



2021 ANNUAL REPORT

AIMA TECHNOLOGY GROUP CO., LTD.

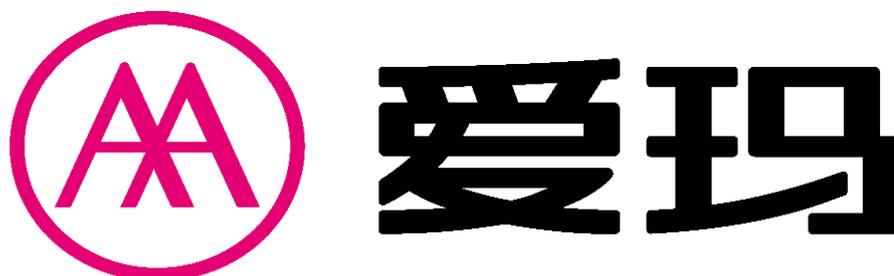
Abbreviation: AIMA Technology

Stock code: 603529



Stock Code:603529

Abbreviation: Aima Technology



AIMA TECHNOLOGY GROUP CO., LTD.
2021 Annual Report

Letter to Shareholders

Dear Shareholders:

In 1999, Ms. Duan Hua and I jointly founded Taimei Bicycle Business, former Aima Technology. Its growth over 20 years can be described with three major phases: (1) transformation from trading to manufacture (1999-2004), and from wholesale and retail of bicycles to production and management of bicycles; (2) transformation from bicycle to electric vehicle (2004-2019), and from production and management of bicycles to development and manufacture of electric two-wheel vehicles with self-owned brands; (3) transformation from R&D and manufacture of electric two-wheel vehicle to digital and smart technological company (2019 to date). The Company continues to promote change & transformation, and is committed to becoming the world's leading platform-based technology company that provides green and convenient travel solutions. The year 2021 is the first year after Aima Technology was public-listed, and is also the milestone year in its development history, and will start the new development era of Aima Technology.

Electric two-wheel vehicle is important short-distance transportation and production tool for Chinese residents. This industry originated, grew rapidly, and became flourishing in China. A complete industry chain has been formed and relevant products are entering international market after two-decade's development. In the past year, the Company, strategically, has deeply developed the market by adhering to its strategic objective to focus on two-wheel vehicles, expand on multi-wheel vehicles, build around travel, and continue transformation; and also adhering to the strategic axis of "Customer-Centricity, Outstanding Products, Market Cultivation, and Diligent Operations". The Company has firmly progressed in the transformation to becoming a digital and smart technological company. During last year the Company closely cooperated with its suppliers, dealers, staff and stakeholders to build the value chain and sustainable industrial ecosystem, and jointly overcome the adverse impact of COVID-19. Operationally, the Company has made great efforts in improvement of product power, channel capacity and capability, brand power, technological power, productivity, operational capacity, and achieved significant financial performance. In 2021, the Company recorded revenue of RMB 15,398,710,870.72, representing a year-on-year increase of 19.33%, net profit of RMB 667,721,279.19, representing a year-on-year increase of 9.49%, and the profit attributable to owners of the parent of RMB 663,998,092.90, representing a year-on-year increase of 10.94%. As of 31 December 2021, the total assets of the Company were RMB 13,396,944,911.18, an increase of 40.16%, and the net assets attributable to owners of the parent of RMB 4,974,827,390.92, an increase of 89.17% compared with the end of last year.

Differentiation, high-end orientation, intelligence and internationalization will be the development trend of future electric two-wheel vehicle industry. Smart technology and networking technology will become the public technologies of the industry. The Company will monitor industry trend; catch industry opportunity; answer to user's demand; lead innovative development; enhance research, development and application of new technologies, new materials and new processes; continually promote marketing, manufacture, decision-making, management and coordination with digital and smart technologies, and achieve its overall empowerment in all aspects.

Based on the operating performance and overall financial condition of the Company in 2021, the board of directors has proposed the profit distribution plan and capitalization of capital reserves for the year 2021, taking into consideration of the Company's future business development and reasonable return to shareholders. The Company will distribute a cash dividend of RMB 5.00 (tax included) and issue 4 shares converted by capital reserve, for every 10 shares held by all shareholders of the Company before 30 June 2022, based on the total share capital on the registration date. This plan has been submitted to 2021 annual general meeting for consideration and approval.

We respect the market, respond to our customers, and reward our shareholders. The Company's excellent performance is the best return to shareholders, employees and the public. We insist on creating long-term value for our shareholders, just like we uphold the belief that "Customer-Centricity". We are so grateful of all shareholders for the long journey we have taken together, and I thank you all for the long-lasting support and trust! Aima Technology will cooperate with our shareholders, stick to our core business values, i.e. Customer-Centricity, Hard-Working, Honesty & Integrity, and Openness & Innovation. We will continually develop our main business and strive to become the leader in providing green and convenient transportation solutions for the world.

I hereby express my gratitude for the staff and management of the Company because it is the teamwork and solidarity of everyone that drives the progress. Those areas of progress are also inseparable from the long-term support and acceptance from our shareholders, customers and suppliers, to whom I also owed a big appreciation!

Chairman of the Board:



April 15, 2022

Important Notice

I. The Board of Directors (the “Board”), the Board of Supervisors, the directors, the supervisors and senior executives of the Company warrant that there are no false representations or misleading statements contained in, or material omissions from, this report; and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report.

II. All members of the Board attended the Board Meeting.

III. Ernst & Young Hua Ming LLP audited and issued a standard unqualified opinion on the annual financial statements of the Company.

IV. Zhang Jian, representative of the Company, Zheng Hui, person in charge of accounting operation, and head of Accounting Department, make representations in respect of the truthfulness, accuracy and completeness of the financial statements contained in the annual report.

V. Proposal for profit distribution and proposal for the capitalization of capital reserve during the reporting period approved by the Board

Upon the audit by Ernst & Young Hua Ming LLP, the Company recorded the profit attributable to owners of the parent of RMB 663,998,092.90, and the parent company recorded the net profit of RMB 467,275,778.15 in 2021. By 31 December 2021, the undistributed accumulated profit of the Company amounted to RMB 1,547,164,343.56. Pursuant to the resolution at the 25th meeting of the fourth session of the Board, the Company intends to take the total shares on the registration date as the basis to execute the profit distribution and capitalization of capital reserve in year 2021 as below:

1. The Company intends to distribute a cash dividend of RMB 5.00 (tax included) per 10 shares to all shareholders. Based on the total share capital of 410,440,003 shares of the Company so far, the cash dividend to be distributed as above will be RMB 205,220,001.50 in total (tax included). The cash dividend of the Company in this year accounts for 30.91% in the net profit attributable to common shareholders of the Company. After the profit distribution, the remaining balance of undistributed profit will be accumulated for further distribution in the years to come.

