) every 10 shares	NA
Number of additional shares (stocks) every 10 shares	NA
Note to the plan for the profit distribution of common stocks or the transfer of capital reserves	
No	

IV. 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

Condition of equity incentives

Applicable Non-applicable

Other notse

Applicable Non-applicable

ESOP

Applicable Non-applicable

Other incentives

Applicable Non-applicable

Section V Environmental and Social Responsibility**(I). 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 2021", as circulated by Ningbo Municipal Bureau of Ecology and Environment on April 30, 2021, 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; the plant addressed at Longtanshan Rd, Beilun District, Ningbo ("Longtanshan Road Plant") is included on the list of key soil environment supervised entities.

(2) 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 2021", as circulated by Ningbo Municipal Bureau of Ecology and Environment on April 30, 2021, the wholly owned subsidiary plant Ningbo Tuopu Automotive Electronics Co., Ltd. ("Tuopu Automotive Electronics") addressed in Hangzhou Bay New Area, Ningbo, is included on the list of key soil environment supervised entities.

(3) Under the " Notice on release of the list of key emission entities in Jinhua in 2021", as circulated by Jinhua Ecological Environment Bureau on 31 March 2021, 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.

(4) Under the "Notice on the list of key emission units in Sichuan in 2021 (Suining)", as circulated by Suining Ecological Environment Bureau on March 31, 2021, 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) Guanhai Road Plant, Longtanshan Road 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 the 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) Tuopu Automotive Electronics: 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 Zi No.19119; obtain the emission permit granted from Hangzhou Bay New Area Ecological Environment

Bureau, serial no.: 991330201MA2833A9XR.

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. Unacceptable sewage is prohibited from accessing to the municipal sewage pipeline.

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 Hangzhou Bay New Area Sewage Treatment Plant, the domestic wastewater will be discharged to the municipal sewage pipeline system.

Subject to the treatment process, one pipeline of the above wastewater and sewage is discharged via 02WS863 drain outlet, the other pipeline is discharged via 01WS703 drain outlet to the municipal wastewater pipeline Hangzhou Bay New Area, finally treated in the Municipal Wastewater Treatment Plant.

The normative standard applicable to sewage discharge of Tuopu Automotive Electronics: Grade 3 standard of "Integrated Wastewater Discharge Standard" (GB8978-1996 Ammonia nitrogen and total phosphorus are subject to the "Zhejiang Local Standard Industrial Enterprise Wastewater Nitrogen and Phosphorus Pollutant Indirect Discharge Limits" (DB33/887-2013), then discharged into the municipal sewage pipeline, and finally treated in the sewage treatment plant to meet the Grade 1 standard of the "Urban Sewage Treatment Plant Pollutant Discharge Standard" (GB18918-2002) before being discharged into the sea.

Subject to treatment, the sewage from the Hangzhou Bay plant enters the urban pipe network standard. Actual test data of production wastewater: pH value is 7.10, COD is 7.3mg/L, ammonia nitrogen is 4.22MG/L, suspended solids is 8MG/L, petroleum is 0.06MG/L, total phosphorus is 0.08MG/L, Zinc is 0.05MG/L, and anionic surfactant is 0.06MG/L, all of which meet the specifications

In the plant, metal scraps, non-conforming products in production, scrap metal from mold repairs, rubber scraps, and waste packaging are identified as general solid waste, 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, dedicated stacking field and storehouse for hazardous wastes are 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, the hazardous waste transfer declaration is made on the "National Solid Waste and Chemical Management Information System" in line with the hazardous waste control requirements of the Environmental Protection Bureau, and hazardous waste disposal agreements have been signed with Ningbo Wanrun Special Oil Products Co., Ltd., Hangzhou Fuyang Shenneng Solid

Waste Environmental Recycling Co., Ltd., Ningbo Beilun Environmental Solid Waste Disposal Co., Ltd., Dongyang Meichen Industry and Trade Co., Ltd., and Ningbo Bochuan Waste Liquid Disposal Co., Ltd.

(3) 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 90mg/L, ammonia nitrogen is 6.6mg/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.

(4) 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.

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 the plant 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 <0.156 mg/L, pH value is 7.4, COD is 164 mg/L; ammonia nitrogen is 12.7 mg/L, total phosphorus is 1.63 mg/L, petroleum is 0.89 mg/L. Actual data of domestic wastewater test: pH value is 7, COD is 28 mg/L, ammonia nitrogen is 237 mg/L, all data are acceptable.

In the 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.

The plant arranges production facilities in a reasonable way, improves processes and increase the recycling of water, and reduces the emissions of sewage. The automatic sewage monitoring system is operating normally and connected to the environmental protection authority for data transmission in real

time, and the environmental protection authorities at the provincial, city and county levels can monitor it in real time.

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.

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. Administrative penalties due to environmental concerns during the reporting period

Applicable Non-applicable

7. 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) Statement on the follow-up progress or changes in the environmental information disclosure during the reporting period

Applicable Non-applicable

(4) Relevant information that benefits ecosystem protection, pollution control, and fulfillment environmental responsibilities

Applicable Non-applicable

(5) Measures and effects taken to reduce carbon emissions during the reporting period

Applicable Non-applicable

In light of business development and capacity extension, the Company has set up many plants. In June and July 2021, the Company incorporated the wholly-owned sub-subsidiaries Tuopu Photovoltaic Technology (Ningbo Hangzhou Bay New Area) Co., Ltd., Tuopu Photovoltaic Technology (Ningbo Beilun) Co., Ltd., and Tuopu Photovoltaic Technology (Pinghu) Co., Ltd., and intends to capitalize on the roofs of these plants to build and operate distributed photovoltaic power stations, make full use of clean energy, directly reduce carbon emissions, reduce energy consumption and cost.

This project stays in line with the company vision and mission statement and improves eco-friendly development level, signifying its attention to ESG control, contributing to the goal of peak carbon dioxide emissions and carbon neutrality. The project is under construction.

II. Particulars of consolidating and expanding the deliverables of poverty alleviation, rural revitalization and other tasks

Applicable Non-applicable

Section VI Significant Events

I. 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 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., 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 private offering.	February 2021, 6 months	Yes	Yes	NA	NA

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

Applicable Non-applicable

III. Violation of guarantee

Applicable Non-applicable

IV. Audit of the semi-annual report

Applicable Non-applicable

V. Changes and handling of matters involved in non-standard audit opinions in the previous year's annual report

Applicable Non-applicable

VI. Matters concerning bankruptcy and reorganization

Applicable Non-applicable

VII. 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

VIII. Listed companies and their directors, supervisors, officers, controlling shareholders, and actual controllers suspected of violations of laws and regulations, or subject to punishment and rectification

Applicable Non-applicable

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

Applicable Non-applicable

X. 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) Financial business between the Company and the associated financial company, the Company's holding financial company and the related party

Applicable Non-applicable

(6) Other major related transactions

Applicable Non-applicable

(7) Other

Applicable Non-applicable

XI. Major contracts and contract performance

1 Matters relating to trusteeship, contracting and leasing

Applicable Non-applicable

2 Significant guarantees performed and unfulfilled during the reporting period

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

External guarantees by the Company (other than its guarantees to subsidiaries)																
Guarantor	Relation between the guarantor and the listed company	Guaranteed party	Guaranteed amount	Date of guarantee occurred (date of agreement execution)	From	Until	Type of guarantee	Main debts	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Guarantee overdue amount	Counter-guarantee situation	Whether it is a guarantee for related parties	Associating relation	
Total amount of guarantees during the reporting period (other than guarantees to subsidiaries)																0
Total balance of guarantees at the end of the reporting period (A) (other than guarantees to subsidiaries)																0
Guarantees by the Company to its subsidiaries																
Total amount of guarantees to subsidiaries during the reporting period																54,174,400
Total balance of guarantees to subsidiaries at the end of the reporting period (B)																54,174,400
Total amount of company guarantees (including its guarantees to subsidiaries)																
Total guarantees (A+B)																54,174,400
Total guarantees as a percentage of the Company's net assets (%)																0.73
Including:																

Amount of guarantees provided for shareholders, actual controllers and their related parties (C)	0
Amount of debt guarantee provided directly or indirectly for the guaranteed object whose asset-liability ratio exceeds 70% (D)	0
Amount of the total guarantees exceeding 50% of the net assets (E)	0
Total of the above three guarantees (C+D+E)	0
Note to unexpired guarantees that may bear joint liability for repayment	NA
Statement of guarantees	<p>Tuopu Poland sp.z.o.o, ("Tuopu Poland") is a wholly-owned subsidiary established by Tuopu Group in Poland in March 2021. It leases 7R PROJEKT 35 Sp. z oo ("7R Project Company"). The customized plant will accept and produce European orders and has assigned a lease agreement with 7R Project Company on March 15, 2021. Given business practices and actual needs, the Company provided performance guarantee for the said plant lease agreement signed by Tuopu Poland.</p> <p>The total liability of the letter of guarantee is up to 7 million euros (calculated at the exchange rate on the day before the announcement on March 19, 2021, equivalent to RMB 54.174 million), and the effective term covers the validity period of the said lease agreement (84 months counted from March 15, 2021) and five months after its expiration or termination, but no later than August 1, 2029.</p> <p>Tuopu Poland is required to perform the obligations as tenant stipulated in the above lease agreement on time. Failing to do so, Tuopu Group shall perform the obligations within 15 working days upon the receipt of the claim notice from 7R Project Company.</p> <p>The above performance guarantees have been reviewed and approved at the 5th meeting of the fourth Board of Directors. More details are available in "Announcement of Tuopu Group on Providing Performance Guarantees for the Lease of Industrial Plants for Overseas Wholly-owned Subsidiaries" disclosed by the company on the portal site of Shanghai Stock Exchange on March 19, 2021. (Announcement No. 2021-018).</p>

3 Other major contracts

Applicable Non-applicable

XII. Explanation of other important matters

Applicable Non-applicable

Section VII Changes in Shares and Shareholders

I. Condition in change of equity

(1) Condition in change of shares

1. Condition in change of shares

Unit: shares

	Before this change		Increased or decreased amount in this period (+/-)					After this change	
	Number of shares	Shares held (%)	New issue	Bonus issue	Shares converted from capital reserves	Other	Subtotal	Number of shares	Shares held (%)
I. Shares held subject to restricted sale	0	0	47,058,823				47,058,823	47,058,823	4.27
1. Shares held by the state government									
2. Shares held by state-owned corporates									
3. Shares held by other domestic capital			38,352,472				38,352,472	38,352,472	3.48
Including: shares held by domestic non-state-owned corporates									
Shares held by domestic natural persons									
4. Shares held by foreign capital			8,706,351				8,706,351	8,706,351	0.79
Including: shares held by foreign corporates			8,706,351				8,706,351	8,706,351	0.79

shares held by foreign natural persons									
II. Unrestricted tradable shares	1,054,987,749	100						1,054,987,749	95.73
1. RMB ordinary shares	1,054,987,749	100						1,054,987,749	95.73
2. Foreign shares listed at home									
3. Foreign shares listed overseas									
4. Other									
III.Total shares	1,054,987,749	100	47,058,823				47,058,823	1,102,046,572	100

2. Changes in shares

Applicable Non-applicable

On February 23, 2021, the Company completed the private offering of A-shares. The Company issued 47,058,823 A-shares to 14 specific investors. Total number of shares increased from 1,054,987,749 to 1,102,046,572.

More details are available in the "Announcement of Tuopu Group's Private Offering of Shares and Changes in Share Capital" (Announcement No.: 2021-004) disclosed on the portal site of the Shanghai Stock Exchange on February 25, 2021.

3. Impact of changes in common shares on financial indexes such as EPS and net assets per share from the reporting period to the disclosure of the semi-annual report (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	Number of	Number of	Number of	Reason for restricted sale	Date of removal of
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	shares on restricted sale at the beginning of the reporting period	shares removed from restricted sale in the reporting period	additional shares on restricted sale in the reporting period	shares on restricted sale at the end of the reporting period		restricted sale
New China Asset Management Co., Ltd.	0	0	11,764,705	11,764,705	6-month lock-up period of shares in private offering	August 23, 2021
UBS AG	0	0	5,764,705	5,764,705	6-month lock-up period of shares in private offering	August 23, 2021
CITIC Securities Co., Ltd. (Self-run)	0	0	5,764,705	5,764,705	6-month lock-up period of shares in private offering	August 23, 2021
China Securities Co., Ltd.	0	0	4,705,882	4,705,882	6-month lock-up period of shares in private offering	August 23, 2021
HFT Investment Management Co., Ltd.	0	0	3,529,411	3,529,411	6-month lock-up period of shares in private offering	August 23, 2021
CITIC Securities Co., Ltd. (asset management)	0	0	2,211,302	2,211,302	6-month lock-up period of shares in private offering	August 23, 2021
New China Fund Management Co., Ltd.	0	0	2,141,176	2,141,176	6-month lock-up period of shares in private offering	August 23, 2021
China Galaxy Securities Co., Ltd.	0	0	2,117,647	2,117,647	6-month lock-up period of shares in private offering	August 23, 2021
Huaneng Guicheng Trust Co., Ltd.	0	0	1,882,352	1,882,352	6-month lock-up period of shares in private offering	August 23, 2021
Goldman Sachs & Co. LLC	0	0	1,529,411	1,529,411	6-month lock-up period of shares in private offering	August 23, 2021

MORGAN STANLEY & CO. INTERNATIONAL PLC.	0	0	1,412,235	1,412,235	6-month lock-up period of shares in private offering	August 23, 2021
Zhejiang Zhonghao Investment Co., Ltd.	0	0	1,411,764	1,411,764	6-month lock-up period of shares in private offering	August 23, 2021
Chengdu Fusen-Noble House Co., Ltd.	0	0	1,411,764	1,411,764	6-month lock-up period of shares in private offering	August 23, 2021
Beijing Renaissance Era Investment Management Co., Ltd.	0	0	1,411,764	1,411,764	6-month lock-up period of shares in private offering	August 23, 2021
Total	0	0	47,058,823	47,058,823	/	/

II. Condition of Shareholders

(1) Total shareholders

Total number (accounts) of common shareholders as of the end of the reporting period	32,899
Total number (accounts) of preferred shareholders whose voting rights have been restored as of the end of the reporting period	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/Decr	Number of shares held at	Percentage	Number of shares held	Condition of pledge or freezing	Nature of shareholder

	ease during the reporting period	the end of the period	(%)	subject to restricted sale	Status of shares	Number of shares	s
MECCA INTERNATIONAL HOLDING (HK) LIMITED		693,680,000	62.94		No		Foreign corporate
Hong Kong Securities Clearing Company Limited		29,793,506	2.70		Unknown		Unknown
New China Life Insurance Co., Ltd. - Dividend-Group Dividend-018L-FH001 Hu		12,479,254	1.13	11,764,705	Unknown		Unknown
Kuwait Investment Authority–Own funds		10,179,542	0.92		Unknown		Foreign corporate
CITIC Securities Co., Ltd.		10,082,526	0.91	7,976,007	Unknown		Unknown
Jianshu Wu		7,210,308	0.65		No		Foreign natural person
Agricultural Bank of China Co., Ltd.-GT Intelligent Car Stock Securities Investment Fund		6,768,477	0.61		Unknown		Unknown
UBS AG		5,853,548	0.53	5,764,705	Unknown		Foreign corporate
Agricultural Bank of China Co., Ltd.-New China Power Flexible Allocation Hybrid Securities Investment Fund		5,612,035	0.51	1,411,764	Unknown		Unknown
Industrial and Commercial Bank of China- CIFM Domestic Demand Momentum Securities Investment Fund		5,608,561	0.51		Unknown		Unknown
Shares held by the top ten shareholders not subject to restricted sale							
Name of Shareholder		Number of tradable shares held not		Class and number of shares			

	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	29,793,506	RMB common shares	29,793,506
Kuwait Investment Authority – Own funds	10,179,542	RMB common shares	10,179,542
CITIC Securities Co., Ltd.	10,082,526	RMB common shares	10,082,526
Jianshu Wu	7,210,308	RMB common shares	7,210,308
Agricultural Bank of China Co., Ltd.-GT Intelligent Car Stock Securities Investment Fund	6,768,477	RMB common shares	6,768,477
Industrial and Commercial Bank of China- CIFM Domestic Demand Momentum Securities Investment Fund	5,608,561	RMB common shares	5,608,561
Ningbo Zhuyue Investment Management Co., Ltd.	5,407,630	RMB common shares	5,407,630
Shanghai Panjing Investment Management Center (Limited Partnership)-Shengxin Phase 2 Private Placement Securities Investment Fund	5,230,741	RMB common shares	5,230,741
Industrial and Commercial Bank of China Co., Ltd.-Rongtong China Wind No. 1 Tactic Assets Allocation Commingled Securities Investment Fund	4,872,331	RMB common shares	4,872,331
Description of the repurchase of special accounts among the top ten shareholders	NA		
Notes to the above shareholders' entrusted voting rights, entrusted voting rights, and waiver of voting rights	NA		