2. The Company intends to issue 4 shares converted by capital reserve, per 10 shares to all shareholders. Based on the total share capital of 410,440,003 shares of the Company so far, the total shares of the Company will increase to 574,616,004 shares after this conversion (the total share capital of the Company is based on the final registration result of China Securities Depository and Clearing Corporation Limited Shanghai Branch, in case of the rounding differences if any).

Before the equity registration date of equity distribution, if the total equity of the Company changes due to equity-based incentives, repurchase and cancellation of shares granted by equity-based incentives and other matters, the Company intends to maintain the ratio of distribution and conversion unchanged, and correspondingly adjust the amount of profit distribution and capital reserve capitalization. This matter needs to be submitted to the 2021 annual general meeting of the Company for consideration.

VI. Risk relating to forward-looking statements

Applicable Not applicable

The future plan, development strategy and other forward-looking statements contained in the report do not constitute any substantive commitments to investors of the Company. Investors should be fully aware of the relevant risks and the difference among plan, forecast and commitments, and pay attention to investment risk.

VII. Whether controlling shareholder and its affiliated parties occupy fund on a non-operating purpose

No

VIII. Whether there was any violation of regulations, decisions or procedures in relation to provisions of external guarantees

No

IX. Whether over half of board members cannot guarantee the truthfulness, accuracy and completeness of the annual report declared by the Company

No

X. Significant risk notice

In the reporting period, there was no significant risk with material impact on the production and management of the Company. The Company had described in details relevant risks that may face in the course of production and operation in the report. Please refer to Section 3, VI. (IV)Possible risks.

XI. Other

Applicable Not applicable

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Documents Available for Reference	(I) Full text and Abstract of the Company's Annual Report signed by the legal representative of the Company and stamped by the Company;
	(II) Financial statements signed by the legal representative, the Financial Controller, and the head of the accounting department (accounting supervisor) and stamped by the Company;
	(III) The originals of all the Company's documents and announcements disclosed on newspapers designed by China Securities Regulatory Commission during the reporting period.

Section 1 Definition

I. Definition

In this report, unless otherwise stated in the context, the following terms have the following meanings:

Definition of common terms		
Aima Technology /Aima /Company/the Company /the Group /Aima Group	refers to	Aima Technology Group Co., LTD.
Changxing Dingai	refers to	Changxing Dingai Investment Management Partnership (Limited Partnership)
Guangdong Aima	refers to	Guangdong Aima Vehicle Technology Co., Ltd, a subsidiary of Aima Technology
Jiangsu Aima	refers to	Jiangsu Aima Vehicle Technology Co., Ltd, a subsidiary of Aima Technology
Aima Nanfang	refers to	Aima Nanfang Co., Ltd., a subsidiary of Aima Technology
Tianjin Aima/Tianjin Vehicle	refers to	Tianjin Aima Vehicle Technology Co., Ltd., a subsidiary of Aima Technology
Zhejiang Aima	refers to	Zhejiang Aima Vehicle Technology Co., Ltd., a subsidiary of Aima Technology
Henan Aima	refers to	Henan Aima Vehicle Co., Ltd., a subsidiary of Aima Technology
Aima Sports/Tianjin Sports	refers to	Tianjin Aima Sports Goods Co., Ltd., a subsidiary of Aima Technology
Guangxi Aima	refers to	Guangxi Aima Vehicle Co., Ltd., a subsidiary of Aima Technology
Tianjin Suiwanwan	refers to	Tianjin Suiwanwan Cultural Communication Co., Ltd., a subsidiary of Aima Technology
Tianjin Jinge	refers to	Tianjin Jinge Industrial Design Co., Ltd., a subsidiary of Aima Technology
Xiaopa Electric Technology /Xiaopa Technology	refers to	Xiaopa Electric Technology (Shanghai) Co., Ltd., a subsidiary of Aima Technology
Wuxi Zhuoyue	refers to	Wuxi Zhuoyue Industrial Design Co., Ltd., a subsidiary transferred by Aima Technology in the period of report
Sichuan Aima Technology	refers to	Sichuan Aima Technology., Ltd., a subsidiary of Aima Technology
Aima Share	refers to	Tianjin Aima Share Technology Services Co., Ltd., a subsidiary of Aima Technology
Xiaoma Network	refers to	Tianjin Xiaoma Network Technology Co., Ltd., a subsidiary of Aima Technology
Tianjin Tianli	refers to	Tianjin Tianli Electric Bicycle Co., Ltd., a subsidiary of Aima Technology
Chongqing Aima	refers to	Aima Technology (Chongqing) Co., Ltd., a subsidiary of Aima Technology
Hainan Aima	refers to	Aima Technology (Hainan) Co., Ltd., a subsidiary of Aima Technology
Chongqing Vehicle	refers to	Chongqing Aima Vehicle Technology Co., Ltd., a subsidiary of Aima Technology
Zhejiang Technology	refers to	Aima Technology (Zhejiang) Co., Ltd., a subsidiary of Aima Technology
Taizhou Aima	refers to	Taizhou Aima Vehicle Manufacture Co., Ltd., a subsidiary of Aima Technology
Ningbo Venture Capital	refers to	Aima Growth Venture Capital (Ningbo) Co., Ltd., a subsidiary of Aima Technology
Shenzhen Zhixing	refers to	Shenzhen Aima Zhixing Technology Co., Ltd., a subsidiary of AIMA TECHNOLOG
Zhejiang Beisite	refers to	Zhejiang Beisite Supply Chain Management Co., Ltd., a subsidiary of Aima Technology
Lishui Vehicle	refers to	Lishui Aima Vehicle Technology Co., Ltd., a subsidiary of Aima Technology
Suoteng Technology	refers to	Suoteng Technology Hong Kong Co., Ltd., a subsidiary of Aima Technology
Tianjin Jiema	refers to	Tianjin Jiema Electric Technology Co., Ltd., a company in which Aima Technology holds shares
Today Sunshine	refers to	Zhejiang Today Sunshine New Energy Vehicle Co., Ltd., a company in which Aima Technology holds shares
Shandong Geling	refers to	Shandong Geling Electric Vehicle Co., Ltd., a company in which Aima Technology holds shares
Taizhou Jinfu	refers to	Taizhou Jinfu Venture Capital Partnership (Limited Partnership), a company in which Aima Technology holds shares
Aidebang	refers to	Shandong Aidebang Intelligent Technology Co., Ltd., a company in which Taizhou Jinfu holds shares

Beijing Zhongzhong	refers to	Beijing Zhongzhong Travel Technology Co., Ltd., a company in which Aima Technology holds shares
CITIC Investment	refers to	CITIC Securities Investment Co., Ltd.
GoldStone Zhiyu	refers to	GoldStone Zhiyu Equity Investment (Hangzhou) Partnership (Limited Partnership)
GoldStone Haofeng	refers to	GoldStone Haofeng Equity Investment (Hangzhou) Partnership (Limited Partnership)
Three Gorges GoldStone	refers to	Three Gorges GoldStone (Shenzhen) Equity Investment Fund Partnership (Limited Partnership)
New National Standard	refers to	GB17761-2018 Safety Technical Specification for Electric Bicycle
CRSC	Refers to	China Securities Regulatory Commission
SSE	refers to	Shanghai Stock Exchange
Company Law	refers to	Company Law of the People's Republic of China
Securities Law	refers to	Securities Law of the People's Republic of China
RMB, RMB'0000	refers to	Expressed in the Chinese currency of RMB Expressed in tens of thousands of RMB
Articles of Association	refers to	Articles of Tianjin Aima Technology Co., Ltd.
Reporting Period	refers to	January 1, 2021 to December 31, 2021
Same period of last year	refers to	January 1, 2020 to December 31, 2020
Electric two-wheel vehicles	refers to	Electric two-wheel vehicles contain "electric bicycles" defined according to the standard Safety Technical Specification for Electric Bicycle (GB17761-2018) and "electric moped" and "electric motorcycle" with two wheels defined according to Technical Terms of Motorcycle and Moped Part 1: Type of Vehicle (GB/T5359.1-2019).
Electric two-wheel motorcycle	refers to	"Electric moped" and "electric motorcycle" with two wheels defined according to Technical Terms of Motorcycle and Moped Part 1: Type of Vehicle (GB/T5359.1-2019).

Section 2 Company Profile and Key Financial Indexes

I. Company's Information

Chinese name	爱玛科技集团股份有限公司
Abbreviation of Chinese name	爱玛科技
English name	Aima Technology Group Co.,Ltd.
Abbreviation of English name	AIMA
Legal representative	Zhang Jian

II. Contact Information

	Board Secretary	Securities Representative
Name	Wang Chunyan	Li Xin, Yang Fei
Address	22/F, Global Financial Center, No. 2 Dagu North Road, Heping District, Tianjin City	22/F, Global Financial Center, No. 2 Dagu North Road, Heping District, Tianjin City
Tel	022-5959 6888	022-5959 6888
Fax	022-5959 9570	022-5959 9570
Email	amkj@aimatech.com	amkj@aimatech.com

III. General Company Information

Registered address	No. 5 Aima Road, South Area, Jinghai Economic Development Area, Tianjin City
Changes of registered address	Not applicable
Office address	No. 5 Aima Road, South Area, Jinghai Economic Development Area, Tianjin City
Zip code	301600
Website	www.aimatech.com
Email	amkj@aimatech.com

IV. Information Disclosure and Place of Preparation

Media and websites where this Report is disclosed	Securities Times, Securities Daily, China Securities Journal, Shanghai Securities News
Stock exchange website where this Report is disclosed	http://www.sse.com.cn
Place where this Report is lodged	The Securities Department of the Company

V. Stock Profile

Stock profile				
Category of stock	Stock exchange	Abbreviation of stock	Stock code	Abbreviation of stock before change
A share	Shanghai Stock Exchange	Aima Technology	603529	Not applicable

VI. Other Relevant Information

Accounting firm engaged by the Company (domestic)	Name	Ernst & Young Hua Ming LLP
	Office address	16/F Ernst & Young Building, Eastern Square, No. 1 Dongchangan Street, Dongcheng District, Beijing City
	Signed by the Accountants	Zhang Jiong, Zhang Bin
Sponsor that exercised supervision over the Company in the Reporting Period	Name	CITIC Securities Co., Ltd.
	Office address	CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing City
	Name of sponsor representative signing	Luan Peiqiang, Qin Guoan
	Period of continual direction and supervision	June 15, 2021 to December 31, 2023

VII. Major Accounting Data and Financial Indexes in Recent Three Years**(I) Major accounting data**

In: Yuan currency: RMB

Major accounting data	2021	2020	Change (%)	2019
Revenue	15,398,710,870.72	12,904,586,099.11	19.33	10,423,830,989.66
Profit attributable to owners of the parent	663,998,092.90	598,524,584.35	10.94	521,528,433.85
Net profit excluding non-recurring gains or losses attributable to owners of the parent	616,214,620.89	513,503,070.76	20.00	509,692,003.38
Net cash flows from operating activities	2,094,187,373.97	1,154,579,844.77	81.38	1,413,660,782.04
	2021 year end	2020 year end	Change (%)	2019 year end
Net assets attributable to owners of the parent	4,974,827,390.92	2,629,761,352.35	89.17	2,033,834,831.94
Total assets	13,396,944,911.18	9,558,496,657.40	40.16	7,832,809,565.53

(II) Major financial indexes

Major financial indexes	2021	2020	Change (%)	2019
Basic earnings per share (RMB/share)	1.79	1.77	1.13	1.54
Diluted earnings per share (RMB/share)	1.79	1.77	1.13	1.54
Basic earning per share excluding non-recurring gains or losses (RMB/share)	1.66	1.52	9.21	1.51
Net return on equity, weighted average (%)	17.46	25.65	Reducing by 8.19 per cent	29.43
Net return on equity excluding non-recurring gains or losses, weighted average (%)	16.31	22.42	Reducing by 6.11 per cent	28.86

Description of major accounting data and financial indexes of the Company within three years before the end of the reporting period

Applicable Not applicable

VIII. Difference of Accounting Data under Domestic and International Accounting Standards

(I) Difference between net profits in the financial report concurrently disclosed according to international accounting standard and accounting standard of China, and difference between net assets attributable to owners of the parent

Applicable Not applicable

(II) Difference between net profits in the financial report concurrently disclosed according to overseas accounting standard and accounting standard of China, and difference between net assets attributable to owners of the parent

Applicable Not applicable

(III) Description of difference between overseas and domestic accounting standards:

Applicable Not applicable

IX. Major Financial Data by Quarter in 2021

In: Yuan currency: RMB

	Q1 (Jan. - Mar.)	Q2 (Apr. - Jun.)	Q3 (Jul. - Sep.)	Q4 (Oct. -Dec.)
Revenue	3,127,600,595.24	4,184,053,599.90	5,201,040,110.24	2,886,016,565.34
Net profit attributable to owners of the parent	151,953,448.66	161,943,817.42	263,769,668.98	86,331,157.84
Net profit excluding non-recurring gains or losses, attributable to owners of the parent	142,276,620.99	157,741,453.10	249,679,534.14	66,517,012.66
Net cash flows from operating activities	201,242,763.42	367,203,056.71	1,962,067,831.98	-436,326,278.14

Description of difference between quarterly data and data of the disclosed periodical report