Notes to the associated relationship or concerted action of the above shareholders	<p>Among these shareholders:</p> <p>1. Mr. Jianshu Wu holds 100% of the shares in MECCA INTERNATIONAL HOLDING (HK) LIMITED.</p> <p>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.</p> <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

Unit: Shares

Seq.	Name of shareholders subject to restricted sale conditions	Number of restricted shares held	Conditions of restricted shares available for trading		Condition of restricted sale
			Time available for trading	Additional shares available for trading	
1	New China Life Insurance Co., Ltd. - Dividend-Group Dividend-018L-FH001 Hu	11,764,705	August 23, 2021	11,764,705	6-month lock-up period of shares in private offering
2	UBS AG	5,764,705	August 23, 2021	5,764,705	6-month lock-up period of shares in private offering

3	Agricultural Bank of China Co., Ltd.-New China Power Flexible Allocation Hybrid Securities Investment Fund	1,411,764	August 23, 2021	1,411,764	6-month lock-up period of shares in private offering
Notes to the associated relationship or concerted action of the above shareholders		Unknown			

(3) Strategic investors or general legal persons become the top ten shareholders due to theApplicable Non-applicable**III. Directors, supervisors and officers****(1) Changes in shareholding of current and resigned directors, supervisors and officers during the reporting period**Applicable Non-applicable

Other notes

Applicable Non-applicable**(2) Share incentives granted by directors, supervisors and officers during the reporting period**Applicable Non-applicable**(3) Other notes**Applicable Non-applicable**IV. Changes in controlling shareholders or actual controllers**Applicable Non-applicable**Section VIII Information about Preference Shares**Applicable Non-applicable**Section IX Information of Corporate Bonds****I. Corporate bonds, debentures and non-financial corporate debt financing instruments**Applicable Non-applicable**II. Condition of convertible corporate bonds**Applicable Not applicable

Section X Financial Report

I. Audit report

□Applicable √Non-applicable

II. Financial Statements

Consolidated Balance Sheet

As of 30 June 2021

Prepared by: Ningbo Tuopu Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	June 30, 2021	December 31, 2020
Current assets:			
Cash and Bank Balances	7.1	1,822,102,703.57	787,123,646.45
Deposit Reservation for Balance			
Loans to Banks and Other Financial Institutions			
Trading Financial Assets	7.2	401,276,432.56	176,111.00
Derivative Financial Assets			
Notes receivable	7.4	350,653,610.60	296,283,951.73
Accounts receivable	7.5	2,211,356,399.61	1,783,267,007.65
Receivables Financing	7.6	874,151,202.33	742,203,122.21
Prepayments	7.7	53,564,339.54	42,883,818.40
Premium Receivable			
Reinsurance Accounts Receivable			
Reinsurance Contract Reserves Receivable			
Other Receivables	7.8	51,992,724.93	31,087,166.38
Including: interest receivable			
Dividends Receivable			
Buying Back the Sale of Financial Assets			
Inventory	7.9	1,611,472,435.16	1,502,751,836.88
Contract Assets			
Holding for-sale assets			
Non-current Assets Due within 1 Year			
Other Current Assets	7.13	202,498,278.42	173,824,691.82
Subtotal of Current Assets		7,579,068,126.72	5,359,601,352.52
Non-current Assets:			
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	138,737,177.28	150,295,983.58
Investment in Other Equity Instruments			
Other Non-current Financial Assets			
Investment Property	7.20	30,766,317.44	31,603,418.12
Fixed Assets	7.21	4,613,026,763.88	4,248,257,966.73
Projects under Construction	7.22	1,386,448,449.11	943,993,396.96
Productive Biological Assets			
Oil and gas assets			

Right-of-use Assets	7.25	22,447,341.16	
		864,200,803.89	678,561,105.86
Development Expenditure			
Goodwill	7.28	253,310,074.24	253,310,074.24
Long-term unamortized expenses	7.29	68,292,727.75	57,679,259.94
Deferred Income Tax Assets	7.30	101,018,268.80	94,968,559.88
Other Non-current Assets	7.31	559,073,830.90	296,957,402.06
Total Non-current Assets		8,037,321,754.45	6,755,627,167.37
Total Assets		15,616,389,881.17	12,115,228,519.89
Current Liabilities:			
Short-term loan	7.31	773,129,744.77	400,378,888.89
Borrowings from the Central Bank			
Borrowings from Banks and Other Financial Institutions			
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable	7.35	1,905,569,760.15	1,471,327,551.91
Accounts Payable	7.36	2,249,867,855.45	1,898,255,116.17
Received Prepayments	7.37		
Contract liabilities	7.38	28,149,493.14	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	123,436,773.37	138,292,361.67
Tax Payable	7.40	149,030,277.59	82,865,303.29
Other Payables	7.41	15,361,171.00	15,722,105.17
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	7,333,430.63	
Other Current Liabilities	7.44	3,658,909.50	1,507,896.52
Subtotal of Current Liabilities		5,255,537,415.60	4,031,034,884.03
Non-current Liabilities:			
Insurance Contract Reserves			
Long-term loan			
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities	7.47	14,138,616.74	
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income	7.51	216,751,883.66	214,204,302.56
Deferred Income Tax Liabilities	7.30	57,717,645.00	51,907,987.42
Other Non-current Liabilities			
Total Non-current Liabilities		288,608,145.40	266,112,289.98

Total Liabilities		5,544,145,561.00	4,297,147,174.01
Owners' Equity (or Shareholders' Equity):			
Paid-in capital (or share Capital)	7.53	1,102,046,572.00	1,054,987,749.00
Other Equity Instruments			
Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves	7.55	5,340,798,886.81	3,409,439,863.07
Less: Treasury Share			
Other Comprehensive Incomes	7.57	-18,697,516.09	-20,631,668.74
Special Reserves			
Surplus Reserves	7.59	474,769,630.86	474,769,630.86
General Risk Reserves			
Undistributed Profits	7.60	3,138,579,496.89	2,868,429,319.48
Total Shareholders' Equity Attributable to the Parent Company		10,037,497,070.47	7,786,994,893.67
Minority Shareholders' Equity		34,747,249.70	31,086,452.21
Total Shareholders' Equity		10,072,244,320.17	7,818,081,345.88
Total Liabilities and Shareholders' Equity		15,616,389,881.17	12,115,228,519.89

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

Balance Sheet of the Parent Company

As of June 30, 2021

Prepared by: Ningbo Tuopu Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	June 30, 2021	December 31, 2020
Current Assets:			
Cash and Bank Balances		1,471,609,822.89	191,701,837.06
Trading Financial Assets		400,000,000.00	
Derivative Financial Assets			
Notes receivable			
Accounts receivable	17.1	1,257,297,454.89	1,840,937,312.96
Receivables Financing		20,499,293.48	
Prepayments		33,622,965.24	20,784,751.77
Other Receivables	17.2	37,523,577.06	76,146,034.58
Including: interest receivable			
Dividends Receivable			
Inventory		654,580,335.92	658,887,785.40
Contract Assets			
Holding for-sale assets			
Non-current Assets Due within 1 Year			
Other Current Assets			
Subtotal of Current Assets		3,875,133,449.48	2,788,457,721.77
Non-current Assets:			
Investment in Creditor's Rights			
Investment in Other Creditor's Rights			
Long-term Receivables			
Long-term Equity Investment	17.3	5,472,901,460.36	4,071,774,944.06
Investment in Other Equity			

Instruments			
Other Non-current Financial Assets			
Investment Property		30,766,317.44	31,603,418.12
Fixed Assets		2,248,882,303.68	2,125,534,955.22
Projects under Construction		235,522,479.65	324,037,109.77
Productive Biological Assets			
Oil and gas assets			
Right-of-use Assets			
Intangible Assets		257,194,011.20	261,540,370.50
Development Expenditure			
Goodwill			
Long-term unamortized expenses		17,605,139.13	18,012,648.52
Deferred Income Tax Assets		29,859,647.26	33,565,021.69
Other Non-current Assets		84,955,147.78	53,576,040.76
Total Non-current Assets		8,377,686,506.50	6,919,644,508.64
Total Assets		12,252,819,955.98	9,708,102,230.41
Current Liabilities:			
Short-term loan		550,393,750.00	400,378,888.89
Transactional financial liabilities			
Derivative Financial Liabilities			
Notes Payable		232,215,340.00	165,480,933.26
Accounts Payable		1,235,003,526.97	1,070,753,965.63
Received Prepayments			
Contract liabilities		1,954,994.80	1,448,964.90
Payroll payable		56,020,223.07	73,653,497.54
Tax Payable		120,859,046.03	54,138,713.22
Other Payables		7,390,581.99	5,126,892.30
Including: interest payable			
Dividends Payable			
Holding for-sale liabilities			
Non-current Liabilities Due within 1 Year			
Other Current Liabilities		254,149.33	188,365.44
Subtotal of Current Liabilities		2,204,091,612.19	1,771,170,221.18
Non-current Liabilities:			
Long-term loan			
Bonds Payable			
Including: Preferred Stocks			
Perpetual Bonds			
Lease Liabilities			
Long-term Payables			
Long-term payroll payable			
Expected Liabilities			
Deferred Income		67,496,572.31	70,962,922.25
Deferred Income Tax Liabilities		34,854,159.59	28,630,095.25
Other Non-current Liabilities			
Subtotal of Non-current Liabilities		102,350,731.90	99,593,017.50
Total Liabilities		2,306,442,344.09	1,870,763,238.68
Owners' Equity (or Shareholders' Equity):			
Paid-in Capital (or Share Capital)		1,102,046,572.00	1,054,987,749.00
Other Equity Instruments			

Including: Preferred Stocks			
Perpetual Bonds			
Capital Reserves		5,340,798,886.81	3,409,439,863.07
Less: Treasury Share			
Other Comprehensive Incomes			
Special Reserves			
Surplus Reserves		474,769,630.86	474,769,630.86
Undistributed Profits		3,028,762,522.22	2,898,141,748.80
Total Owners' Equity (or Shareholders' Equity)		9,946,377,611.89	7,837,338,991.73
Total Liabilities and Owners' Equity (or Shareholders' Equity)		12,252,819,955.98	9,708,102,230.41

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

Consolidated Income Statement

From the Period from January 2021 to June 2021

Unit: Yuan Currency: RMB

Item	Note	Semi-annual 2021	Semi-annual 2020
I. Total Operating Revenue		4,916,747,063.20	2,562,015,814.84
Including: Operating Revenue	7.61	4,916,747,063.20	2,562,015,814.84
Interest Income			
Earned Premiums			
Service Charge and Commission Income			
II. Total Operating Cost		4,363,907,911.44	2,326,053,060.58
Including: Operating Cost	7.61	3,890,647,152.66	1,972,469,869.51
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	33,834,421.64	25,195,019.57
Sales Expenses	7.63	67,811,133.02	48,374,902.80
Administration expenses	7.64	138,616,680.48	100,232,074.78
Research and development expense	7.65	233,873,710.58	165,130,113.43
Financial Expenses	7.66	-875,186.94	14,651,080.49
Including: interest expenses		8,718,663.63	13,230,815.39
Interest Income		16,268,492.45	7,272,076.83
Add: Other income	7.67	11,183,175.51	9,330,641.71
Investment Income (Mark "-" for Loss)	7.68	12,766,068.35	17,689,222.45
Including: Investment Income from Affiliates and Joint Ventures		8,441,193.70	6,747,676.66
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 "-")		-2,613,733.23	

Credit Impairment Losses (Mark "-" for Loss)	7.71	-25,601,468.87	5,903,018.41
Asset Impairment Losses (Mark "-" for Loss)	7.72	-9,508,691.87	-1,976,118.60
Asset Disposal Income (Mark "-" for Loss)	7.73	-1,258,747.17	-1,048,280.34
III. Operating Profit (Mark "-" for Loss)		537,805,754.48	265,861,237.89
Add: Non-operating Revenues	7.74	6,804,870.60	2,773,493.50
Less: Non-operating Expenses	7.75	436,761.83	773,265.73
IV. Total Profit (Mark "-" for Total Loss)		544,173,863.25	267,861,465.66
Less: Income Tax Expense	7.76	80,832,042.80	52,311,704.48
V. Net Profit (Mark "-" for Net Loss)		463,341,820.45	215,549,761.18
(1) Classified by operation continuut			
1. Net Profit as a Going Concern (Mark "-" for Net Loss)		463,341,820.45	215,549,761.18
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		459,702,187.79	215,983,238.50
2. Minority Shareholders' Profit and Loss		3,639,632.66	-433,477.32
VI. Net Amount of Other Comprehensive Incomes after Tax		1,955,317.48	-10,939,297.92
(1) Net Amount of Other Comprehensive Incomes after Tax Attributable to the Parent Company's Owner		1,934,152.65	-10,939,297.92
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		1,934,152.65	-10,939,297.92
(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		1,934,152.65	-10,939,297.92
(7) Others			
(2) Net Amount of Other Comprehensive Incomes After Tax Attributable to Minority Shareholders		21,164.83	
VII. Total Comprehensive Income		465,297,137.93	204,610,463.26
(1) Total Comprehensive Income Attributable to the Parent Company's Owner		461,636,340.44	205,043,940.58
(2) Total Comprehensive Income Attributable to Minority Shareholders		3,660,797.49	-433,477.32

VIII. Earnings per Share:			
(1) Basic Earnings per Share		0.42	0.20
(2) Diluted Earnings per Share		0.42	0.20

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

Income Statement of the Parent Company

From the Period from January 2021 to June 2021

Unit: Yuan Currency: RMB

Item	Note	Semi-annual 2021	Semi-annual 2020
I. Operating Revenue	17.4	2,751,171,906.11	1,531,170,033.86
Less: Operating Cost	17.4	2,155,104,009.66	1,136,771,164.60
Taxes and Surcharges		18,491,588.19	15,537,365.61
Sales Expenses		1,374,060.32	1,017,251.40
Administration expenses		68,430,398.07	54,964,680.04
Research and development expense		172,022,046.93	126,107,509.90
Financial Expenses		-5,028,375.59	11,015,053.19
Including: interest expenses		7,741,372.22	13,203,733.47
Interest Income		13,195,796.71	2,347,053.01
Add: Other income		4,261,349.94	2,113,303.24
Investment Income (Mark "-" for Loss)	17.5	12,766,068.35	127,689,222.45
Including: Investment Income from Affiliates and Joint Ventures		8,441,193.70	6,747,676.66
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 "-")		26,251,726.10	400,384.96
Asset Impairment Losses (loss in "-")		-7,959,800.58	-1,789,265.35
Asset Disposal Income (loss in "-")		-1,195,076.16	-417,287.32
II. Operating Profit (loss in "-")		374,902,446.18	313,753,367.10
Add: Non-operating Revenues		1,350,175.15	1,405,561.06
Less: Non-operating Expenses		116,965.18	27,236.88
III. Total Profit (total loss in "-")		376,135,656.15	315,131,691.28
Less: Income Tax Expense		55,962,872.35	30,115,159.70
IV. Net Profit (Mark for Net Loss)		320,172,783.80	285,016,531.58
(I) Net Profit as a Going Concern (net loss in "-")		320,172,783.80	285,016,531.58
(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		320,172,783.80	285,016,531.58
VII. Earnings per Share:			
(I) Basic Earnings per Share		0.29	0.27
(II) Diluted Earnings per Share		0.29	0.27

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

Consolidated Cash Flow Statement

From the Period from January 2021 to June 2021

Unit: Yuan Currency: RMB

Item	Note	Semi-annual 2021	Semi-annual 2020
I. Cash Flow Generated by Operational Activities:			
Cash from Sales of Merchandise and Provision of Services		5,385,942,651.69	2,753,017,968.76
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		160,277,646.26	84,099,026.05
Other Received Cashes Related to Operational Activities	7.78	32,450,469.95	34,220,387.59
Subtotal of cash inflow from operational activities		5,578,670,767.90	2,871,337,382.40
Cash Paid for Merchandise and Services		3,842,870,640.13	1,646,987,196.40
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		632,322,899.02	366,032,283.95
Cash Paid for Taxes and Surcharges		153,927,551.25	163,993,755.99
Other Paid Cashes Related to Operational Activities	7.78	204,214,799.54	206,930,578.40
Subtotal of cash outflow from operational activities		4,833,335,889.94	2,383,943,814.74
Net cash flow generated by operating activities		745,334,877.96	487,393,567.66
II. Cash Flow from Investment Activities:			
Cash Arising from Disposal of Investments		504,584,367.13	830,941,545.79
Cash Arising from Investment Incomes		20,000,000.00	
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		591,135.78	325,100.00
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		525,175,502.91	831,266,645.79
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		1,491,962,054.67	408,550,167.56
Cash Paid for Investments		900,000,000.00	590,000,000.00
Net Increase in Pledge Loans			
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units			
Other Paid Cashes Related to Investment Activities			
Subtotal of Cash Outflow from Investment Activities		2,391,962,054.67	998,550,167.56
Net amount of cash flow generated by investment activities		-1,866,786,551.76	-167,283,521.77
III. Cash Flow from Financing Activities:			
Cash Arising from Absorbing Investments		1,978,417,846.74	
Including: Cash Arising from			