Applicable Not applicable

X. Non-recurring Gains or Losses Items and Amounts

Applicable Not applicable

In: Yuan currency: RMB

Non-recurring gains or losses	2021	2020	2019
Gains or losses from disposal of non-current assets	-12,713,091.69	-8,941,375.47	-16,490,802.43
Government grants recognised in during profit or loss (excluding those having close relationship with the Company's normal business, conforming to the national policies and regulations and enjoying ongoing fixed amount or quantity according to certain standard)	34,294,933.55	41,825,036.44	9,620,797.77
The investment costs for acquiring subsidiaries, associates and joint ventures were less than the income generated by the fair value of the identifiable net assets of the investee at the time of acquiring the investment	3,497,737.94		
Except for the effective hedging business related to the ordinary business of the Company, changes in fair value of financial assets and financial liabilities held for trading, as well as the return on investment generated from the disposal of financial assets and financial liabilities held for trading and financial assets at fair value through other comprehensive income	9,978,187.68	12,219,498.91	4,354,681.92
Net non-operating income or expenses other than the above items	6,361,478.19	6,780,501.09	4,865,456.21
Other gain or loss in compliance with the definition of non-recurring gain or loss	22,292,050.35	61,478,357.16	13,431,773.83
Less: Amount affected by the income tax	15,927,824.01	28,340,504.54	3,945,476.83
Total	47,783,472.01	85,021,513.59	11,836,430.47

Description on defining the non-recurring gains or losses items listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring gains or losses as recurring profit and loss items

Applicable Not applicable

XI. Items Measured with Fair Value

Applicable Not applicable

In: Yuan currency: RMB

Name of item	Beginning balance	Ending balance	Change	Impact to the profit or loss of current period
Financial assets at fair value through other comprehensive income-receivables financing	194,010,599.36	49,295,422.59	-144,715,176.77	
Financial asset held for trading	458,440,486.16	1,265,981,818.24	807,541,332.08	33,074,371.64
Total	652,451,085.52	1,315,277,240.83	662,826,155.31	33,074,371.64

XII. Other

Applicable Not applicable

Section 3 Discussion and Analysis of the Management

I. Discussion and Analysis on Operation Situation

In the reporting period, with more intensive industry competition, rising cost of raw materials, and other disadvantages, the Company focused on its core business, namely, development and manufacture of electric two-wheel vehicles by adhering to its strategic axis of “Customer-Centricity, Outstanding Products, Market Cultivation, and Diligent Operations”, and executing its strategic directives of transformation to digital and smart technological company. The Company strictly implemented the annual business & operating plan; and achieved good business results.

In the reporting period, the Company recorded revenue of RMB 15,398.71 million, representing a year-on-year increase of 19.33%, the profit attributable to owners of the parent of RMB 664.00 million, representing a year-on-year increase of 10.94%, and the profit excluding non-recurring gains or losses attributable to owners of the parent of RMB 616.21 million, representing a year-on-year increase of 20.00%. The key milestones of the Company in 2021 were described below:

(I) Improvement of product power

1. Implemented forward development idea and developed hot products

The Company's core and base is to meet user needs. To meet that goal, the Company established APDS processes (development processes of AIMA products), which carried out product life-cycle management covering planning, R&D, marketing, end-of-life from market, improved method and tool for scenario simulation and investigation of users' demand, increased relevant inputs, and enhanced success rate of new product development. Based on the deep understanding of the current consumption demand and fashion trend, the Company established “Hot Product Sales Improvement” project team, developed key vehicle types that could accurately meet the demand of a category of consumers by virtue of APDS processes, and utmost enhanced market reputation and sales of the vehicle type with the marketing methods suitable for the vehicle's features and psychology of the consumer group.

With implementation of APDS, the Company strictly met the keypoint requirements in user image description, project planning, synchronous development, cost control, quality control and other processes, and ensured each vehicle model developed as a high-quality product. In the reporting period, the development success rate of new products of the Company was significantly improved, multiple key vehicle models became popular, and different consumers deeply liked them, for example, Air force One aiming for technology & fashion, Nina for retro & modern and XiaoAi for elegance & smartness, etc. In addition, introduction of APDS processes benefited accurate planning and sales increase, and also contributed reduction of operating costs, as well as optimization of SKU, its structure and proportional increase of new products and high-margin products in sales.



Air Force One
Technology & Fashion



Nina
Retro & Modern



XiaoAi
Elegance & Smartness

2. Carried out all-process quality control system to guarantee product quality

In R&D aspect, the Company promoted overall implementation of PLM (product life-cycle management) system on the basis of continual upgrade and optimization of APDS development system, improved management of quality control keypoint in the course of product development, and sufficiently guaranteed quality of product introduced into mass production.

In procurement aspect, the Company continually optimized purchasing management system, improved suppliers qualification, scorecard, performance review, cost comparison, quality control of incoming materials, quality improvement by suppliers, delivery schedule integration with production plan, and achieved the management target of timely delivery, cost control and quality guarantee.

In manufacture aspect, the Company made three business breakthroughs by improvement on quality, efficiency and logistics under the guidance of the strategy of digital and smart manufacture and in consideration of QCD (quality, cost and delivery term) operational indicators. Especially in the production processes, the Company established scientific and restrict keypoint quality control, and used advanced management tools such as all-process real-time quality management system in order to achieve quality stability and consistence.

In quality control aspect, the Company executed the quality standard stricter than national standard. In the reporting period, the Company increased and amended its internal quality standard, added more investment to testing equipment, and obtained sufficient testing data through virtual simulation and physical testing so as to

maintain good and stable quality. Furthermore, the Company improved quality control management efficiency by quality control data standardization and traceability of quality problems.

3. Sufficiently utilized localized marketing function overseas, understood international demand, and developed products that meet demand of overseas users

The Company systemically analyzed the regional characteristics and consumption habits of the major markets in the world, worked out market development plan according to concrete situation. First of all, the Company intends to realize localization of international marketing team in respective markets. In the reporting period, our International Business Department established Micro-Travel Business Center for overseas market, and dispatched marketing teams in North America, Europe, Southeast Asia and other regions. They deeply understood local major segments, and independently developed high-speed electric motorcycles, e-bikes, electric scooters and other products according to the demand of overseas users.



High-speed electric motorcycle



E-bike



Electric scooter

(II) Improvement of channel capacity and capability

1. In the aspect of offline channels, increased quantity of terminals and improved output of single store

The Company insisted on value integration of factory and distributor, took construction of channel as its key point of strategy and established distribution network system with large coverage and high efficiency. We improved the penetration and coverage of products. In terms of channel expansion, on one hand, the Company continued the “channel sinking” strategy. The Company actively extended its channel to city communities and areas of township, and increased numbers of retail stores; on the other hand, the Company established scorecards and dynamic channel management system, and ensured rigorous development of its channel system to “retain winners and retire losers” At the end of reporting period, the Company’s dealership network exceeded 2,000, and retail stores exceeded 20,000. In order to improve output of single store, the Company conducted the empowerment training for dealer’s store managers and sales assistants both online and offline, completed upgrade of digital and smart technology on all-channel marketing, set up digital stores and their new online retail platform, and improved stores operations in all aspects.

2. In the aspect of online channel, multi-platform operation

The Company organized a professional e-commerce operation team, actively carried out digital marketing and entered into e-commerce platforms, such as JD.com, Tmall.com, Suning.com and Pinduoduo.com. The Company also sold goods through live streaming with the platforms such as Tiktok, Kuaishou, and provided diversified, convenient and quick shopping experience by online ordering and offline delivery, together with offline delivery and after-sales service to achieve online and offline coordinated sales.