Subsidiaries Absorbing Investments by Minority Shareholders			
Cash Arising from Borrowings		560,132,949.77	140,000,000.00
Other Received Cashes Related to Financing Activities			
Subtotal of cash inflow from financing activities		2,538,550,796.51	140,000,000.00
Cash Paid for Debts Repayment		187,396,955.00	355,000,000.00
Cash Paid for Distribution of Dividends and Profits or Payment of Interests		197,278,521.49	12,474,369.47
Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries			
Other Paid Cashes Related to Financing Activities			
Subtotal of cash outflow from financing activities		384,675,476.49	367,474,369.47
Net cash flow generated by financing activities		2,153,875,320.02	-227,474,369.47
IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents		2,006,733.68	-8,821,736.48
V. Net Increase in Cash and Cash Equivalents		1,034,430,379.90	83,813,939.94
Add: Cash and Cash Equivalents at the Commencement of the Period		674,866,422.08	715,182,068.12
VI. Cash and Cash Equivalents at the End of the Period		1,709,296,801.98	798,996,008.06

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

Cash Flow Statement of the Parent Company

For the Period from January 2021 to June 2021

Unit: Yuan Currency: RMB

Item	Note	Semi-annual 2021	Semi-annual 2020
I. Cash Flow Generated by Operational Activities:			
Cash from Sales of Merchandise and Provision of Services		2,871,660,298.41	1,005,798,064.20
Tax Refund			
Other Received Cashes Related to Operational Activities		15,259,971.88	14,115,969.97
Subtotal of cash inflow from operational activities		2,886,920,270.29	1,019,914,034.17
Cash Paid for Merchandise and Services		1,099,743,097.74	394,425,381.89
Cash Paid to and for Employees		293,579,139.82	202,026,277.93
Cash Paid for Taxes and Surcharges		80,386,119.16	111,801,665.38
Other Paid Cashes Related to Operational Activities		103,714,219.65	106,566,862.87
Subtotal of cash outflow from operational activities		1,577,422,576.37	814,820,188.07
Net cash flow generated by operating activities		1,309,497,693.92	205,093,846.10
II. Cash Flow from Investment Activities:			
Cash Arising from Disposal of Investments		504,584,367.13	830,941,545.79
Cash Arising from Investment Incomes		20,000,000.00	110,000,000.00
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		8,921,586.13	18,795,778.23
Net Cash Arising from Disposal of Subsidiaries			

and Other Business Units			
Other Received Cashes Related to Investment Activities		81,200,000.00	
Subtotal of cash inflow from investment activities		614,705,953.26	959,737,324.02
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets		216,749,664.00	159,714,219.21
Cash Paid for Investments		2,312,685,322.60	769,458,199.92
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units			
Other Paid Cashes Related to Investment Activities		46,000,000.00	11,400,000.00
Subtotal of Cash Outflow from Investment Activities		2,575,434,986.60	940,572,419.13
Net amount of cash flow generated by investment activities		-1,960,729,033.34	19,164,904.89
III. Cash Flow from Financing Activities:			
Cash Arising from Absorbing Investments		1,978,417,846.74	
Cash Arising from Borrowings			
Other Received Cashes Related to Financing Activities		150,000,000.00	
Subtotal of cash inflow from financing activities		2,128,417,846.74	
Cash Paid for Debts Repayment			355,000,000.00
Cash Paid for Distribution of Dividends and Profits or Payment of Interest		197,278,521.49	12,447,287.55
Other Paid Cashes Related to Financing Activities			
Subtotal of cash outflow from financing activities		197,278,521.49	367,447,287.55
Net cash flow generated by financing activities		1,931,139,325.25	-367,447,287.55
IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents			
V. Net Increase in Cash and Cash Equivalents		1,279,907,985.83	-143,188,536.56
Add: Cash and Cash Equivalents at the Commencement of the Period		191,701,837.06	381,071,584.55
VI. Cash and Cash Equivalents at the End of the Period		1,471,609,822.89	237,883,047.99

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

Consolidated Statement of Changes in Owners' Equity
For the Period from January 2021 to June 2021

Unit: Yuan Currency: RMB

Item	Semi-annual 2021														
	Shareholders' Equity Attributable to the Parent Company's Owner												Minority Shareholders' Equity	Total Shareholders' Equity	
	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			Subtotal
	Preferred Stocks	Perpetual Bonds	Others												
I. Balance at the End of Last Year	1,054,987,749.00				3,409,439,863.07		-20,631,668.74		474,769,630.86		2,868,429,319.48		7,786,994,893.67	31,086,452.21	7,818,081,345.88
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		-20,631,668.74		474,769,630.86		2,868,429,319.48		7,786,994,893.67	31,086,452.21	7,818,081,345.88
III. Increases or Decreases in This Period (Decreases in "-")	47,058,823.00				1,931,359,023.74		1,934,152.65				270,150,177.41		2,250,502,176.80	3,660,797.49	2,254,162,974.29
(I) Total Comprehensive							1,934,152.65				459,702,187.79		461,636,340.44	3,660,797.49	465,297,137.93

Income															
(II) Shareholders' Contribution and Reduction in Capital	47,058,823.00				1,931,359,023.74								1,978,417,846.74		1,978,417,846.74
1. Common stock invested by the owner	47,058,823.00				1,931,359,023.74								1,978,417,846.74		1,978,417,846.74
2. Capital Invested by Holders of Other Equity Instruments															
3. Amount of Share-based Payments Recorded into Shareholders' Equity															
4. Others															
(III) Profit Distribution													-189,552,010.38	-189,552,010.38	-189,552,010.38
1. Appropriation of Surplus Reserves															
2. Appropriation of General Risk Reserves															
3. Distribution to Owners (or Shareholders)													-189,552,010.38	-189,552,010.38	-189,552,010.38
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 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	1,102,046,572.0 0				5,340,798,886.8 1	-18,697,516.0 9		474,769,630.8 6		3,138,579,496.8 9		10,037,497,070. 47	34,747,249.7 0	10,072,244,320. 17

Item	Semi-annual 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 Share	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	1,054,987,749.0 0				3,409,439,863.0 7	-4,380,983.53		412,680,608.9 1		2,502,765,125.4 3		7,375,492,362.8 8	29,156,922.1 2	7,404,649,285.0 0		
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	1,054,987,749.0 0				3,409,439,863.0 7	-4,380,983.53		412,680,608.9 1		2,502,765,125.4 3		7,375,492,362.8 8	29,156,922.1 2	7,404,649,285.0 0		
III.						-10,939,297.9 2				15,535,566.19		4,596,268.27	-433,477.32	4,162,790.95		

Increases or Decreases in This Period (Decreases in "-")															
(I) Total Comprehensive Income							-10,939,297.92				215,983,238.50		205,043,940.58	-433,477.32	204,610,463.26
(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											-200,447,672.31		-200,447,672.31		-200,447,672.31
1. Appropriation of Surplus Reserves															
2. Appropriation															

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		-15,320,281.45		412,680,608.91		2,518,300,691.62		7,380,088,631.15	28,723,444.80	7,408,812,075.95

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

Statement of Changes in Owners' Equity of the Parent Company
For the Period from January 2021 to June 2021

Unit: Yuan Currency: RMB

Item	Semi-annual 2021										Total Shareholders' Equity
	Paid-in Capital (Or Share Capital)	Other Equity Instruments			Capital Reserves	Less: Treasury Share	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	Undistributed Profits	
		Preferred Stocks	Perpetual Bonds	Others							
I. Balance at the End of Last Year	1,054,987,749.00				3,409,439,863.07				474,769,630.86	2,898,141,748.80	7,837,338,991.73
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				474,769,630.86	2,898,141,748.80	7,837,338,991.73

III. Increases or Decreases in This Period (Decreases in “-“)	47,058,823.00				1,931,359,023.74					130,620,773.42	2,109,038,620.16
(I) Total comprehensive income										320,172,783.80	320,172,783.80
II) Shareholders' Contribution and Reduction in Capital	47,058,823.00				1,931,359,023.74						1,978,417,846.74
1. Common stock invested by the owner	47,058,823.00				1,931,359,023.74						1,978,417,846.74
2. Capital Invested by Holders of Other Equity Instruments											
3. Amount of Share-based Payments Recorded into Shareholders' Equity											
4. Others											
(III) Profit Distribution										-189,552,010.38	-189,552,010.38
1. Appropriation of Surplus Reserves											
2. Distribution to Owners (or Shareholders)										-189,552,010.38	-189,552,010.38
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	1,102,046,572.00				5,340,798,886.81				474,769,630.86	3,028,762,522.22	9,946,377,611.89

Item	Semi-annual 2020										
	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	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 "-")										84,568,859.27	84,568,859.27
(I) Total Comprehensive Income										285,016,531.58	285,016,531.58
(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										-200,447,672.31	-200,447,672.31
1. Appropriation of Surplus Reserves											
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				412,680,608.91	2,624,357,082.86	7,501,465,303.84

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

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 30 June, 2021, the Company has issued a total of 1,102,046,572 shares, with a registered capital of RMB 1,102,046,572, 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 Jianshu Wu is the actual controller of the Company.

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

2. Scope of consolidated statement

Applicable Non-applicable

As of June 30, 2021, 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")

Name of Subsidiary
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")
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 Automotive Electronics Co., Ltd. (hereinafter referred to as "Tuopu Automotive Electronics")
22. Tuopu Do Brasil Autopce ças 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")
31. Ningbo Tuopu Chassis products Co., Ltd. (hereinafter referred to as "Tuopu Chassis")
32. Tuopu EV Thermal Management System (Ningbo) Co., Ltd. (hereinafter referred to as "Tuopu Thermal Management")
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 products Co., Ltd. (hereinafter referred to as "Tuopu Chassis")
32. Tuopu EV Thermal Management System (Ningbo) Co., Ltd. (hereinafter referred to as "Tuopu Thermal Management")
33. Huzhou Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Huzhou Tuopu")
34. TUOPU POLAND SP.Z.O.O (hereinafter referred to as "Tuopu Poland")
35. Shanghai Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as "Shanghai Tuopu")
36. Xi'an Tuopu Automobile Parts Co., Ltd (hereinafter referred to as "Xi'an Tuopu")
37. Tuopu Photovoltaic Technology (Ningbo Beilun) Co., Ltd. (hereinafter referred to as "Photovoltaic Technology Beilun")
38. Tuopu Photovoltaic Technology (Ningbo Hangzhou Bay New Area) Co., Ltd. (hereinafter referred to as "Photovoltaic Technology Hangzhou Bay")

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 Renminbi ("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

① 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.

② 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

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

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

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

16. Contract Assets

(1). Recognition methods and standards of contract assets

Applicable Non-applicable

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

See "V. 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

Determination method and accounting treatment method of expected credit loss of debt investment

Applicable Non-applicable

19. Other debt investment

Determination methods and accounting treatment methods of expected credit losses of other debt investments

Applicable Non-applicable

20. Long-term receivables

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 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	Straight-line	20	10%	4.50%

building	method			
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

More details are available in Note V. 42. Lease

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 life	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
Eission rights	5 years	Straight-line method	Eission permits

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

As of December 31st, 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.

The amortization period and amortization method of all expenses are:

Item	Expected useful life	Basis
Decoration cost	5 years	Expected benefited period
Software maintenance fee	5 years	Expected benefited period
Other	3-5 years	Expected benefited period

32. Contract liabilities

Recognition method of contract liabilities

Applicable Non-applicable

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

More details are available in Note V, 42. Lease

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.

(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

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 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 timing

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

(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

Accounting policy effective from January 1, 2021

Lease refers to a contract in which the landlord transfers the right to use the asset to the tenant in a given period to obtain consideration. On the commencement date of the contract, the Company assesses whether the contract is a lease or includes a lease. If a party in the contract transfers the right to control the use of one or more identified assets in a given period in exchange for consideration, the contract is a lease or includes a lease.

If the contract contains a plurality of separate leases at the same time, the Company will split the contract and perform accounting treatments for each of the separate leases. If the contract contains both lease and non-lease parts, the tenant and landlord shall separate the lease and non-lease parts.

1. The Company as tenant

(1) Right-of-use assets

On the start date of the lease term, the Company recognizes the right-of-use asset for leases other than short-term leases and low-value asset leases. Right-of-use assets are initially measured at cost, which includes:

- The initial measurement amount of the lease liability;
- For lease payments paid on or before the start of the lease term, if there is a lease incentive, the amount of the lease incentive already enjoyed is deducted;

- Initial direct expenses incurred by the Company;
- The Company's estimated cost for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state as set out in the lease terms and conditions, except for the costs incurred for the production of inventory.

The Company subsequently uses the straight-line method to depreciate the right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the end of the lease term, the Company shall depreciate the leased asset over the remaining useful life; otherwise, the leased asset will be depreciated over the lease term or the remaining useful life of the leased asset, whichever is shorter.

The Company determines whether the right-of-use asset has been impaired under the principles as set out in "Note V. 30. Long-term asset impairment", and performs accounting treatment for the identified impairment loss.

(2) Lease liabilities

On the commencement of the lease term, the Company recognizes lease liabilities for leases other than short-term leases and leases of low-value assets. Lease liabilities are initially measured based on the present value of the unpaid lease payments. Lease payments include:

- Fixed payment (including the actual fixed payment), if there is a lease incentive, the relevant amount of the lease incentive will be deducted;
- Variable lease payments that depend on an index or rate;
- The amount expected to be paid based on the residual value of the guarantee provided by the company;
- The exercise price of the purchase option, provided that the Company reasonably determines that it will exercise the option;
- The amount to be paid to exercise the option to terminate the lease, provided that the lease term reflects that the company will exercise the option to terminate the lease.

The Company takes the interest rate implicit in the lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, the company's incremental borrowing interest rate is used as the discount rate.

The Company calculates the interest expense of the lease liability during each period of the lease term according to a fixed periodic interest rate, and includes it in the current profit and loss or the cost of related assets.

Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss or the cost of related assets when they actually occur.

After the commencement of the lease term, in any of the following circumstances, the Company re-measures the lease liability and adjusts the corresponding right-of-use asset. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, it will The difference is included in the current profit and loss:

- When the evaluation results of the purchase option, the renewal option or the termination option change, or the actual exercise of the aforementioned option is inconsistent with the original evaluation result, the company will discount the lease payment after the change and the revised discount The present value of the rate calculation rereasures the lease liability;

- When the actual fixed payment changes, the expected payable amount of the guarantee residual value changes, or the index or ratio used to determine the lease payment changes, the company calculates the present value based on the changed lease payment and the original discount rate Remeasure the lease liability. However, if changes in lease payments originate from changes in floating interest rates, the revised discount rate is used to calculate the present value.

(3) Short-term leases and low-value asset leases

The Company elects not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases, and calculates the relevant lease payments in the current profit and loss or related asset costs on a straight-line basis in each period of the lease term. Short-term lease refers to a lease that does not include purchase options for a lease period not exceeding 12 months at the beginning of the lease period. Low-value asset leasing refers to a lease with a lower value when a single leased asset is a new asset. If the Company subleases or expects to sublease the leased assets, the original lease is not a low-value asset lease.

(4) Lease change

If the lease is changed and the following conditions are met at the same time, the company shall treat the lease change as a separate lease for accounting treatment:

- The lease change expands the scope of the lease by adding one or more use rights to leased assets;
- The increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company reapportions the consideration of the contract after the change, re-determines the lease term, and calculates the current lease payment based on the lease payment after the change and the revised discount rate. The value of the lease liability is rereasured.

If the lease change causes the scope of the lease to be reduced or the lease term is shortened, the Company will correspondingly reduce the book value of the right-of-use asset, and the relevant gains or losses from the partial or complete termination of the lease are included in the current profit and loss. If other lease changes cause the lease liability to be rereasured, the company adjusts the book value of the right-of-use asset accordingly.

2. The Company as .landlord

On the commencement date of the lease, the Company divides the lease into financial lease and operating lease. Finance lease refers to a lease in which almost all the risks and rewards related to the ownership of the leased asset are transferred regardless of whether the ownership is ultimately transferred. Operating leases refer to leases other than financial leases. When the Company acts as a sublease lessor, it classifies subleases based on the right-of-use assets generated from the original lease.

(1) Accounting treatment of operating leases

The lease receipts of operating leases are recognized as rental income in each period of the lease term according to the straight-line method. The Company capitalizes the initial direct costs incurred related to operating leases, and allocates them to the current profit and loss on the same basis as the confirmation of rental income during the lease term. Variable lease payments that are not included in the lease receipts are included in the current profit and loss when they actually occur. If an operating lease is changed, the company will account for it as a new lease from the effective date of the change, and the amount of advance receipts or lease receivables related to the lease before the change shall be regarded as the receipts of the new lease.

(2) Accounting treatment of financial leasing

On the commencement date of the lease, the Company recognizes the financial lease receivables for the financial lease and terminates the recognition of the financial lease assets. When the Company initially measures the financial lease receivables, the net lease investment is taken as the entry value of the financial lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payment that has not been received at the beginning of the lease term, discounted at the interest rate implicit in the lease.