3. Actively explored establishment of local marketing network abroad

The Company’s International Business Department actively explored international market, and established local marketing network abroad. In the reporting period, the Company strengthened recruitment of talents for international business and construction of functional teams.

(III) Improvement of brand power

1. Improved brand premium with multiple measures

Aima Technology has engaged in two-wheel vehicle industry for more than 20 years, and becomes the company with great popularity and reputation in the industry. With “differentiation” and “high-end” strategy, the Company improved its brand image and brand premium with multi-channel and all-direction strategy, in the meantime widely met customer’s demands.

In the aspect of product development, the Company increased investment in R&D, improved product performance and process design, improved product “quality-touch”, and accelerated brand premium by increasing additional value of product. In the aspect of product structure, the Company reasonably designed product categories according to consumer demand, distinguished product grades, actively controlled the promotion of high-end products, created incentives for dealers to sell more of medium and high-end products, reduced the proportion of low-end products in the product mix, and achieved brand upgrade. In the aspect of upgrade of retail stores, retail stores are the major windows for brand image exhibition. In the reporting period, the Company completed upgrade and reconstruction of stores from decoration standard, store layout, product display and other areas. The store image reflected the theme of “technology and fashion”, improved fashion sense and technological sense of the Company’s brands and products, and provided more comfortable shopping experiences for our customers. In the aspect of marketing, the Company used IP making, scenario empowerment, and embedded commercials within TV drama & entertainment to establish and strengthen

emotional bond between its products and customers, thus end users responded and recognized the brands and products of the Company, which in turn enhanced the “brand tone”.

In the era of “travel in low carbon way” and “competition with best customer service”, two-wheel electric vehicle is one of the major transport tools for consumers. Aima Technology provided personalized, low-carbon, high-end, smart products and services with multi-faceted and multi-level experiences for end-use customers, and enhanced AIMA’s brand reputation and recognition from consumers.

2. Brand construction in the new online traffic era

The Company continually explored brand publicity strategy in the new online traffic era. In the reporting period, the Company purchased commercial advertisements from China Central Television Network (“CCTV”) and other top media, and high-speed railway media. It also attempted offline pilots, such as star-adoring plan (increasing channel delivery), racing-car promotion (improving sale of new products), “spider-web movement” (clearing inventories of obsolete products), cross-border collaboration on content streaming (low-cost marketing), and other market promotion measures. The Company made live-stream activities on new streaming platforms such as Tiktok, Kuaishou and Little Red Book. In addition, The Company insisted on value integration of factory and distributor, established a professional training system, and staffed a business team to improve marketing capacity for dealers who leveraged online streaming, including the matrix setup of live-stream for dealers.

3. Brand polishing strategy

The Company implemented brand polishing strategy for high-end differentiation, including: (1) improvement of R&D capacity to build the foundation framework; the Company believed independent R&D capacity of core technologies involved with cruising mileage, driving safety, smart function played an important role for high-end development and long-term competition; (2) made the capability of product development as the basis for high-end brand. With its great development and innovation capacity, the Company manufactured series products from popular to high-end, developed a matrix of differentiated products by accumulating brand reputation in high-end market; (3) carried out overall high-end marketing plan to improve brand image, including retail store image upgrade, IP marketing, scenario empowerment, embedded commercials within TV drama & entertainment, and etc.

(IV) Improvement of technological power

The Company fully adopted its development strategy of “transformation to technological company” and took R&D as its major measure to improve product performance, competitive advantage and engine of long-term growth. For this particular reason, the Company actively promoted transformation in R&D management and implemented its project manager system; actively brought in experts and R&D employees, and optimized the talent structure of R&D team; the Company had a stronger and more vigorous innovative R & D culture; the Company also established Aima Central Research Institution for concentrating on research of industry core technology, and promoting smart technology and application, including Internet of vehicles consumption software, IOT-linked smart hardware. In the reporting period, the Company applied for 52 invention patents, 123 utility models. The R&D achievements that have been applied included AimaOS smart driving system, new smart lithium battery and etc. The Company intended to further working on the application of smart helmet, hub motor, smart device and others

The Company laid down the ground work and R&D work of core technologies by focusing on user experience and the carbon peak and neutrality targets. The Company achieved major breakthrough in large-power and efficient motor and other fields, established advanced end-to-end development processes, and significantly improved whole vehicle experience by process and standard optimization under user’s demand direction.

The cost control team specially established by the Company effectively reduced production costs in the condition of guaranteeing product quality by improving vehicle body structure design, introducing new materials and new technologies and new processes, and improving existing materials and production processes. In the reporting period, the Company used PP baking & painting and other cost control measures to improve cost-related competitive advantage of the Company.

Besides the above R&D items that can be applied in a short term, the Company also prepared for future development and made technology reserves through research and development. The Company carried out development and application researches with a few of universities and research institutions on storage battery under new energy framework.

(V) Improvement of productivity

1. Manufacture and operation management and cost control

Under three core driving factors including ABS (Aima lean operation system) methodology, talent cultivation and benchmark setup, the Company raised Aima lean production level, improved the “Improvement Week” management mechanism, and established performance and contribution-oriented incentive mechanism. In daily work, the Company implemented the procedures of daily monitoring, continuous improvement, incentivized demonstration, and coded enhancement. The Company took measures to implement overall budget and annual operating plan, optimize production capacity with material supply both in busy and off seasons, improve inventory turnover rate with reduction of long-turnover materials, and control the cost from manufacture, materials and quality assurance.

2. Integration of sales and production, value chain integration and use of more information technologies in manufacture

The Company completed construction of basic framework of information system in all processes of manufacture, upgrade of Supplier Resources Management (“SRM”) system and requirement of data transfer

between manufacture system and SRM. Based on the requirement of integration of sales and production, the Company researched various information technology solutions and designed implementation plans; the Company successfully pushed out online APS (Advanced Programming System), MES (Manufacture Execution System), And on (abnormality management system), QMS (quality management system) and EAM (Enterprise Asset Management System). The Company achieved seamless connection between manufacture system and marketing system, integrated digital value chain, smart management and decision-making system, and formed industry-leading digital and smart standards and best practices. The Company also achieved perfect connection among marketing plan, production management, purchasing management, storage and transportation management, plan releasing, order scheduling, production arrangement, production delivery and material control in the whole process, and resulted in the improvement of manufacture efficiency and product quality.

3. Lean production with vehicle manufacture platform

Based on the opportunities of digital and smart management system and APDS process, the Company established platform, module and data system for new vehicle planning, development, delivery and sales, thus made a great progress in flexibility of vehicle development, development efficiency and cost control. It in turn benefited the responsiveness to consumer demand and market opportunity. In current reporting period, the R&D efficiency of the Company improved by 20%.

(VI) Improvement of operation capacity

1. Human resources

The Company appreciated human capital under the talent management idea of “showing respect for our staff, improving their competence and making them happy”. In the aspect of talent team construction, the Company cultivated the “talent forest” idea by external recruitment and internal training to attract experienced R&D talents and formed “talent forest”; it also conducted on-campus recruitment for graduating students from universities and colleges as its talent reserve. The Company focused on talent cultivation, talent development and manager-trainee program, and established qualification system for professionals and technicians. The Company set up training platform (Aida Course) and released “navigation courses” and “initiation courses” for top management and low-level managers. In 2021 the platform provided innovation TRIZ courses, cross-culture courses, courses for gold medal technicians, operator training courses, courses for gold medal team leaders and courses for craftsmen. In the aspect of remuneration and incentive, the Company continuously optimized the system based on “Fighter Culture” and performance management result. The Company provided equity incentive by issuing restrictive stocks to key members of employees for their personal growth and bondage with the Company.

2. Digital and smart transformation of finance

The Company linked front-end transactions and back-end finance with smart share system in order to realize internal and external connection. All internal business lines and external transaction records were connected; all transactions with external parties were recorded. It significantly improved operation efficiency, quickly responded to customer’s demand, and integrated deep combination of finance, business and tax.

The Company sets up data platform between business and management, removed silos between business systems, and laid foundations for data storage, data management, data use and other digital decision-makings. With the implementation of financial share center, the Company established data platform to integrate its internal and external resources, so as to achieve the following developments: from business end data gathering to financial end processing, overall online analysis, real-time interconnection and automatic and digital development of finance. Besides, the Company achieved cash flow forecast, income forecast, costs and expenses forecast; made business and financial data connected; implemented strategic target; and provided timely, compliant and stable business support for the Company.

The Company established management accounting and data analysis system to provide digital basis for effective decision-making by management. With implementation of digital and smart financial system, the Company systemically improved efficiency and effectiveness in overall budget management, production cost management, capital management, and interpreted the operation result with detailed and accurate financial data and information.

3. Optimization of service system

The Company optimized service system, standardized service content, service process and service timeliness on the digital and smart service platform, and fully improved service quality and consumer experience. The Company also expanded professional service stores and service coverage scope (including scope of region and brand) to meeting user’s demand.

In addition, based on the demand from our customers on the battery charging and replacement demand with safety and convenience, the Company replied upon its long-term channels, capitals and other resources, and explored its service offering on its comprehensive energy supply system.

4. Digital and smart overall empowerment

In the reporting period, the Company continuously invested in the digital and smart field, implemented “361 Digital and Smart Engineering” strategy, and set up multi-layer and multi-field digital and smart management system with advanced management idea and digital and smart technologies. To empower various business fields and improve operation efficiency of whole value chain, the Company achieved in milestones across product development, production process, marketing upgrade, service provision, financial management and other areas.

II. Company's Industry in The Reporting Period

The first electric two-wheel vehicle appeared in China in 1995. After rapid development for more than 20 years, electric two-wheel vehicle became the important transportation and production tools of short-distance travel for Chinese residents.

Before implementation of Chinese New National Standard in 2019, the complete industrial eco-system and broad market condition were formed. The cumulative ownership of electric bicycles in the society has exceeded 250 million sets, and annual average of production and sales quantity maintained some 35 million sets for years, and market competition was intensive and industrial concentration degree was low.

The Chinese New National Standard, released in 2019, regulated research and development, production, sale, distribution and use of electric bicycles, and brought industry new opportunities. Meanwhile, local governments set up different transition periods for implementation of New National Standard. According to the actual situation, it was estimated that the transition period would expire at the end of 2024. After the transition period, the vehicle models, which didn't meet the requirements of New National Standard, would not be allowed to run on roads. The subsequent replacement demand would bring new growth point for market volume. With the compound demands on both organic growth and replacement, the industry entered a new rapid growth period. In this phase, market shares would be further taken by large-scale, leading and brand enterprises, the industry would accelerate optimization, and the degree of market concentration would increase.

Under the macroscopic background of economy transformation, information technology, the carbon peak and neutrality targets and COVID-19 impact, the consumer electric two-wheel vehicles market showed three trends:(1) consumption upgrades and personalized consumer demand; (2) environmental protection awareness by consumers;(3) consumer's pursuit of convenience and smart technology. In addition, due to the increased demand from international markets, electric two-wheel industry, originated, developed and flourished in China, would further penetrate into overseas markets and accelerate its internationalization within the industry. For this reason, the industry would be trending toward differentiation, high-end orientation, intelligence and internationalization. After the transition period of the Chinese New National Standard expires, and the industry would enter a new round of rapid development period, driven by the deep understanding of consumer demand and product customization, continuous implementation of Internet technologies, smart technologies and new energy technologies in electric two-wheel vehicle industry, and the expansion and further growth of global business.

Form Development Stages of Electric Two-wheel Vehicle Industry

Industry development stage	Period	Development characteristics	Industry features and structure
Generation and rapid development	From 1995 to New National Standard taking effect	Rapid development from zero	Many manufacturers, serious product homogenization and fragmented market share
Transition to orderly development	From New National Standard taking effect to expiry of transition period	Market volume increasing Regulatory system improved Industry order meeting specification Market concentration degree improved	Many small enterprises withdraw competition, the market share of head enterprises is being improved, and resources are concentrated to head enterprises
Future and transformed development	From expiry of transition period of New National Standard	From mainly relying on the local the market to combination of local market and overseas market The industry is transformed from manufacture and sale of vehicles to service provision based on users	Industry development shows differential, high-end, smart and international features

III. Description of The Company's Businesses in The Reporting Period

(I) Main business of the Company

The Company was established in 1999 and entered electric two-wheel vehicle industry in 2004, and it was one of the earliest manufacturing enterprises of electric two-wheel vehicles in China. The main business of the Company is development, production and sale of electric bicycle, electric moped and electric motorcycle. With development for years, the Company has high market share and is one of leading enterprises in the electric two-wheel vehicle industry.

(II) Major products of the Company

1. Electric two-wheel vehicles

(1) Classification of products

Classification	Electric bicycle	Electric two-wheel motorcycle	
		Electric moped	Electric motorcycle

Model			
Nature	Non-motor vehicle	Motor vehicle	Motor vehicle
Pedal riding ability	Compulsory requirement	None	None
Highest velocity	≤25km/h	≤50km/h	>50km/h
Whole mass	Shall not exceed 55kg	May exceed 55kg	May exceed 55kg
Voltage of battery	≤48V	No restriction	No restriction
Production qualification	None	With production qualification	With production qualification
Product qualification	3C certification	3C certification and catalogue announcement of the Ministry of Industry and Information Technology	3C certification and catalogue announcement of the Ministry of Industry and Information Technology
Riding qualification	None	Motorcycle driver's license	Motorcycle driver's license

(2) "Engine MAX" series products

In January 2021, the high-end series products of the Company were introduced in the market, the energy control system installed on the series was independently developed by the Company for electric two-wheel energy management system, and its core were SDS smart power system and CES braking energy recovery system independently developed by the Company and granted with invention patent. The energy management system can effectively integrate and significantly improve operation effect of efficient energy accumulation motor, anti-aging graphene battery, low-rolling resistance tire, whole vehicle LED energy saving lamp component and other high-quality accessories, and the technical parameters in energy density, energy depletion and energy recovery had remarkable improvement. In the existing energy framework, energy usage of electric two-wheel vehicle was optimized and the cruising mileage of vehicle and the service life of battery were improved.