The Company calculates and recognizes the interest income for each period of the lease term based on a fixed periodic interest rate. The derecognition and impairment of financial lease receivables shall be accounted for in accordance with this Note "V. 10. Financial Instruments".

Variable lease payments that are not included in the measurement of the net lease investment are included in the current profit and loss when they actually occur.

If a financial lease is changed and the following conditions are met at the same time, the Company shall treat the change as a separate lease for accounting treatment:

- The change expands the scope of the lease by adding one or more use rights to leased assets;
- The increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

If the change of the financial lease is not accounted for as a separate lease, the company shall deal with the changed lease in the following situations:

- If the change takes effect on the lease start date, the lease will be classified as an operating lease, and the Company will start accounting for it as a new lease from the lease change effective date, and use the net lease investment before the lease change effective date as The book value of the leased asset;
- If the change takes effect on the lease start date, the lease will be classified as a financial lease, and the company will conduct accounting treatment in accordance with the policy of this note "V. 10. Financial Instruments" on the modification or renegotiation of the contract.

3. Sale and leaseback transaction

The Company evaluates and determines whether the asset transfer in the sale and leaseback transaction is a sale in accordance with the principles described in "V. 38. Revenue".

(1) As tenant

If the asset transfer in the sale and leaseback transaction is a sale, the company as the lessee measures the right-of-use asset formed by the sale and leaseback based on the portion of the original asset's book value related to the right to use obtained from the leaseback, and only transfers it to the lease. The rights of the person confirm the relevant gains or losses; if the asset transfer in the sale and leaseback transaction does not belong to the sale, the company as the lessee continues to confirm the transferred assets and at the same time confirms a financial liability equal to the transfer income. For the accounting treatment of financial liabilities, see "V. 10. Financial Instruments".

(2) As landlord

If the asset transfer in the sale and leaseback transaction is a sale, the company acts as the lessor to account for the purchase of the asset, and the asset lease is accounted for in accordance with the aforementioned "2. The company as the lessor" policy; in the sale and leaseback transaction. If the transfer of assets is not a sale, the company as the lessor does not recognize the transferred assets, but recognizes a financial asset equal to the transfer income. For the accounting treatment of financial assets, see "V. 10. Financial Instruments".

Accounting policy effective before January 1, 2021

Leases are divided into financial leases and operating leases. Finance lease refers to a lease that has substantially transferred all the risks and rewards related to asset ownership. Operating leases refer to leases other than financial leases.

1. Accounting treatment of operating leases

(1) The lease fee paid by the Company for rented assets shall be apportioned on a straight-line basis during the entire lease period without deducting the rent-free period and included in the current expenses. The initial direct expenses related to the lease transaction paid by the Company shall be included in the current expenses.

When the asset lessor bears the lease-related expenses that should be borne by the company, the company deducts this part of the cost from the total rent, amortizes the deducted rent during the lease term, and counts it into the current expenses.

(2) The lease fee charged by the Company for lease of assets shall be apportioned on a straight-line basis during the entire lease period without deducting the lease-free period and recognized as lease-related income. The initial direct expenses paid by the company related to the lease transaction shall be included in the current expenses; if the amount is large, it shall be capitalized and included in the current income in installments based on the same basis as the lease-related income recognition during the entire lease period.

When the Company bears the lease-related expenses that should be borne by the lessee, the company deducts this part of the expenses from the total rental income, and distributes the deducted rental expenses during the lease term.

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. 21-Lease (2018 Revision)" (Cai Kuai [2017] No. 35) on Dec.7, 2018, the Company will implement the updated version of revenue standards from January 1, 2020.	"Accounting Standards for Business Enterprises No. 21-Lease (2018 Revision)" (Cai Kuai [2017] No. 35)	

Other Notes

The Company will implement the updated version of revenue standard from January 1, 2021. Under the updated standard, for contracts existing before the first execution date, the company chooses not to reassess whether it is a lease or includes a lease on the first execution day.

(1) The Company as tenant

Under the original lease standard, the Company will transfer all risks and rewards related to asset ownership to the Company based on whether the lease is substantially transferred to the Company, and the lease is divided into financial lease and operating lease.

Under the new lease standards, the Company no longer distinguishes between financial leases and operating leases, and recognizes right-of-use assets and lease liabilities for all leases (except short-term leases and low-value asset leases that choose simplified treatment methods).

The Company elects to adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year when the new lease standard was first implemented based on the cumulative impact of the new lease standard implementation for the first time, without adjusting the comparable period information.

For operating leases before the first implementation date, the company measures the lease liabilities based on the present value of the remaining lease payments discounted by the Japanese company's incremental borrowing interest rate for the first implementation on the first implementation date, and measures the right-of-use assets at the same amount as the lease liabilities, and Make necessary adjustments based on the prepaid rent. While applying the above methods, the company adopts one or more of the following simplified treatments according to each lease option:

1) Leases that will be completed within 12 months after the first implementation date are treated as short-term leases;

2) To measure lease liabilities, use the same discount rate for leases with similar characteristics;

3) The measurement of right-of-use assets does not include initial direct costs;

4) If there is an option to renew the lease or to terminate the lease, the lease term shall be determined according to the actual exercise of the option before the first execution date and other latest conditions;

5) As an alternative to the impairment test of the right-of-use asset, according to the "Accounting Standards for Business Enterprises No. 13-Contingent Events", assess whether the contract containing the lease is a loss-making contract before the first execution date, and record it in the balance sheet according to the first execution date Adjust the amount of loss reserves for the right-of-use asset;

6) For lease changes that occur before the beginning of the year when the new lease standard is first implemented, no retrospective adjustment will be made, and the accounting treatment will be carried out in accordance with the new lease standard according to the final arrangement of the lease change.

(2) The Company as landlord

Under the new lease standards, the company, as a sublease lessor, should classify subleases based on the right-of-use assets generated by the original lease, rather than the underlying assets of the original lease. For sub-leases that are classified as operating leases before the first implementation date and continue after the first implementation date, the Company reassesses them based on the remaining contract duration and terms of the original lease and sub-leases on the first implementation date, and classifies them in accordance with the new lease standards. If it is reclassified as a finance lease, the company treats it as a new finance lease for accounting treatment.

Except for sub-lease, the Company does not need to adjust its lease as a lessor to adjust the amount of retained earnings at the beginning of the year and other related items in the financial statements for the first time implementing the new lease standard. The Company conducts accounting treatment in accordance with the new lease standard from the date of first implementation.

(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

(4). Notes to compared data before and after the adjustment according to the first implementation of the new lease accounting standard in 2021

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 category	Taxation basis	Tax rate
VAT	Calculate the output tax based on the sales of goods and taxable labor income calculated under the tax law. With the input tax allowable for deduction in the current period deducted, the difference is the VAT payable	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 VAT paid	2%、1.5% (Note 3)

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 1st, 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 Automotive Electronics	5%
Zhejiang Towin	5%
Sichuan Maigao	5%
Shanghai Towin	1%

Name of Taxpayer	Urban Maintenance and Construction Tax Rate
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 Automotive Electronics	15
Zhejiang Towin	15
Sichuan Maigao	28
Tuopu North American Ltd	13
Tuopu North American USA Limited, INC	13
Tuopu International	16.50
Tuopu Sweden	22.20
TUOPU (MALAYSIA) SDN.BHD.	24
Tuopu Brasil	34
Tuopu Poland	19
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 Company has submitted relevant documents for re-certification of hi-tech enterprise and as of the date of this financial report, the Company has not yet passed the certification. Under the “SAT Circular of 2017” (No.24), the enterprise income tax will be prepaid at 15% in the year when the qualification as hi-tech enterprise expires, the corporate income tax is prepaid at 15% until the date of re-certification. The corporate income tax rate for the period from January 2021 to June 2021 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 2020 to 2022. The corporate income tax rate for the period from January 2021 to June 2021 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), 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 the period from January 2021 to June 2021 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), 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 Automotive Electronics 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 the period from January 2021 to June 2021 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), 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 the period from January 2021 to June 2021 is 15%.

6. 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" (Notice of the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation [2020] No.23), any enterprise engaged in an encouraged industry in Western China will pay corporate income tax at 15% from January 1st, 2021 to December 31st, 2030. 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 the period from January 2021 to June 2021 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	10,329.69	8,899.73
Bank Balance	1,709,286,472.29	674,857,522.35
Other Cash and Bank Balances	112,805,901.59	112,257,224.37
Total	1,822,102,703.57	787,123,646.45
Including: Total Amount Deposited in Overseas Banks	132,717,659.65	70,846,825.02

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	112,805,901.59	112,257,224.37
Total	112,805,901.59	112,257,224.37

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	401,276,432.56	176,111.00
Including:		
Short-term financial products	400,000,000.00	
Equity instrument investment	1,276,432.56	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	401,276,432.56	176,111.00

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	350,653,610.60	296,283,951.73
Commercial Acceptance Notes		
Total	350,653,610.60	296,283,951.73

(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	350,653,610.60
Commercial Acceptance Notes	
Total	350,653,610.60

(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

(6). Provision for bad debts

Applicable Non-applicable

(7). Notes receivable actually written off in the current period

Applicable Non-applicable

Other notes:

Applicable 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	2,297,430,093.66
Subtotal within 1 year	2,297,430,093.66
1 to 2 years	20,926,705.04
2 to 3 years	12,488,487.23
Over 3 years	8,463,231.93
3 to 4 years	
4 to 5 years	
Over 5 years	5,627,793.14
Provision for bad debts	-133,579,911.39
Total	2,211,356,399.61

(2) . Categorial 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	7,536,306.12	0.32	7,536,306.12	100.00		7,929,510.12	0.42	7,929,510.12	100.00	
Including:										
Bad debt provision accrued based on single item	7,536,306.12	0.32	7,536,306.12	100.00		7,929,510.12	0.42	7,929,510.12	100.00	
Bad debt provision accrued based on combinations	2,337,400,004.88	99.68	126,043,605.27	5.39	2,211,356,399.61	1,885,685,399.76	99.58	102,418,392.11	5.43	1,783,267,007.65
Including:										

Bad debt provision accrued based on aging combinations	2,337,400,004.88	99.68	126,043,605.27	5.39	2,211,356,399.61	1,885,685,399.76	99.58	102,418,392.11	5.43	1,783,267,007.65
Total	2,344,936,311.00	/	133,579,911.39	/	2,211,356,399.61	1,893,614,909.88	/	110,347,902.23	/	1,783,267,007.65

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
Total	7,536,306.12	7,536,306.12	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)	2,297,430,093.66	114,871,504.69	5.00
1-2 years (including 2 years)	20,926,705.04	2,092,670.50	10.00
2-3 years (including 3 years)	12,073,709.10	3,622,112.73	30.00
3-5 years (including 5 years)	3,780,449.33	2,268,269.60	60.00
Over 5 years	3,189,047.75	3,189,047.75	100.00
Total	2,337,400,004.88	126,043,605.27	5.39

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	7,929,510.12	7,929,510.12		393,204.00		7,536,306.12
Bad debt provision accrued based on combinations	102,418,392.11	102,418,392.11	23,625,213.16			126,043,605.27
Total	110,347,902.23	110,347,902.23	23,625,213.16	393,204.00		133,579,911.39

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	1,070,467,059.43	45.65	53,523,352.97
No.2	339,484,850.86	14.48	16,974,242.54
No.3	268,728,678.08	11.46	13,436,433.90
No.4	102,505,770.89	4.37	5,125,288.54
No.5	83,466,268.17	3.56	4,173,313.41
Total	1,864,652,627.43	79.52	93,232,631.36

(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	874,151,202.33	742,203,122.21
Total	874,151,202.33	742,203,122.21

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
Bank Acceptance Notes	714,860,797.35	2,877,137,811.80	2,750,625,657.48	-20,000,000.00	821,372,951.67
Commercial Acceptance Notes	27,342,324.86	59,186,053.33	30,972,324.86	-2,777,802.67	52,778,250.66
Total	742,203,122.21	2,936,323,865.13	2,781,597,982.34	-22,777,802.67	874,151,202.33

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

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

Item	Pledged amount by the end of period
Bank Acceptance Notes	766,338,805.85
Commercial Acceptance Notes	45,602,218.33
Total	811,941,024.18

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	Non-derecognised amount at the end of the period
Bank Acceptance Notes	1,893,265,656.73	
Total	1,893,395,656.73	

3. Provision for impairment of accounts receivable financing

As of June 30th, 2021, the amount of commercial acceptance notes was RMB 55,556,053.33, 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 2,777,802.67 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	49,242,145.75	91.93	38,834,366.57	90.56
1-2 years	2,840,257.74	5.30	2,579,881.03	6.02
2-3 years	850,500.09	1.59	838,134.84	1.95
Over 3 years	631,435.96	1.18	631,435.96	1.47
Total	53,564,339.54	100.00	42,883,818.40	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

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	2,399,517.09	4.48
联益达旺橡胶有限公司 Lianyi Dawang Rubber Co., Ltd.	2,255,140.27	4.21
Johnson Electric (Guangdong) Co., Ltd.	2,057,903.56	3.84
Sri Trang Agro-Industry (Shanghai) Co., Ltd.	1,290,566.03	2.41
Groz-Beckert Trading (Shenzhen) Co., Ltd.	752,132.98	1.40
Total	8,755,259.93	16.34

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	51,992,724.93	31,087,166.38
Total	51,992,724.93	31,087,166.38

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

(1). Dividend Receivable

Applicable Non-applicable

(5). Important dividend receivable with an aging over 1 year

□Applicable √Non-applicable

(3). Particulars of bad debt provision

□Applicable √Non-applicable

Other Notes:

□Applicable √Non-applicable

Other Receivables**(4). 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	53,597,851.23
Subtotal within 1 year	53,597,851.23
1-2 years	537,251.95
2-3 years	336,230.00
Over 3 years	889,696.23
3-4 years	
4-5 years	
Over 5 years	237,800.00
Bad debt provision	-3,606,104.48
Total	51,992,724.93

(5). Categorized by the nature of funds

√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
Petty cash funds	316,225.00	122,815.13
Security deposit	50,221,574.97	29,417,358.76
Other	5,061,029.44	4,122,370.20
Total	55,598,829.41	33,662,544.09

(6). 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, 2021	2,575,377.71			2,575,377.71
Balance of the current period on January 1, 2021				
--Transfer to				

Phase 2				
--Transfer to Phase 3				
--Transfer to Phase 2				
--Transfer to Phase 1				
Provision made in the current period	1,030,726.77			1,030,726.77
Reversal in the current period				
Write-off in the current period				
Write-off in the current period				
Other changes				
Balance on December 31, 2021	3,606,104.48			3,606,104.48

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

(7). 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	2,575,377.71	1,030,726.77				3,606,104.48
Total	2,575,377.71	1,030,726.77				3,606,104.48

Bad debt provision in the current period with significant amount of withdrawal or reversal:

Applicable Non-applicable

(8). Particulars of other receivables actually written off in the current period

Applicable Non-applicable

(9). 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	46,237,313.00	Within 1 year	83.16	2,311,865.65
Special custody account of Beilun Customs of the People's Republic of China	Security deposit	982,393.23	Within 1 year	1.77	49,119.66
Zhejiang Geely Holding Group Automobile Sales Co., Ltd.	Security deposit	800,000.00	Within 1 year	1.44	40,000.00
Ningbo Hangzhou Bay New Area Haichuang Industrial Co., Ltd.	Security deposit	666,000.00	Within 1 year	1.20	33,300.00
Liu Hongsong	Other	455,000.00	2-4 years	0.82	259,500.00
Total	/	49,140,706.23	/	88.39	2,693,785.31

(10). Accounts receivable related to government subsidies
Applicable Non-applicable
(11). Other accounts receivable derecognised due to transfer of financial assets
Applicable Non-applicable
(12). 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	298,956,473.92		298,956,473.92	217,685,102.37		217,685,102.37
WIPs						
Finished goods	463,604,033.64	44,191,371.19	419,412,662.45	617,392,628.62	38,312,844.14	579,079,784.48
Revolving materials	47,125,476.98		47,125,476.98	15,283,612.95		15,283,612.95
Consumptive biological assets						
Contract performance cost						
Production cost	271,130,489.15		271,130,489.15	244,417,226.39		244,417,226.39
Delivered goods	574,847,332.66		574,847,332.66	446,286,110.69		446,286,110.69
Total	1,655,663,806.35	44,191,371.19	1,611,472,435.16	1,541,064,681.02	38,312,844.14	1,502,751,836.88

(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	Other	Reversal or Write-off	Other	
Raw materials						
WIPs						
Finished goods	38,312,844.14	9,508,691.87		3,630,164.82		44,191,371.19
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Total	38,312,844.14	9,508,691.87		3,630,164.82		44,191,371.19

(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

Other notes:

Applicable Non-applicable

11. Held-for-sale assets

Applicable Non-applicable

12. Non-current assets due within one year

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	201,241,840.10	168,424,657.71
Prepaid income tax	1,256,438.32	5,400,034.11
Total	202,498,278.42	173,824,691.82

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

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

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

(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

Other notes:

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	Other		
I. Joint ventures											
Tuopu Electrical Appliances Co., Ltd. (hereinafter referred to as “Tuopu Electrical Appliances”)	62,576,414.03			2,956,361.83			20,000,000.00			45,532,775.86	
Ningbo Borgers Tuopu Automobile Parts Co., Ltd. (hereinafter referred to as “Ningbo Borgers”)	77,081,863.30			5,766,621.32						82,848,484.62	
Subtotal	139,658,277.33			8,722,983.15			20,000,000.00			128,381,260.48	
II. Affiliates											
Chongqing Antolin Tuopu Overhead System Co., Ltd. (hereinafter referred to as “Chongqing Antolin”)	10,637,706.25			-281,789.45						10,355,916.80	
Subtotal	10,637,706.25			-281,789.45						10,355,916.80	
Total	150,295,983.58			8,441,193.70			20,000,000.00			138,737,177.28	

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

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	49,063,282.93	6,689,012.00		55,752,294.93
2. Increased in the Current Period				
(1) Purchase				
(2) Transfer-in of Inventory\Fixed assets\Construction in progress				
(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	21,687,451.18	2,461,425.63		24,148,876.81
2. Increased in the Current Period	746,933.78	90,166.90		837,100.68
(1) Accrual or Amortization	746,933.78	90,166.90		837,100.68
3. Decreased in the Current Period				
(1) Disposal				

(2) Other transfer-out				
4. Balance at the end of the period	22,434,384.96	2,551,592.53		24,985,977.49
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	26,628,897.97	4,137,419.47		30,766,317.44
2. Book value at the beginning of the period	27,375,831.75	4,227,586.37		31,603,418.12

(2). Particulars of investment property without the property right certificate granted

□Applicable √Non-applicable

Other note

□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	4,613,026,763.88	4,248,257,966.73
Disposal of fixed assets		
Total	4,613,026,763.88	4,248,257,966.73

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 and equipment and others	Buildings for commercial use	Total
I. Original book value						
1. Balance at the beginning of the period	2,073,264,004.72	3,846,134,511.39	31,988,613.22	199,000,728.36	68,200,328.83	6,218,588,186.52
2. Increased in the Current Period	13,078,376.93	602,982,926.19	1,461,747.71	12,921,559.93		630,444,610.76
(1) Purchase	201,492.45	102,450,430.80	1,461,747.71	10,163,459.09		114,277,130.05
(2) Transfer-in of construction in progress	12,876,884.48	500,532,495.39		2,758,100.84		516,167,480.71
(3) Increase from business combination						
3. Decreased in the Current Period		28,195,028.09	535,977.18	456,571.95		29,187,577.22
(1) Disposal or scrapping		28,195,028.09	535,977.18	456,571.95		29,187,577.22
4. Balance at the end of the period	2,086,342,381.65	4,420,922,409.49	32,914,383.75	211,465,716.34	68,200,328.83	6,819,845,220.06
II. Accumulated Depreciation						
1. Balance at the beginning of the period	357,206,206.02	1,493,030,127.66	23,887,832.93	93,777,434.96	2,428,618.22	1,970,330,219.79
2. Increased in the Current Period	46,221,286.31	190,228,349.98	2,049,061.34	10,016,266.62	792,441.95	249,307,406.20
(1) Accrual	46,221,286.31	183,511,553.81	2,049,061.34	9,831,737.49	792,441.95	242,406,080.90
(2) Other increases		6,716,796.17		184,529.13		6,901,325.30
3. Decreased in the Current Period		11,973,817.25	505,359.51	339,993.05		12,819,169.81
(1) Disposal or scrapping		11,973,817.25	505,359.51	339,993.05		12,819,169.81
4. Balance at the end of the period	403,427,492.33	1,671,284,660.39	25,431,534.76	103,453,708.53	3,221,060.17	2,206,818,456.18
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	1,682,914,889.32	2,749,637,749.10	7,482,848.99	108,012,007.81	64,979,268.66	4,613,026,763.88
2. Book value at the beginning of the period	1,716,057,798.70	2,353,104,383.73	8,100,780.29	105,223,293.40	65,771,710.61	4,248,257,966.73

(2). Particulars of temporarily idle fixed assets

Applicable Non-applicable

(3). Particulars of fixed assets rented under financial leasing

Applicable Non-applicable

(4). 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	475,629,099.61	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	1,386,448,449.11	943,993,396.96
Construction supplies and materials		
Total	1,386,448,449.11	943,993,396.96

Construction in Progress**(1). Particulars 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	670,942,694.26		670,942,694.26	682,154,841.45		682,154,841.45
Molds of the group under fabrication	85,502,602.27		85,502,602.27	83,278,532.30		83,278,532.30
Intelligent Brake project of the group headquarter	11,700,259.32		11,700,259.32	10,760,304.53		10,760,304.53
Wuhan Tuopu Project	4,310,110.11		4,310,110.11	5,106,988.41		5,106,988.41
Liuzhou Tuopu Project	869,724.78		869,724.78			
Taizhou Tuopu Project	46,982,354.92		46,982,354.92	43,526,245.62		43,526,245.62
Mechatronics Project	103,846,158.54		103,846,158.54	25,674,905.15		25,674,905.15
Sichuan Maigao Project	13,001,251.20		13,001,251.20	11,545,959.74		11,545,959.74
Hunan Tuopu Project	85,413,703.66		85,413,703.66	27,462,126.30		27,462,126.30
Tuopu Thermal Management Project	235,668,333.75		235,668,333.75	10,706,712.33		10,706,712.33
Tuopu Chassis Project	128,211,256.30		128,211,256.30	43,776,781.13		43,776,781.13
Total	1,386,448,449.11		1,386,448,449.11	943,993,396.96		943,993,396.96

(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 progress	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		682,154,841.45	440,294,123.85	451,506,271.04		670,942,694.26		Under construction				Self-funded or raised
Molds of the group under fabrication		83,278,532.30	54,027,263.08	51,803,193.11		85,502,602.27		Under construction				Self-funded
Intelligent Brake project of the group headquarter	530,000,000.00	10,760,304.53	12,688,671.02	11,748,716.23		11,700,259.32	99.25	Under construction				Self-funded or raised
Taizhou Tuopu Project	45,000,000.00	43,526,245.62	3,456,109.30			46,982,354.92	97.45	Under construction				Self-funded
Tuopu Chassis Project	240,000,000.00	43,776,781.13	84,434,475.17			128,211,256.30	53.42	Under construction				Self-funded

Mechatronics Phase II Project	130,000,000.00	25,674,905.15	78,171,253.39			103,846,158.54	79.88	Under construction				Self-funded or raised
Tuopu Thermal Management Project	1,100,000,000.00	10,706,712.33	224,961,621.42			235,668,333.75	21.42	Under construction				Self-funded
Other house and building project		98,598,566.91	6,105,523.17	1,109,300.33		103,594,789.75		Under construction				Self-funded
Total	2,045,000,000.00	998,476,889.42	904,139,040.40	516,167,480.71		1,386,448,449.11	/	/			/	/

(3). Provision for impairment of construction in progress in the current period

Applicable Non-applicable

Other notes

Applicable Non-applicable

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

Unit: Yuan Currency: RMB

Item	Houses and buildings	Total
I. Original book value		
1. Opening Balance		
2. Increased in the Current Period	25,409,428.46	25,409,428.46
(1) Purchase	25,409,428.46	25,409,428.46
3. Decreased in the Current Period		
4. Balance at the end of the period	25,409,428.46	25,409,428.46
II. Accumulated amortization		
1. Balance at the beginning of the period		
2. Increased in the Current Period	2,962,087.30	2,962,087.30
(1) Accrual	2,962,087.30	2,962,087.30
3. Decreased in the Current Period		
(1) Disposal		
4. Balance at the end of the period	2,962,087.30	2,962,087.30
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	22,447,341.16	22,447,341.16
2. Book value at the beginning of the period		

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	703,393,774.52			67,847,717.99	1,548,222.50	772,789,715.01
2. Increased in the Current Period	195,887,989.84			2,157,254.01		198,045,243.85
(1) Purchase	195,887,989.84			2,157,254.01		198,045,243.85
(2) Internal research and development						
(3) Acquisition						
3. Decreased in the Current Period						
(1) Disposal						
4. Balance at the end of the period	899,281,764.36			70,004,972.00	1,548,222.50	970,834,958.86
II. Accumulated amortization						
1. Balance at the beginning of the period	67,825,404.83			25,669,301.94	733,902.38	94,228,609.15
2. Increased in the Current Period	8,411,259.95			3,828,960.30	165,325.57	12,405,545.82
(1) Accrual	8,411,259.95			3,828,960.30	165,325.57	12,405,545.82
3. Decreased in the Current Period						
(1) Disposal						
4. Balance at the end of the period	76,236,664.78			29,498,262.24	899,227.95	106,634,154.97
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	823,045,099.58			40,506,709.76	648,994.55	864,200,803.89
2. Book value at the beginning of the period	635,568,369.69			42,178,416.05	814,320.12	678,561,105.86

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

(2). 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

(3). 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.

(4). 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.	22,615,107.37		5,640,684.43	144,777.77	16,829,645.17
Others	35,064,152.57	34,249,670.86	17,310,617.39	540,123.46	51,463,082.58
Total	57,679,259.94	34,249,670.86	22,951,301.82	684,901.23	68,292,727.75

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	184,155,189.70	40,811,411.41	152,675,193.81	33,337,345.97

Unrealized profits from internal transactions	100,134,827.73	24,037,036.89	111,200,512.26	25,696,889.57
Deductible loss				
Deferred income	216,751,883.66	36,169,820.50	214,204,302.56	35,934,324.34
Total	501,041,901.09	101,018,268.80	478,080,008.63	94,968,559.88

(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 same control	45,103,667.40	11,275,916.85	46,761,294.44	11,690,323.61
Changes in the fair value of other equity instrument investments				
Changes in the fair value of other debt investments				
Accelerated depreciation of fixed assets	309,611,521.00	46,441,728.15	268,117,758.73	40,217,663.81
Total	354,715,188.40	57,717,645.00	314,879,053.17	51,907,987.42

(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

31. 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 for construction equipment	559,073,830.90		559,073,830.90	296,957,402.06	296,957,402.06
Total	559,073,830.90		559,073,830.90	296,957,402.06	296,957,402.06

32. 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	550,393,750.00	400,378,888.89
Guaranteed loan		
Credit loan	222,735,994.77	
Total	773,129,744.77	400,378,888.89

(2). Short-term loans that have been late for repayment

Applicable Non-applicable

Other notes:

Applicable Non-applicable

33. Transactional financial liabilities

Applicable Non-applicable

34. Derivative financial liabilities

Applicable Non-applicable

35. 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	1,905,569,760.15	1,471,327,551.91
Total	1,905,569,760.15	1,471,327,551.91

At the end of the current period, total amount of notes payable that have not yet been paid is 0 Yuan.

36. 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)	2,200,772,909.89	1,853,269,995.18
1-2 years (including 2 years)	35,568,125.74	31,986,841.31
2-3 years (including 3 years)	7,641,626.24	7,239,675.36
Over 3 years	5,885,193.58	5,758,604.32
Total	2,249,867,855.45	1,898,255,116.17

(2). Important accounts payable aged over 1 yearApplicable √Non-applicable

Other notes:

Applicable √Non-applicable**37. 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**38. Contract liabilities****(1). Particulars of contract liabilities**√Applicable Non-applicable

Unit: 元 Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Within 1 year (including 1 year)	17,978,909.33	11,522,861.56
1-2 years (including 2 years)	6,142,833.02	6,673,269.49
2-3 years (including 3 years)	742,273.75	838,769.34
Over 3 years	3,285,477.04	3,650,760.02
Total	28,149,493.14	22,685,660.41

(2). The amount and reason for significant change in the book value during the reporting periodApplicable √Non-applicable

Other Notes:

Applicable √Non-applicable

39. 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	138,178,109.47	588,139,234.88	603,299,420.99	123,017,923.36
II. Dimission benefits - defined contribution scheme	114,252.20	29,262,349.25	28,957,751.44	418,850.01
III. Dismissal benefits				
IV. Other benefits due within 1 year				
Total	138,292,361.67	617,401,584.13	632,257,172.43	123,436,773.37

(2). Presentation of short-term remuneration

√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. Wages or salaries, bonuses, allowances and subsidies	135,935,768.57	509,425,452.57	524,965,476.64	120,395,744.50
2. Staff welfare	106,560.80	40,522,060.01	40,526,404.03	102,216.78
3. Social insurance contributions	204,154.27	15,598,657.61	15,513,151.99	289,659.89
Including: medical insurance premium	159,475.74	14,113,234.61	14,039,045.62	233,664.73
Work injury insurance premium	-1,680.08	1,372,145.87	1,334,076.90	36,388.89
Birth insurance premium	46,358.61	113,277.13	140,029.47	19,606.27
4. Housing funds	110,395.00	17,257,095.47	17,224,234.67	143,255.80
5. Labor union and education funds	1,821,230.83	5,335,969.22	5,070,153.66	2,087,046.39
6. Short-term paid absences				
7. Short-term profit sharing plan				
Total	138,178,109.47	588,139,234.88	603,299,420.99	123,017,923.36

(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	104,394.92	28,010,859.88	27,716,982.72	398,272.08
2. Unemployment insurance premium	9,857.28	1,251,489.37	1,240,768.72	20,577.93
3. Corporate annuity payment				
Total	114,252.20	29,262,349.25	28,957,751.44	418,850.01

Other notes:

Applicable Non-applicable**40. 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	54,399,747.16	37,476,861.48
Consumption tax		
Business tax		
Enterprise Income Tax	60,560,837.61	13,247,733.04
Individual income tax	1,048,780.70	1,126,989.40
Urban Maintenance and Construction Tax	587,913.99	2,555,965.45
Property tax	20,098,111.37	17,409,122.91
Education surcharges	287,571.80	1,124,111.62
Local education surcharges	161,020.77	748,551.75
Land use tax	9,835,675.11	8,463,193.68
Environmental protection tax	454.86	454.86
Disabled security fund	1,663,759.84	313,642.20
Special funds for water conservancy construction	6,973.11	8,547.00
Stamp duty	379,431.27	390,129.90
Total	149,030,277.59	82,865,303.29

41. 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	15,361,171.00	15,722,105.17
Total	15,361,171.00	15,722,105.17

Interest PayableApplicable Non-applicable

Dividends payable

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	7,883,598.94	8,120,598.94
Other	7,477,572.06	7,601,506.23
Total	15,361,171.00	15,722,105.17

(2). Significant other payables aged over 1 year

Applicable Non-applicable

Other notes:

Applicable Non-applicable

42. Held-for-sale liabilities

Applicable Non-applicable

43. 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		
Bonds payable due within 1 year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year	7,333,430.63	
Total	7,333,430.63	

44. 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	3,658,909.50	1,507,896.52
Total	3,658,909.50	1,507,896.52

Changes in short-term bonds payable:

Applicable Non-applicable

Other Notes:

Applicable Non-applicable

45. Long-term loans**1). Category of long-term loans**

Applicable Non-applicable

Other note: including interest rate range

Applicable Non-applicable

46. 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 the 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

47. Lease liabilities

Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Lease liabilities	21,472,047.37	
Less: Lease liabilities due within one year	-7,333,430.63	
Total	14,138,616.74	

48. Long-term payables**Presentation of items**

Applicable Non-applicable

Long-term payables

Applicable Non-applicable

Special payables

Applicable Non-applicable

49. Long-term payroll payable

Applicable Non-applicable

50. Estimated liabilities

Applicable Non-applicable

51. 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	214,204,302.56	11,615,416.00	9,067,834.90	216,751,883.66	
Total	214,204,302.56	11,615,416.00	9,067,834.90	216,751,883.66	/

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 damping products	2,242,000.00			235,999.98		2,006,000.02	Assets-related
Automobile composite fiber production project	441,666.67			49,999.98		391,666.69	Assets-related
Tuopu Intelligent Mechatronics Industrial Park Project	25,520,238.10			692,857.14		24,827,380.96	Assets-related
Production line transformation project of high-performance vibration control system for cars	2,756,190.00			275,619.04		2,480,570.96	Assets-related
Production and application technology transformation project of lightweight materials for vehicles	4,375,000.00			437,499.98		3,937,500.02	Assets-related
Technological Transformation Project of Automobile High-Performance Vibration control system	7,130,088.73			445,630.56		6,684,458.17	Assets-related
Technological Transformation Project of Automobile Interior and Exterior Trim Parts	6,877,766.12			407,733.24		6,470,032.88	Assets-related