The engine series products had been verified for long term in the market in the aspect of cruising mileage, and were widely recognized by customers. Their sales rapidly increased after the product was launched, and the total sales of the Company in 2021 were 1,849,500 sets, 21.33% of total sales volume. The gross profit level of the series was higher than the average gross profit level of the Company. The Company will continually take the engine series products as key products, revamp and upgrade them, optimize their performance by deep research and further strengthen promotion so as to improve the market penetration rate of the series products.

2. Electric tricycle

The electric tricycles in early days were mainly used for short-distance freight transport, and their consumers were residents in rural area and towns. Their functional configuration and appearance design were mainly for meeting freight demand, and their function was simple and vehicle models were few. In recent years, with gradual implementation of urbanization, continuous improvement of people's living standard, rise of economy of middle-aged and old people, and other consumers, the demand to leisure and manned function of electric tricycle was increasing. For this reason, the Company developed electric tricycle for leisure purpose, electric tricycle with canopy, and electric tricycle for freight. The electric tricycle for leisure purpose was more suitable for the following demands of young mothers, middle-aged and old people: leisure travel, pickup of children from and to school, and relevant consumers liked it very much; the electric tricycle with canopy had the function of sheltering from wind and rain, and it referred to the manufacture and assembly technology of car in the aspects of whole vehicle design and manufacture process, and this product had good function and fashion features, and greatly met the demand of comfortable short-distance travel; the electric tricycle for freight was added fashionable elements on the basis of durability, and consumers highly accepted it. In the reporting period, the operating income of electric tricycles of the Company increased by 94.29% year over year.



Electric tricycle for leisure



Electric tricycle with canopy



Electric tricycle for freight

In addition, the Company has also launched bicycles, e-bikes, electric scooters and other products, all of them constitute green traffic tool product system for short and medium distance travel.

(III) Operation model

The Company mainly used distribution model. Under this distribution model, the Company had direct business connections with dealers, who purchased the Company's products without right of return and re-sell them to final consumers. Dealers were the direct customers and also important partners of the Company who sell products, provide services and exhibit brand image to consumers. The Company had established a complete and reasonable management system of dealers, and had formulated detailed rules on admittance, management, training, appraisal and evaluation of dealers. After the Company established cooperative relationship with dealers, the Company provided real-time training to dealers according to management standard of dealers, coordinated dealers in sales planning, market promotion and after-sale service, so as to improve satisfaction of customers and market position of the Company. The Company generally delivered goods after receiving payment, and credit sale was in special situation. Customers generally paid for goods by bank transfer, banker's acceptance bill, letter of credit and etc.

IV. Analysis on Core Competitive Advantages in The Reporting Period

Applicable Not applicable

(I) Product development and innovation based on "technology and fashion"

After development of electric two-wheel vehicles for more than 20 years, homogeneous phenomenon of product was highly general. The Company insisted on "technology and fashion" and took R&D and product innovation as major measures for improving its product competition and realizing long-term development. Based on the demand of users, the Company continuously explored introduction and application of new technologies and new materials, improved the existing production technologies and processes, enhanced performance and additional value of product and acquired leading technological capacity and productivity as guarantee for long-term development of the Company. Meanwhile, the Company was outstanding in fashion innovation, and the Company's products were always the fashion wind vane in vehicle body modeling, paint texture, color matching and other aspects, and owned diversified product development innovation capacity. The Company can provide multiple vehicle models and met the requirements of different consumers to safe riding, fashion and personality. The Company had powerful R&D capacity. By December 31, 2021, the Company owned 13 invention patents, 301 utility model patents and 903 design patents. Many of subsidiaries under the Company had obtained certification of New & Hi-tech Enterprise.

In the aspect of R&D talents, with accumulation for years, the Company owned a research, development and design team with high professional quality, strong development capacity and great industrial influence. Some renowned design companies provided R&D and design support as long-term exclusive strategic partners of the Company.

In the field of fashion design, the Company cooperated with China Fashion Color Association (the authority on color fashion of China) to establish an electric vehicle fashion color R&D base, a leader in the industry, and had acquired various original design achievements including Mai Mini, ICOOL. In addition, the innovative vehicle models independently developed by the Company had received various honors, such as Annual Innovative Vehicle Model, Annual Fashion Vehicle Model issued by Annual Motorcycle Model Selection Organizing Committee of China, MUSE Golden Medal issued by International Design Awards (IAA).

In addition, the Company fully utilized its strength in R&D and technology to promote standardization of industrial technologies. It had organized to compile or participate in drafting 12 national standards and industrial standards, including Technical Requirements of Charger in Electric Bicycle, Motor Performance Testing Methods for Electric Motorcycle and Electric Moped, Safety Requirements of Electric Motorcycle and Electric Moped. Jiangsu AIMA ever obtained the honor title of "Leading Unit in Industrial Standardization" issued by Electric Bicycle Technical Sub-committee of All-China Bicycle Standardization Technical Committee.

(II) Reliable production technologies, leading product quality

The Company always considered technical R&D, stable quality as its development foundation, pursued excellence in the course of production and guaranteed output of high-quality products. The Company used first-class electrophoretic technique for manufacture of vehicle frame. Internal and external double-layer paint spraying provided good packaging of internal frame structure and significantly improved corrosion resistance and durability; acquired advanced CNC pipe bending machines and robot welding machine to guarantee vehicle frame cutting and wedding quality and appearance quality. In the aspect of painting, the Company established

dust-free painting workshop to guarantee painting quality, and took cathode electrophoretic technology to strengthen anti-rusting performance of products; used high-quality paint materials to guarantee anti-aging, anti-corrosive performance of products and maintained products cosmetically beautiful. In the aspect of other core components, the Company cooperated with brand suppliers leading in the industry to ensure stability of operating system of electric two-wheel vehicles. In the aspect of manufacture and inspection of whole vehicle, the Company carried out lean production mode to improve profit and guarantee quality with five-inspection system including first inspection, self-inspection, mutual inspection, sampling and special inspection.

The Company had established fully equipped testing laboratories in the production bases situated in Tianjin, Jiangsu, Guangdong and etc. The Company owned 400 sets of testing devices and equipment, and employed about 30 technicians who had passed ISO/IEC training and obtained qualification certificates. The Company had set up 7 professional laboratories, including whole vehicle performance laboratory, environment laboratory, material analysis laboratory, electronic and electric laboratory, mechanic performance laboratory, core technology laboratory and intelligent laboratory, which owned various testing equipment and powerful technical capacity, and had the testing capacities to electric two-wheel vehicles, electric tricycles and some low-speed electric quadricycle. The Testing Technology Center of the Company (Wuxi Base) had received the certificate from China National Accreditation Service for Conformity Assessment (CNAS). With reference to the product development testing model used in automobile industry, the Company worked out the testing processes highly consistent with APDS product development processes and the Company's production system, and carried out overall testing to parts, system and whole vehicle to ensure product quality.