Technological Transformation Project of Automobile Lightweight Control Arms	7,003,001.06			437,687.58		6,565,313.48	Assets-related
Technological Transformation Project of Automobile Lightweight Parts Production Line	7,322,051.57			457,628.16		6,864,423.41	Assets-related
Technological Transformation Project of Automobile High-Performance Vibration control system	1,723,800.00			86,190.00		1,637,610.00	Assets-related
Technological transformation project of lightweight auto parts	1,875,120.00			93,756.00		1,781,364.00	Assets-related
Digital workshop project with an annual capacity of 120,000 sets of intelligent brake systems	3,696,000.00	345,000.00		190,748.28		3,850,251.72	Assets-related
Auto parts production and industrial automation projects	80,166,861.65			2,250,000.00		77,916,861.65	Assets-related
Technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets	8,790,289.93			500,000.04		8,290,289.89	Assets-related
Technological Transformation Project of Automobile High-Performance Vibration control system	5,471,561.66			278,215.02		5,193,346.64	Assets-related
Tuopu Automobile Electronics Auto Parts Production Project		7,729,116.00		26,379.24		7,702,736.76	Assets-related
Shenyang Tuopu Auto Parts Base Project	1,298,611.20			291,666.66		1,006,944.54	Assets-related
Intelligent factory construction project with an annual capacity of 2 million sets of automotive interior trims	705,833.31			55,000.00		650,833.31	Assets-related
Technological transformation project of car roof, carpet assembly and other interior trims with an annual capacity of 1.6 million sets	990,000.00			82,500.00		907,500.00	Assets-related
Auto Parts Production Project of Liudong New District	1,362,511.63			42,139.54		1,320,372.09	Assets-related
Automobile Fabric Production Line Project	3,686,810.05			345,358.18		3,341,451.87	Assets-related
Pinghu Tuopu Auto Parts Production Project	12,733,600.00			397,925.00		12,335,675.00	Assets-related
Production line project with an annual capacity of 300,000 sets of related auto parts	661,542.22			43,399.14		618,143.08	Assets-related

Automobile chassis parts project with an annual capacity of 500,000 sets	4,507,688.04			51,614.75		4,456,073.29	Assets-related
Tuopu Chassis Auto Parts Industry Base Project	8,000,000.00			-		8,000,000.00	Assets-related
Auxiliary project outside the factory	6,485,266.63			196,523.24		6,288,743.39	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 interior trims	774,156.58			55,296.90		718,859.68	Assets-related
Technological transformation project for the production line of automobile front and rear axle with an annual output of 200,000 sets	1,543,602.08			189,055.38		1,354,546.70	Assets-related
Technological transformation project of AVS products & chassis production line with annual capacity of 300,000 sets	274,247.86			24,344.27		249,903.59	Assets-related
Production line of AVS products & chassis with an annual capacity of 300,000 sets	1,411,833.95			120,249.34		1,291,584.61	Assets-related
Passenger vehicle chassis AVS products project with an annual capacity of 500,000 sets	2,376,963.52	3,541,300.00		306,818.26		5,611,445.26	Assets-related
Total	214,204,302.56	11,615,416.00		9,067,834.90		216,751,883.66	

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 damping 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 June 30, 2021, there was a remaining sum of 2,006,000.02 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 June 30, 2021, there was a remaining sum of RMB 391,666.69 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 Mechatronics 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 June 30, 2021, there was a remaining sum of RMB 24,827,380.96 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 remaining useful life corresponding to the machinery and equipment purchased using the above grants, as of June 30, 2021, there was a remaining sum of RMB 2,480,570.96 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 remaining useful life corresponding to the machinery and equipment purchased using the above grants, as of June 30, 2021, 2020, there was a remaining sum of RMB 3,937,500.02 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 remaining useful life corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 6,684,458.17 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 Trim Parts. As of June 2019, the said

project was substantially completed and put into production operation. Amortized by the remaining useful life corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 6,470,032.88 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 remaining useful life corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 6,565,313.48 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 remaining useful life corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 6,864,423.41 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. Amortized by the remaining useful life corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 1,637,610.00 to be amortized over the remaining years.

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. Amortized by the remaining useful life corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 1,781,364.00 to be amortized over the remaining years.

12. The Company received the grants at RMB 3,696,000.00 in September 2020 and RMB 3,450,000,000 in May 2021 and used the sums for digital workshop project with an annual capacity of 120,000 sets of intelligent brake systems. Amortized by the depreciation years corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 3,850,251.72 to be amortized over the remaining years.

13. Tuopu Automotive Electronics 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 June 30, 2021, there was a remaining sum of RMB 77,916,861.65 to be amortized over the remaining years.

14. Tuopu Automotive Electronics 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 remaining useful life corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 8,290,289.89 to be amortized over the remaining years.

15. Tuopu Automotive Electronics 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 remaining useful life corresponding to the machinery and equipment transformed using the above grants, as of June 30, 2021, there was a remaining sum of RMB 5,193,346.64 to be amortized over the remaining years.

16. Tuopu Automotive Electronics received the land grants at RMB 7,729,116.00. Amortized by the remaining useful life corresponding to the remaining useful life corresponding to the land using the above grants, as of June 30, 2021, there was a remaining sum of RMB 7,702,736.76 to be amortized over the remaining years.

17. Tuopu Automotive Electronics 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 June 30, 2021, there was a remaining sum of RMB 1,006,944.54 to be amortized over the remaining years.

18. 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 interior trims 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 June 30, 2021, there was a remaining sum of RMB 650,833.31 to be amortized over the remaining years.

19. 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 interior trims 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 June 30, 2021, there was a remaining sum of RMB 907,500.00 to be amortized over the remaining years.

20. 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 remaining useful life corresponding to the buildings and structures constructed and acquired using the above grants, as of June 30, 2021, there was a remaining sum of RMB 1,320,372.09 to be amortized over the remaining years.

21. 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 remaining useful life corresponding to the machinery and equipment purchased using the above grants, as of June 30, 2021, there was a remaining sum of RMB 3,341,451.87 to be amortized over the remaining years.

22. 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 Interior Trims 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 June 30, 2021, there was a remaining sum of RMB 12,335,675.00 to be amortized over the remaining years.

23. 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 remaining useful life corresponding to the purchased machinery and equipment and constructed plants using the above funds, as of June 30, 2021, there was a remaining sum of RMB 618,143.08 to be amortized over the remaining years.

24. 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 June 30, 2021, there was a remaining sum of RMB 4,456,073.29 to be amortized over the remaining years.

25. 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 June 30, 2021, this project has not yet been completed and no amortization is made in this period.

26. 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 remaining useful life corresponding to the buildings and structures using the above grants, as of June 30, 2021, there was a remaining sum of RMB 6,288,743.39 to be amortized over the remaining years.

27. 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 June 30, 2021, this project has not yet been completed and no amortization is made in this period.

28. 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 interior trims. As of January 2018, the said project was substantially completed and put into production operation. Amortized by the remaining useful life corresponding to the machinery and equipment purchased using the above grants, as of June 30, 2021, there was a remaining sum of RMB 718,859.68 to be amortized over the remaining years.

29. 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 remaining useful life corresponding to the machinery and equipment purchased using the above funds, as of June 30, 2021, there was a remaining sum of RMB 1,354,546.70 to be amortized over the remaining years.

30. 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 AVS products & 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 June 30, 2021, there was a remaining sum of RMB 249,903.59 to be amortized over the remaining years.

31. 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 AVS products & 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 remaining useful life corresponding to the machinery and equipment purchased using the above funds, as of June 30, 2021, there was a remaining sum of RMB1,291,584.61 to be amortized over the remaining years.

32. Zhejiang Towin received technological transformation funds at RMB 2,539,990.00 for passenger vehicle chassis AVS products 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 remaining useful life corresponding to the machinery and equipment purchased using the above funds, as of June 30, 2021, there was a remaining sum of RMB 5,611,445.26 to be amortized over the remaining years.

52. Other non-current liabilities

□Applicable √Non-applicable

53. 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	Other	Subtotal	
Total shares	1,054,987,749.00	47,058,823.00				47,058,823.00	1,102,046,572.00

Other notes:

In February 2021, the Company increased its registered capital by RMB 47,058,823.00 through private offering of shares. After this capital increase, its registered capital became RMB 1,102,046,572.00. The capital contribution has been verified by BDO CHINA SHUN LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP, and a capital verification report of Xin Kuai Shi Bao Zi [2021] No. ZF10047 has been issued.

54. 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 note:

□Applicable √Non-applicable

55. 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	1,931,359,023.74		5,340,788,538.03
Other capital reserves	10,348.78			10,348.78
Total	3,409,439,863.07	1,931,359,023.74		5,340,798,886.81

Other notes, including changes in the current period and note to the reason for the changes:

In February 2021, the Company recorded the share premium of RMB 1,931,359,023.74 in the capital reserve through private offering of stocks. The capital contribution has been verified by BDO CHINA SHUN LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP, and a capital verification report of Xin Kuai Shi Bao Zi [2021] No. ZF10047 has been issued.

56. Treasury stocks

Applicable Non-applicable

57. Other comprehensive income

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Amount incurred in the current period					Attributable to the minority shareholders after tax	Balance at the end of the period
		Amount incurred before income tax in the current period	Less: recorded into other comprehensive income in previous period and transferred to P/L in current period	Less: Recorded into other comprehensive income in previous period and transferred to retained income in current period	Less: Income Tax Expense	Attributable to the Company 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	-20,631,668.74	1,955,317.48				1,934,152.65	21,164.83	-18,697,516.09
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	-20,631,668.74	1,955,317.48				1,934,152.65	21,164.83	-18,697,516.09
Total	-20,631,668.74	1,955,317.48				1,934,152.65	21,164.83	-18,697,516.09

58. Special reserves

□Applicable √Non-applicable

59. Surplus reserve

√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
Statutory surplus reserve	474,769,630.86			474,769,630.86
Discretionary surplus reserve				
Reserve fund				
Business development fund				
Other				
Total	474,769,630.86			474,769,630.86

60. Undistributed profit

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Undistributed Profit before Adjustment at the End of Previous Period	2,868,429,319.48	2,502,765,125.43
Adjust the total undistributed profits at the start of the period (increase +, decrease -)		
Undistributed Profit after Adjustment at the Start of the Period	2,868,429,319.48	2,502,765,125.43
Add: net profit attributable to parent company's owner in current period	459,702,187.79	628,200,888.31
Less: withdrawal of statutory surplus reserve		62,089,021.95
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk reserve		
Ordinary stock dividend payable	189,552,010.38	200,447,672.31
Ordinary stock dividends converted into equity		
Undistributed profit at the end of the period	3,138,579,496.89	2,868,429,319.48

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 2020 Annual General Meeting, the Company distributed RMB 1.72 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 189,552,010.38 were distributed.

61. 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	4,771,583,403.09	3,848,796,980.15	2,474,078,712.50	1,949,836,859.05
Other operations	145,163,660.11	41,850,172.51	87,937,102.34	22,633,010.46
Total	4,916,747,063.20	3,890,647,152.66	2,562,015,814.84	1,972,469,869.51

(2). Particulars of 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

62. 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	6,987,224.84	5,145,221.44
Education Surcharges	3,097,328.39	2,243,231.45
Resource tax		
Property tax	10,863,776.45	9,774,405.02
Land use tax	7,573,624.46	5,402,129.57
Vehicle and vessel use tax	2,940.00	2,254.20
Stamp duty	3,239,904.97	1,130,206.25
Local education surcharges	2,064,885.50	1,495,487.08
Environmental protection tax	2,796.57	2,084.56
Franchise tax	1,940.46	
Total	33,834,421.64	25,195,019.57

63. Cost of sales√Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Service expense	29,531,427.34	23,142,909.69
Payroll	17,233,933.57	12,950,448.75
Business hospitality expense	11,056,660.16	6,068,149.72
Repair cost	6,047,882.34	205,042.20
Travel expense	602,156.99	476,473.31
Packaging fee	96,467.24	413,278.89
Vehicle cost	903,723.57	885,612.70
Exhibition fee	26,663.16	
Other	2,312,218.65	4,232,987.54
Total	67,811,133.02	48,374,902.80

64. Overhead expense√Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Payroll	80,651,461.49	51,553,859.19
Depreciation expense	16,725,375.77	15,055,379.93
Business hospitality expense	2,026,288.73	1,040,805.06
Vehicle cost	1,932,384.37	1,443,969.29
Taxes	1,303,839.64	754,997.59
Travel expenses	897,665.31	769,304.69
Amortization of intangible assets	9,358,516.34	7,773,710.50
Office expenses	2,620,048.32	1,934,306.52
Insurance premiums	2,281,744.16	2,040,700.64
Intermediary fee	2,363,351.13	2,296,375.51
Utility bills	1,674,698.17	1,161,219.34
Service charge	4,887,204.46	4,994,618.55
Rent	927,544.88	326,112.10
Other	10,966,557.71	9,086,715.87
Total	138,616,680.48	100,232,074.78

65. R&D expenses√Applicable Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Material	75,976,147.05	45,099,044.76
Payroll	103,433,263.82	76,277,851.01
Depreciation and amortization	30,240,100.76	27,617,482.73
Transportation and storage fee	1,499,838.43	1,371,914.97
Energy consumption fee	10,086,641.70	5,841,507.97
Travel expense	1,479,159.73	785,181.94
Trial production expense	2,023,727.07	4,107,806.75
Other	9,134,832.02	4,029,323.30
Total	233,873,710.58	165,130,113.43

66. Financial expense

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Interest expense	8,718,663.63	13,230,815.39
Less: interest income	-16,268,492.45	-7,272,076.83
Gain and loss from exchange	5,154,538.67	7,599,266.37
Handling charge	1,520,103.21	1,093,075.56
Total	-875,186.94	14,651,080.49

67. Other income

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in previous period
Pinghu Tuopu Auto Parts Production Project	397,925.00	253,225.00
Machine substitution for human project with an annual capacity of 700,000 sets of damping products	235,999.98	236,000.00
Automobile composite fiber production project	49,999.98	50,000.00
Auto parts production and industrial automation projects	2,250,000.00	2,123,234.20
Intelligent factory construction project with an annual capacity of 2 million sets of automotive interior trims	55,000.00	55,000.00
Technological transformation project of car roof, carpet assembly and other interior trims with an annual capacity of 1.6 million sets	82,500.00	82,500.00
Production line project with an annual capacity of 300,000 sets of related auto parts	43,399.14	43,399.14
Automobile chassis parts project with an annual capacity of 500,000 sets	51,614.75	51,614.75
Technological transformation project of production line for automobile front and rear axle with annual output of 200,000 sets	189,055.38	189,055.36
Technological transformation project of production line with annual capacity of 300,000 sets of AVS products & chassis	24,344.27	24,344.28
Technological transformation project of production line with annual capacity of 300,000 sets of AVS products & chassis	120,249.34	120,249.38
Production line transformation project of high-performance vibration control system for cars	275,619.04	275,619.00
Production and application technology transformation project of lightweight materials for vehicles	437,499.98	437,500.02
Auxiliary project outside the factory	196,523.24	226,881.18
Relocation project with an annual capacity of 300,000 sets of automotive interior trims	55,296.90	59,637.72
Shenyang Tuopu Auto Parts Base Project	291,666.66	124,999.98
Tuopu Intelligent Mechatronics Industrial Park Project	692,857.14	247,916.66
Production line transformation project of high-performance vibration control system for cars	445,630.56	163,026.74
Technological Transformation Project of Automobile Interior and Exterior Trim Parts	407,733.24	186,418.95
Technological Transformation Project of Automobile Lightweight Control Arms	437,687.58	152,388.85
Technological Transformation Project of Automobile Lightweight Parts Production Line	457,628.16	155,125.29
Wuhan Automobile Fabric Production Line Project	345,358.18	84,035.57

Auto Parts Production Project of Liudong New District	42,139.54	42,139.58
Technological transformation project for the production line of automotive lightweight alloy parts with an annual capacity of 300,000 sets	500,000.04	473,140.02
Technological Transformation Project of Automobile High-Performance Vibration control system	86,190.00	
Lightweight auto parts technological transformation project	93,756.00	
Digital workshop project with an annual capacity of 120,000 sets of intelligent brake systems	190,748.28	
Auto parts production and industrial automation projects	278,215.02	
Production Project of Tuopu Automobile Electronics auto parts	26,379.24	
Passenger vehicle chassis AVS products project with an annual capacity of 500,000 sets	306,818.26	
Baoji Technological Transformation project subsidies		33,333.33
Tax subsidies		1,245,120.75
Special funds for epidemic prevention		20,000.00
Stable employment subsidies	390,070.02	682,915.55
Slope protection project construction subsidies		30,000.00
Statistical funding subsidies granted		6,000.00
Tax incentives		350.23
Subsidies for resumption of work and epidemic response supplies		2,250.00
Social security premium subsidies	897.00	566,466.18
District foreign trade incentives		90,200.00
Patent subsidies		55,000.00
Energy saving subsidies		130,000.00
Subsidies granted from finance bureau		50,000.00
Power grants	1,066,871.59	54,360.00
Subsidies offered for resumption of work and production activities		507,194.00
Capacity increase incentives	450,000.00	
Subsidies for “on-the-job training”	102,000.00	
R&D subsidies	105,502.00	
Total	11,183,175.51	9,330,641.71

68. 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	8,441,193.70	6,747,676.66
Long-term equity investment income measured by equity method		
Investment income from disposal of long-term equity investment		
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		
Income from debt restructuring		
Investment income from wealth management products	4,324,874.65	10,941,545.79
Total	12,766,068.35	17,689,222.45

69. Net exposure hedging income

Applicable Non-applicable

70. Gains from changes in fair value

Applicable Non-applicable

Unit: Yuan Currency: RMB

Sources of income from changes in fair value	Amount incurred in the current period	Amount incurred in previous period
Transactional financial assets	-2,613,733.23	
Including: income from changes in fair value generated by derivative financial instruments		
Transactional financial liabilities		
Investment real estate measured at fair value		
Total	-2,613,733.23	

71. 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	-1,338,732.94	119,653.36
Bad debt loss on accounts receivable	-23,131,411.91	-1,422,975.30
Bad debt loss on other receivables	-1,131,324.02	7,206,340.35
Impairment loss of debt investment		
Impairment loss of other debt investment		
Bad debt loss of long-term receivables		
Impairment loss of contract assets		
Total	-25,601,468.87	5,903,018.41

72. 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	-9,508,691.87	-1,976,118.60
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		
12. Others		
Total	-9,508,691.87	-1,976,118.60

73. 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	-1,258,747.17	-1,048,280.34
Total	-1,258,747.17	-1,048,280.34

Other note:

□Applicable√Non-applicable

74. 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	2,754,867.06	2,708,400.00	2,754,867.06
Compensation income	3,931,684.14		3,931,684.14
Other	118,319.40	65,093.50	118,319.40
Total	6,804,870.60	2,773,493.50	6,804,870.60

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
Import and export project subsidies		1,200,000.00	Income-related
District Foreign Trade Reward		528,400.00	Income-related
High-tech subsidies		700,000.00	Income-related
Industrial transformation and upgrading subsidies		200,000.00	Income-related
Industrial Development Bureau Fund		30,000.00	Income-related

Enterprises Billboard Bonus		50,000.00	Income-related
Special fund subsidies for scientific and technological development	900,000.00		Income-related
"Made in Zhejiang Selected Products" Award	200,000.00		Income-related
Tax refund	410,369.58		Income-related
VAT exempts for veterans and poor households	26,850.00		Income-related
Tax exempt in two years and tax reduced by half in three years	277,722.00		Income-related
VAT additional deduction	65,225.48		Income-related
"Economy Billboard" subsidies	100,000.00		Income-related
Production safety subsidies	10,000.00		Income-related
Invention patent subsidies	4,200.00		Income-related
Technology subsidies	490,500.00		Income-related
Positive incentives for steady growth	20,000.00		Income-related
"Specialized and specific new" SMEs incentives	100,000.00		Income-related
Plant expansion incentives	150,000.00		Income-related
Total	2,754,867.06	2,708,400.00	

Other note:

Applicable Non-applicable

75. 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			
Including: Loss on disposal of fixed assets			
Loss on disposal of intangible assets			
Loss from debt restructuring			
Loss from exchange of non-monetary assets			
External donation			
Special funds for water conservancy construction	28,454.87	44,509.74	
Other	408,306.96	728,755.99	408,306.96
Total	436,761.83	773,265.73	408,306.96

(76. 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	78,718,313.52	49,948,061.03

period		
Deferred income tax expense	2,113,729.28	2,363,643.45
Total	80,832,042.80	52,311,704.48

(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	544,173,863.25
Income tax expense calculated at the statutory/applicable tax rate	81,626,079.49
Impact of different tax rates applied to subsidiaries	-5,786,263.60
Adjusted impact of income tax in prior periods	
Impact of non-taxable income	
Impact of non-deductible costs, expenses and losses	4,992,226.91
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	
Income tax expense	80,832,042.80

Other note:

□Applicable √Non-applicable

77. Other Comprehensive Income

√Applicable □Non-applicable

More details are available in "Note VII. 57. Other comprehensive income"

78. 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	-4,343,921.23	8,074,520.09
Interest income	16,268,492.45	7,272,076.83
Government grants	16,475,895.19	18,667,256.71
Income from compensation and fines	3,931,684.14	
Other	118,319.40	206,533.96
Total	32,450,469.95	34,220,387.59

(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		310,455.18
Transportation expense		56,405,466.66
Storage expense		19,474,853.58
Business hospitality expense	13,082,948.89	7,108,954.78
Repair cost	6,035,707.07	205,042.20

R&D spending	100,200,346.00	61,234,779.69
Travel expense	1,499,822.30	1,245,778.00
Insurance premium	2,281,744.16	2,040,700.64
Office expense	2,620,048.32	1,934,306.52
Vehicle expense	2,836,107.94	2,329,581.99
Service charge	34,418,631.80	26,209,658.82
Intermediary fee	2,185,372.26	2,296,375.51
Packaging fee	96,467.24	413,278.89
Utility bill	1,674,698.17	1,161,219.34
Rent	927,544.88	326,112.10
Other	36,355,360.51	24,234,014.50
Total	204,214,799.54	206,930,578.40

(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

79. Additional information on cash flow statement**(1). Additional information on cash flow statement**

√Applicable □Non-applicable

Additional Information	Unit: Yuan Currency: RMB	
	Amount in the current period	Amount in previous period
1. Reconciliation of net profit to cash flows from operational activities:		
Net profit	463,341,820.45	215,549,761.18
Add: provision for impairment of assets	9,508,691.87	1,976,118.60
Credit impairment provision	25,601,468.87	-5,903,018.41
Depreciation of fixed assets, oil and gas assets, productive biological assets	243,243,181.58	208,556,734.98
Depreciation of right-of-use assets		
Amortization of Intangible Assets	12,405,545.82	10,093,483.56
Amortization of long-term prepaid expenses	22,951,301.82	16,770,882.46
Losses on disposal of fixed assets, intangible assets and other long-term assets (income as in “-”)	1,258,747.17	1,048,280.34
Losses on scrapping of fixed assets (income as in “-”)		
Losses on fair value changes (income as in “-”)	2,613,733.23	
Financial expenses (income as in “-”)	7,745,204.27	11,113,253.95
Losses on investment (income as in “-”)	-12,766,068.35	-17,689,222.45
Decrease on deferred income tax assets (increase as in “-”)	-6,049,708.92	-935,368.31
Increase on deferred income tax liabilities (decrease as in “-”)	5,809,657.58	3,299,011.76
Decrease on inventories (increase as in “-”)	-114,599,125.33	101,550,734.64
Decrease on operational receivables (increase as in “-”)	-717,851,822.93	190,358,408.01
Increase on operational payables (decrease as in “-”)	802,122,250.83	-248,395,492.65
Other		
Net cash flow generated by operating activities	745,334,877.96	487,393,567.66

2. Major investing and financing activities not involving cash receipts and payment:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	1,709,296,801.98	798,996,008.06
Less: opening balance of cash	674,866,422.08	715,182,068.12
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net additions to balance of equivalents	1,034,430,379.90	83,813,939.94

(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	1,709,296,801.98	674,866,422.08
Including: cash on hand	10,329.69	8,899.73
Bank deposits that can be used for payment at any time	1,709,286,472.29	674,857,522.35
Other cash and bank balances 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	1,709,296,801.98	674,866,422.08
Includnig: cash and cash equivalents that are restricted for us by the parent company or subsidiary within the group		

Other note:

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 112,805,901.59 less than the "Cash and bank balances" at the end of the period

as contained in the consolidated balance sheet, because the note margin deposit for security at RMB 112,805,901.59 is not deemed as cash and cash equivalents.

80. 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

81. 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
Cash and bank balances	112,805,901.59	Bank Acceptance Draft Deposit
Notes receivable	350,653,610.60	Pledge
Inventories		
Fixed assets	46,907,530.34	Mortgage
Intangible assets	6,698,677.70	Mortgage
Receivables financing	811,941,024.18	Pledge
Total	1,329,006,744.41	/

82. 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
Cash and bank balances	-	-	134,802,841.82
Including: USD	10,735,701.11	6.4601	69,353,702.74
EUR	171,142.09	7.6862	1,315,432.31
HKD			
AUD	0.56	4.8528	2.72
CAD	869,179.60	5.2097	4,528,164.96
SEK	581,275.41	0.7579	440,548.63
BRL	25,240,456.81	1.3037	32,905,983.54
RM	10,734,828.79	1.5560	16,703,393.60
PLN	5,617,974.79	1.7009	9,555,613.32
Accounts receivable	-	-	398,464,440.61
Including: USD	39,975,089.32	6.4601	258,243,074.52
EUR	3,470,895.04	7.6862	26,677,993.46
HKD			
CAD	19,764,367.57	5.2097	102,966,425.73
BRL	3,389,196.79	1.3037	4,418,495.86
RM	3,935,284.18	1.5560	6,123,302.18
GBP	3,931.20	8.9410	35,148.86
Long-term loans	-	-	
Including: USD			
EUR			
HKD			
Accounts payable	-	-	87,994,808.51
Including: USD	6,550,089.01	6.4601	42,314,230.01

EURO	541,155.32	7.6862	4,159,428.02
CAD	7,408,048.44	5.2097	38,593,709.94
BRL	272,241.82	1.3037	354,921.66
RM	1,374,696.93	1.5560	2,139,028.43
PLN	65,322.41	1.7009	111,106.89
SEK	425,364.24	0.7579	322,383.56

(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; Tuopu Poland sp.z.o.o, currently operating in Poland and with PLN as the functional currenc.

83. Hedging

Applicable Non-applicable

84. Government subsidies

1. General information of government subsidies

Applicable Non-applicable

Category	Amount	Presented Item	Unit: Yuan	Currency: RMB
			Amount included into current profit and loss	
Machine substitution for human project with an annual capacity of 700,000 sets of damping products	4,720,000.00	Deferred income		235,999.98
Automobile composite fiber production project	1,000,000.00	Deferred income		49,999.98
Tuopu Intelligent Mechatronics Industrial Park Project	27,000,000.00	Deferred income		692,857.14
Production line transformation project of high-performance vibration control system for cars	4,409,904.00	Deferred income		275,619.04
Production and application technology transformation project of lightweight materials for vehicles	7,000,000.00	Deferred income		437,499.98
Technological Transformation Project of Automobile High-Performance Vibration control system	8,250,992.00	Deferred income		445,630.56

Technological Transformation Project of Automobile Interior and Exterior Trim Parts	7,794,112.00	Deferred income	407,733.24
Technological Transformation Project of Automobile Lightweight Control Arms	8,085,312.00	Deferred income	437,687.58
Technological Transformation Project of Automobile Lightweight Parts Production Line	8,443,472.00	Deferred income	457,628.16
Technological Transformation Project of Automobile High-Performance Vibration control system	1,723,800.00	Deferred income	86,190.00
Technological transformation project of lightweight auto parts	1,875,120.00	Deferred income	93,756.00
Digital workshop project with an annual capacity of 120,000 sets of intelligent brake systems	4,041,000.00	Deferred income	190,748.28
Auto parts production and industrial automation projects	90,000,000.00	Deferred income	2,250,000.00
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	500,000.04
Technological Transformation Project of Automobile High-Performance Vibration control system	5,564,300.00	Deferred income	278,215.02
Tuopu Automobile Electronics Auto Parts Production Project	7,729,116.00	Deferred income	26,379.24
Shenyang Tuopu Auto Parts Base Project	2,000,000.00	Deferred income	291,666.66
Intelligent factory construction project with an annual capacity of 2 million sets of automotive interior trims	1,100,000.00	Deferred income	55,000.00
Technological transformation project of car roof, carpet assembly and other interior trims with an annual capacity of 1.6 million sets	1,650,000.00	Deferred income	82,500.00
Auto Parts Production Project of Liudong New District	1,510,000.00	Deferred income	42,139.54
Automobile Fabric Production Line Project	4,104,000.00	Deferred income	345,358.18
Pinghu Tuopu Auto Parts Production Project	14,470,000.00	Deferred income	397,925.00
Production line project with an annual capacity of 300,000 sets of related auto parts	1,110,000.00	Deferred income	43,399.14
Automobile chassis parts project with an annual capacity of 500,000 sets	5,032,438.00	Deferred income	51,614.75
Tuopu Chassis Auto Parts Industry Base Project	8,000,000.00	Deferred income	
Auxiliary project outside the factory	7,000,011.00	Deferred income	196,523.24
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 interior trims	965,300.00	Deferred income	55,296.90
Technological transformation project for the production line of automobile front and rear axle with an annual output of 200,000 sets	3,056,045.00	Deferred income	189,055.38
Technological transformation project of AVS products & chassis production line with annual capacity of 300,000 sets	448,715.00	Deferred income	24,344.27

Production line of AVS products & chassis with an annual capacity of 300,000 sets	2,133,330.00	Deferred income	120,249.34
Passenger vehicle chassis AVS products project with an annual capacity of 500,000 sets	6,081,290.00	Deferred income	306,818.26
Capacity increase incentives	450,000.00	Other income	450,000.00
employment retention grants	390,070.02	Other income	390,070.02
Subsidies for “on-the-job training”	102,000.00	Other income	102,000.00
R&D subsidies	105,502.00	Other income	105,502.00
Power grants	1,066,871.59	Other income	1,066,871.59
Social security premium subsidies	897.00	Other income	897.00
Special fund subsidies for scientific and technological development	900,000.00	Non-operating income	900,000.00
"Made in Zhejiang Selected Products" Award	200,000.00	Non-operating income	200,000.00
Tax refund	410,369.58	Non-operating income	410,369.58
VAT exempts for veterans and poor households	26,850.00	Non-operating income	26,850.00
Tax exempt in two years and tax reduced by half in three years	277,722.00	Non-operating income	277,722.00
VAT additional deduction	65,225.48	Non-operating income	65,225.48
"Economy Billboard" subsidies	100,000.00	Non-operating income	100,000.00
Production safety subsidies	10,000.00	Non-operating income	10,000.00
Invention patent subsidies	4,200.00	Non-operating income	4,200.00
Technology subsidies	490,500.00	Non-operating income	490,500.00
Positive incentives for steady growth	20,000.00	Non-operating income	20,000.00
“Specialized and specific new” SMEs incentives	100,000.00	Non-operating income	100,000.00
Plant expansion incentives	150,000.00	Non-operating income	150,000.00
Total	263,168,464.67		13,938,042.57

2. Refund of government subsidies

Applicable Non-applicable

85. 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 note:

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

6 combined entities were added during the reporting period, due to:

The Company incorporated TUOPU POLAND SP.Z.O.O, Huzhou Tuopu Automobile Parts Co., Ltd, Xi'an Tuopu Automobile Parts Co., Ltd, Shanghai Tuopu Automobile Parts Co., Ltd, Tuopu Photovoltaic Technology (Ningbo Beilun) Co., Ltd., and Tuopu Photovoltaic Technology (Ningbo Hangzhou Bay New Area) Co., Ltd., which were included into the scope of consolidation from the date of establishment.

6. Other

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	Business Nature	Percentage of shares held (%)		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	Trading		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 Automotive Electronics	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
Tuopu Poland	Poland	Poland	Manufacturing	100.00		Establishment
Huzhou Tuopu	Huzhou	Huzhou	Manufacturing	100.00		Establishment
Shanghai Tuopu	Shanghai	Shanghai	Manufacturing	100.00		Establishment
i'an Tuopu	Xi'an	Xi'an	Manufacturing	100.00		Establishment
Photovoltaic Technology Beilun	Ningbo	Ningbo	Manufacturing		100.00	Establishment
Photovoltaic Technology Hangzhou Bay	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	3,109,869.44		2,057,754.36

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						期初余额 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	39,671,843.05	3,121,365.58	42,793,208.63	38,593,709.94		38,593,709.94	17,873,744.68	6,467,320.70	24,341,065.38	27,491,819.92		27,491,819.92

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	280,412,603.97	6,346,672.32	6,346,672.32	11,115,861.92	143,869,719.63	-821,466.97	-866,978.43	-1,527,841.01

(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 note:

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	88,352,024.40	210,065,642.81	138,270,376.94	195,623,586.03
Including: cash and cash equivalents	6,134,984.58	66,032,557.54	21,987,735.55	37,219,502.34
Non-current assets	36,874,516.36	35,523,468.77	36,800,692.85	33,719,670.26
Total assets	125,226,540.76	245,589,111.58	175,071,069.79	229,343,256.29
Current liabilities	33,605,109.38	74,773,116.93	49,632,204.32	73,608,535.10
Non-current liabilities				
Total liabilities	33,605,109.38	74,773,116.93	49,632,204.32	73,608,535.10
Minority shareholders' equity				

Equity attributable to shareholders of the parent company	91,621,431.38	170,815,994.65	125,438,865.47	155,734,721.19
Share of net assets calculated at the percentage of shares held	45,810,715.69	85,407,997.33	62,719,432.74	77,867,360.60
Adjusted events	-277,939.83	-2,559,512.71	-143,018.70	-785,497.31
--Goodwill				
--Unrealized profits from internal transactions	-277,939.83	-2,559,512.71	-143,018.70	-785,497.31
-Others				
Book value of equity investment in joint ventures	45,532,775.86	82,848,484.62	62,576,414.04	77,081,863.29
Fair value of equity investment in joint ventures with public offers				
Operating income	63,242,426.20	204,377,100.32	44,353,074.46	179,258,283.48
Financial expenses	81,910.01	-445,129.03	-278,259.13	126,656.79
Income tax expense	1,043,421.81	2,160,269.23	883,012.09	3,525,086.15
Net profit	5,912,723.66	11,533,242.64	5,003,735.18	9,615,010.33
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	5,912,723.66	11,533,242.64	5,003,735.18	9,615,010.33
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	60,695,988.94		74,131,960.92	
Non-current assets	5,669,768.74		6,611,365.37	
Total assets	66,365,757.68		80,743,326.29	
Current liabilities	40,034,510.50		53,467,156.43	
Non-current liabilities				
Total Liabilities	40,034,510.50		53,467,156.43	
Minority shareholders' equity				
Equity attributable to shareholders of the parent company	26,331,247.18		27,276,169.86	
Share of net assets calculated by the percentage of shares held	10,269,186.40		10,637,706.25	

Adjusted events	86,730.40			
--Goodwill				
--Unrealized profits from internal transactions	86,730.40			
--Other				
Book value of equity investment in associates	10,355,916.80		10,637,706.25	
Fair value of equity investment in associates with public offers				
Operating income	34,016,896.86		32,485,456.91	
Net profit	-722,537.06		-1,339,172.95	
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	-722,537.06		-1,339,172.95	
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. Other

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 Cash and bank balances, 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 Cash and bank balances 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 June 30, 2021, 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 7,731,297.45. 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 dollars	Other foreign currencies	Total	US dollars	Other foreign currencies	Total
Cash and bank balances	69,353,702.74	65,449,139.08	134,802,841.82	32,195,685.40	28,698,091.63	60,893,777.03
Accounts receivable	258,243,074.52	140,221,366.09	398,464,440.61	210,244,792.96	112,742,504.75	322,987,297.71
Accounts payable	42,314,230.01	45,680,578.50	87,994,808.51	39,794,482.93	35,476,823.21	75,271,306.14
Total	369,911,007.27	251,351,083.67	621,262,090.94	282,234,961.29	176,917,419.59	459,152,380.88

On June 30, 2021, if all other variables remain the same, if the exchange rate of renminbi 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 22,263,623.70. 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

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
I. Constant measurement at fair value				
(I) Trading Financial Assets	401,276,432.56			401,276,432.56
1. Financial assets at fair value through profit or loss in this period	401,276,432.56			401,276,432.56
(1) Investment in debt instruments				
(2) Investment in equity instrument	1,276,432.56			1,276,432.56
3) Derivative Financial Assets				
(4) Short-term wealth management products	400,000,000.00			400,000,000.00

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			874,151,202.33	874,151,202.33
Total assets constantly measured at fair value	401,276,432.56		874,151,202.33	1,275,427,634.89
(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				
Total amount of liabilities constantly measured at their fair values				
II. Non-continuous fair value measurement				
(1) Held-for-sale assets				
Total assets that are not continuously measured at fair value				

Total liabilities not continuously measured at fair value				
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1. Determination basis for the market price of continuous and non-continuous first-level fair value measurement projects

Applicable Non-applicable

2. 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

3. Continuous and non-sustainable third-level fair value measurement projects, qualitative and quantitative information on valuation techniques and important parameters used

Applicable Non-applicable

4. 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

5. 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

6. Changes in valuation technique in the current period and reasons for the changes

Applicable Non-applicable

7. The fair value of financial assets and financial liabilities not measured at fair value

Applicable Non-applicable

8. Other

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	62.94	62.94

The ultimate controlling party of the Company is Jianshu Wu.

2. Subsidiaries of the Company

More details of the subsidiaries of the Company are available in “Note IX. Equity in Other Entities”.

Applicable Non-applicable

3. Joint ventures and associates of the Company

More details of important joint ventures or associates of the Company are available in “Note IX. Equity in Other Entities”.

Applicable Non-applicable

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 note

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")	A company controlled by the brother-in-law of the officer 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

Gloyel Electrical (Ningbo) Co., Ltd. (hereinafter referred to as "Gloyel Electrical")	Other company controlled by the actual controller of the Company
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Other note:

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

Unit: Yuan Currency: RMB

Related party	Related-party transaction	Amount incurred in the current period	Amount incurred in previous period
Ningbo Hongke	Material	40,937,837.26	27,140,831.80
Ninghai Jinsuoer	Material	6,563,661.02	4,873,697.05
Ninghai Saipu	Material	1,424,042.76	1,101,835.90
Ninghai Jinxin	Material	6,908,172.56	2,414,671.66
Ninghai Zhonghao	Material	7,989,179.29	5,188,217.35
Ninghai Qingqing	Material	2,946,705.13	2,469,393.63
Tuopu Electrical Appliances	Material	793,100.56	571,615.71
Ningbo Borgers	Material	5,159,310.50	4,463,648.28
Gloyel Motor	Material, equipment	13,211,110.14	13,124,686.35
Gloyel Intelligent	Equipment	5,175,221.23	28,318.59
Total		91,108,340.45	61,376,916.32

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.	3,982,471.60	2,100,976.08
Ningbo Borgers	Goods, labor services, et al.	57,294,993.02	49,116,653.23
Antolin Tuopu	Goods, labor services, et al.	3,080,494.76	4,043,360.77
Total		64,357,959.38	55,260,990.08

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	337,500.00	325,000.00
Gloyel Motor	Houses and structures	108,000.00	108,000.00
Total		445,500.00	433,000.00

The Company as tenant:

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
Gloyel Electrical	Houses and structures	3,129,489.91	0.00

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	2,707,471.80	2,646,987.58

(8). Other related-party transactions

□Applicable √Non-applicable

6. Accounts receivable and payable of related parties**(1). Receivables**

√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	23,677,969.25	1,183,898.46	29,293,492.21	1,464,674.61
Accounts receivable	Tuopu Electrical Appliances	2,206,002.44	110,300.12	2,638,160.39	131,908.02
Accounts receivable	Antolin Tuopu	2,083,239.87	104,161.99	2,326,696.22	116,334.81
Other non-current assets	Gloyel Intelligent	31,125,255.00		16,200,000.00	

(2). Payables

√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	1,184,149.75	5,202,246.00
Accounts payable	Ninghai Jinsuoer	4,866,872.90	5,293,108.17
Accounts payable	Ninghai Saipu	1,333,115.40	1,108,699.60
Accounts payable	Ninghai Jinxin	5,495,590.77	5,191,550.61
Accounts payable	Tuopu Electrical Appliances	511,566.94	160,365.20
Accounts payable	Ninghai Zhonghao	7,724,971.72	4,949,234.52
Accounts payable	Ninghai Qingqing	5,223,923.06	2,135,445.47
Accounts payable	Ningbo Hongke	39,169,025.52	35,419,299.60
Accounts payable	Gloyel Motor	6,296,698.16	7,111,998.16

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. Other

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 46,907,530.34 respectively; the original value and net value of land on mortgage is RMB 10,659,462.00 and RMB 6,698,677.70 respectively.

(2) 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 June 30, 2021, 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 46,907,530.34 respectively; the original value and net value of land on mortgage is RMB 10,659,462.00 and RMB 6,698,677.70 respectively.

(3) On 24 June 2021, the Company signed a loan contract with the Export-Import Bank of China Ningbo Branch, with the granted credit line at RMB 150 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 June 30, 2021, 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 46,907,530.34 respectively; the original value and net value of land on mortgage is RMB 10,659,462.00 and RMB 6,698,677.70 respectively.

(4) 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).

(5) 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 June 30, 2021, there were bank acceptance notes in a sum of RMB 563,979,236.34 under pledge and a part of the pledged notes receivable converted into pledged bank deposits in a sum of RMB 74,301,803.59, and the notes payable in a sum of RMB 632,281,039.93 were issued.

(6) 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 June 30, 2021, there were bank acceptance notes in a sum of RMB 350,653,610.60 under pledge and a part of the pledged notes receivable converted into pledged bank deposits in a sum of RMB 35,961,339.23, and the notes payable in a sum of RMB 309,853,212.61 were issued.

(7) 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 June 30, 2021, there were bank acceptance notes in a sum of RMB 228,688,761.20 under pledge, and the notes payable in a sum of RMB 189,953,767.34 were issued.

(8) 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 June 30, 2021, the bank acceptance notes in a sum of RMB 23,140,000.00 were put under pledge and the notes payable in a sum of RMB 15,969,585.96 were issued.

(9) Ningbo Qianhui signed the maximum pledge contract 06001PC20198005 with Bank of Ningbo Ninghai Branch. As of June 30, 2021, there were bank acceptance notes in a sum of RMB 13,633,026.64 under pledge and a part of the pledged notes receivable converted into pledged bank deposits in a sum of RMB 2,542,758.77, and the notes payable in a sum of RMB 15,450,827.54 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

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	1,119,078,106.37
Subtotal within 1 year	1,119,078,106.37
1 to 2 years	154,974,823.30
2-3 years	78,137,018.39
Over 3 years	
3 to 4 years	
4 to 5 years	
Over 5 years	323,215.01
Bad debt provision	-95,215,708.18
Total	1,257,297,454.89

(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	1,352,513,163.07	100.00	95,215,708.18	7.04	1,257,297,454.89	1,965,908,204.74	100.00	124,970,891.78	6.36	1,840,937,312.96
Including:										
Bad debt provision accrued based on aging combinations	1,352,513,163.07	100.00	95,215,708.18	7.04	1,257,297,454.89	1,965,908,204.74	100.00	124,970,891.78	6.36	1,840,937,312.96
Total	1,352,513,163.07	/	95,215,708.18	/	1,257,297,454.89	1,965,908,204.74	/	124,970,891.78	/	1,840,937,312.96

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	1,119,078,106.37	55,953,905.32	5.00
1 to 2 years	154,974,823.30	15,497,482.33	10.00
2 to 3 years	78,137,018.39	23,441,105.52	30.00
3 to 5 years			
Over 5 years	323,215.01	323,215.01	100.00
Total	1,352,513,163.07	95,215,708.18	7.04

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 combination	124,970,891.78		29,755,183.60			95,215,708.18
Total	124,970,891.78		29,755,183.60			95,215,708.18

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	266,499,051.55	19.70	13,324,952.58
No.2	265,819,553.17	19.65	13,290,977.66
No.3	193,165,299.23	14.28	12,177,502.69

Name of Entity	Balance at the End of the Period		
	Accounts Receivable	Proportion in Total Accounts Receivable (%)	Bad Debt Provision
No.4	169,639,799.62	12.54	10,645,624.31
No.5	94,265,738.35	6.97	4,713,286.92
Total	989,389,441.92	73.14	54,152,344.16

(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	37,523,577.06	76,146,034.58
Total	37,523,577.06	76,146,034.58

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-items within 1 year	
Within 1 year	12,120,025.66
Subtotal within 1 year	12,120,025.66
1 to 2 years	9,857,500.00
2-3 years	18,133,500.00
Over 3 years	11,110,881.71
3 to 4 years	
4 to 5 years	
Over 5 years	205,800.00
Bad debt provision	-13,904,130.31
Total	37,523,577.06

(8). Categorized by the nature of fundsApplicable □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	49,415,981.71	84,615,981.71
Petty cash funds	137,500.00	88,700.00
Security deposit	19,250.00	19,250.00
Other	1,854,975.66	1,822,775.68
Total	51,427,707.37	86,546,707.39

(9). Categorized by the nature of fundsApplicable □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	49,415,981.71	84,615,981.71
Petty cash funds	137,500.00	88,700.00
Security deposit	19,250.00	19,250.00
Other	1,854,975.66	1,822,775.68
Total	51,427,707.37	86,546,707.39

(10). Particulars of bad debt provisionApplicable □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, 2021	10,400,672.81			10,400,672.81
Balance of the current period on January 1, 2021				
--Transfer to Phase 2				
--Transfer to Phase 3				
--Transfer to Phase 2				
--Transfer to Phase 1				
Provision made in the current period	3,503,457.50			3,503,457.50
Reversal in the current period				
Charge-off in the current period				
Write-off in the current period				
Other changes				
Balance on June 30, 2021	13,904,130.31			13,904,130.31

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	Charge-of f or write-off	Other Changes	
Accounts receivable with bad debt accrued based on aging portfolio	10,400,672.81	3,503,457.50				13,904,130.31
Total	10,400,672.81	3,503,457.50				13,904,130.31

Bad debt provision in the current period with significant amount of withdrawal or reversal:

Applicable Non-applicable

(12). Particulars of other receivables actually written off in the current period

Applicable Non-applicable

Other note to write-off of receivables:

Applicable Non-applicable

(13). 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	49,415,981.71	1 to 4 years	96.09	13,286,239.03
Liu Hongsong	Other	455,000.00	2 to 4 years	0.88	259,500.00
Li Dongmei	Other	255,800.00	3 to 5 years	0.50	229,800.00
Xu Longhui	Other	183,500.00	1 to 2 years	0.36	16,850.00
Cao Yuzhuo	Other	114,000.00	Within 1 year	0.22	5,700.00
Total	/	50,424,281.71	/	98.05	13,798,089.03

(14). Accounts receivable related to government subsidies

Applicable Non-applicable

(15). Other accounts receivable derecognised due to transfer of financial assets

Applicable Non-applicable

(16). 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	5,334,164,283.08		5,334,164,283.08	3,921,478,960.48		3,921,478,960.48
Investments in joint ventures and associates	138,737,177.28		138,737,177.28	150,295,983.58		150,295,983.58
Total	5,472,901,460.36		5,472,901,460.36	4,071,774,944.06		4,071,774,944.06

(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		
Huzhou Tuopu		10,900,000.00		10,900,000.00		
Wuhan Tuopu	150,000,000.00			150,000,000.00		
Wuhan 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	3,500,000.00	200,000.00		3,700,000.00	
Tuopu Poland		18,000,000.00		18,000,000.00	
Baoji Tuopu	18,980,000.00			18,980,000.00	
Taizhou Tuopu	64,650,000.00	35,350,000.00		100,000,000.00	
Tuopu Automotive Electronics	1,457,800,000.00	665,200,000.00		2,123,000,000.00	
Jinzhong Tuopu	8,000,000.00			8,000,000.00	
Shenzhen Towin	11,300,000.00			11,300,000.00	
Tuopu Brasil	80,776,216.50			80,776,216.50	
Zhejiang Tuowin	571,320,000.00			571,320,000.00	
Sichuan Maigao	290,000,000.00			290,000,000.00	
Hunan Tuopu	50,000,000.00	111,000,000.00		161,000,000.00	
Tuopu USA, LLC	35,091,204.56			35,091,204.56	
Tuopu Chassis	107,500,000.00	104,800,000.00		212,300,000.00	
Tuopu Thermal Management	33,000,000.00	467,235,322.60		500,235,322.60	
Total	3,921,478,960.48	1,412,685,322.60		5,334,164,283.08	

(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		
I. Joint ventures											
Tuopu Electrical	62,576,414.03			2,956,361.83			20,000,000.00			45,532,775.86	

Appliances										
Ningbo Borgers	77,081,863.30			5,766,621.32					82,848,484.62	
Subtotal	139,658,277.33			8,722,983.15			20,000,000.00		128,381,260.48	
II. Associates										
Antolin Tuopu	10,637,706.25			-281,789.45					10,355,916.80	
Subtotal	10,637,706.25			-281,789.45					10,355,916.80	
Total	150,295,983.58			8,441,193.70			20,000,000.00		138,737,177.28	

Other Notes:

Applicable Non-applicable

4. 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 business operations	2,608,935,777.52	2,065,485,916.16	1,453,977,894.42	1,083,822,438.24
Other business operations	142,236,128.59	89,618,093.50	77,192,139.44	52,948,726.36
Total	2,751,171,906.11	2,155,104,009.66	1,531,170,033.86	1,136,771,164.60

(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		110,000,000.00
Long-term equity investment income measured by equity method	8,441,193.70	6,747,676.66
Investment income from disposal of long-term equity investment		
Investment income of trading financial assets during the holding period	4,324,874.65	10,941,545.79
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		
Total	12,766,068.35	127,689,222.45

6. Others

Applicable Non-applicable

XVIII. Additional Information**1. Current non-recurring profit and loss schedule**

√Applicable □Non-applicable

Unit: Yuan Currency: RMB

Item	Amount	Note
Gains and losses from disposal of non-current assets	-1,258,747.17	
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	13,938,042.57	附注十、七、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 loss 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	1,711,141.42	
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	3,641,696.58	
Other gains and losses items that fit the definition of non-recurring gains and losses		

Impact of income tax	-2,962,928.98	
Impact of minority equity	-56,934.88	
Total	15,012,269.54	

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	4.81	0.42	0.42
Net profit attributable to common shareholders of the Company after deducting non-recurring gains and losses	4.65	0.41	0.41

3. Differences between international and Chinese accounting standards

Applicable Non-applicable

4. Others

Applicable Non-applicable

Chairman: Jianshu Wu

Date of Submission to Board of Directors: August 19th, 2021

Revisions

Applicable Non-applicable