The Company's products had been sold in the market for years, and the Company had received high-level accreditation and various honors in the aspect of quality, for example, "All-China Quality Benchmark Enterprise" issued by China Association for Quality Inspection, AAA Enterprise Credit Rating Certificate issued by China Urban Transportation Association.

(III) Sales channel system with large coverage and high efficiency

In the aspect of offline channel, the Company actively implemented the brand strategy focusing at consumption demand, grasped the development opportunity of electric two-wheel vehicle market, fully utilized its brand influence to develop dealer channel and formed an offline sales network over China. The Company had achieved economy of scale and rapid growth accordingly. The Company insisted on value integration of factory and dealer, continually improved management rules and system of dealers and attracted excellent dealers that have large share in district/county markets to establish long-term strategic cooperation relationship with the Company. After accumulation for years, the Company had established flat marketing channels in unit of district/county and demonstrated its advantage of wide coverage and high efficiency.

In the aspect of online channel, the Company had set up online channel system on multiple platforms, including Tmall, JD and other major e-commerce platforms, as well as Tiktok, Small Red Book, Kuaishou and other emerging platforms. The Company further provided overall and all-time shopping experience and convenient after-sale services to online customers by virtue of its digital and smart empowerment platform and nationwide service network. In addition, by coordination with the marketing measures of the Company, the online channels played an important role as traffic driver and in new customer acquisition.

(IV) Service network with high quality, high efficiency and high coverage

In the aspect of service network, based on long-term operation, the Company had established a perfect service network, consisting of nationwide service shops, efficient work order distribution system, industrial leading service effect and service content standards, efficient part warehousing and distribution system, examination system based on service satisfaction indicators and professional service team. The outstanding and efficient services of the Company were widely praised by customers and highly accepted by regulatory bodies. All-China Goods After-sale Service Rating Authentication Reviewing Committee determined the Company reaching five-star level in technical support, maintenance service and etc., China Customer Connection Center granted the Company "Customer's Satisfaction Award"; the Company also participated in drafting the industrial self-regulatory service specification After-sale Service Specification for Electric Bicycle, organized to draft After-sale Service Time Effect Specification for Electric Bicycle, which led the standardized development of services in the industry.

(V) Brand influence leading in the industry

The Company took "Technology and Fashion" as its brand strategy and "love, and act at once" as its brand slogan to carry out brand construction in China on the basis of fashionable and high-quality products. With great efforts for years, the brand AIMA received general acceptance and high reputation, and its brand influence led ahead in the industry.

The qualification and honors that the Company had acquired in brand construction included authentication of Famous Trademark of China, recognized as the 1st position for ten consecutive years on the list of China brand influence indexes (C-BPI) in the category of electric bicycles issued by Chnbrand.

(VI) Production and sales volume leading in the industry, with significant scale advantage and cost advantage

The Company became one of leading enterprises in the electric two-wheel vehicle industry of China due to good quality, large distribution system and high brand reputation. Larger scale made the Company to keep closely cooperative relationship with dealers and suppliers. The Company had great bargaining power when it made concentrated procurement to suppliers, beneficial for maintaining stable price of raw materials and obtaining beneficial payment period; while selling goods to dealers, the Company generally used the mode of delivering goods after receipt of payment, and thus possessed very stable cash flow. Furthermore, larger production scale can allow the Company to realize lower cost per single vehicle in production and manufacture.

With the production scale and sales volume increased, the Company had sufficient resources and development strength to improve production processes and technologies, product performance and production efficiency, and this would further enhance scale effect and cost competition advantage. The leading production scale made the Company to achieve efficiency and cost advantage that its competitors were incomparable in market competition.

(VII) Digital and smart management system with full empowerment and efficiency improvement

The Company had started and implemented the “361 digital and smart engineering” strategy to lead digital transformation of the Company. The Company had also built up a digital and smart management system highly consistent with organizational structure and business procedure, and empowered Company in various business fields. The Company had established the digital marketing system based on retail and covering all business processes of marketing, and achieved smooth connection of enterprise marketing system to shop terminals of dealers, so that the coordinated business of dealers can be made online and thus it significantly improved efficiency. Meanwhile, the system data can guide ordering plan of dealers and internal production plan of the Company, and improved accuracy of sales and production plan; the Company had constructed private flow pool of AIMA, and laid foundation for the Company to perform user operation. The Company carried out transformation of intelligent manufacturing, analyzed business plan execution situation through data perspective, and realized data-feeding lean manufacturing. The Company promoted supply and sale integration by smooth system connection concurrently, which remarkably enhanced efficiency. The Company empowered management, realized integration of business and finance, inspected execution of decision with operation data and realizes consistent data collection standards and decision-making based on data. With accurate operation, forward development, lean manufacture, and accurate data supporting operation decision-making, the Company gave quick response and agile treatment to market demand, accurately understood and promptly met users’ demand, and reduced costs and improved benefit by refinement operation. The Company had initially realized overall information technology use, digital operation, smart decision-making and automatic execution.

(VIII) Talent team with high loyalty and professional level

The Company upheld the talent management idea of “showing respect for our staff, improving their competence and making them happy”, established the human resource management system based on talent development and human capital appreciation, including attractive remuneration system, smooth occupational promotion channel, professional talent training system, good employee welfare system and inclusive and creative diversified business culture, so that the Company became the happy platform of contributors, improved professional capacity and quality of staff and cultivated the talent team with high loyalty and professional level, and made them happier.

V. Major Operation Situation in The Reporting Period

In the reporting period, the Company recorded revenue of RMB15,398.71 million, representing a year-on-year increase of 19.33%, the profit attributable to owners of the parent of RMB663.00 million, representing a year-on-year increase of 10.94%, and the profit excluding non-recurring gains or losses attributable to owners of the parent of RMB616.21 million, representing a year-on-year increase of 20.00%. The main reasons were that the Company continuously focused on its core business, i.e. R&D and manufacture of electric two-wheel vehicles, executed annual business and operating plan, continuously improved product power, channel capacity and capability, brand power, technological power, productivity, operation capacity, and achieved good business operations in 2021.

(I) Analysis on main business

1. Analysis on change of relevant items in income statement and cash flow statement

In: Yuan currency: RMB

Items	Amount of the current year	Amount of last year	Change (%)
Revenue	15,398,710,870.72	12,904,586,099.11	19.33
Cost of sales	13,593,606,029.56	11,431,221,982.27	18.92
Selling expenses	550,605,290.98	398,784,858.24	38.07
Administrative expenses	316,594,598.36	265,551,124.65	19.22
Financial expenses	-261,133,668.57	-135,095,939.12	N/A
R&D expenses	404,084,127.91	239,440,162.52	68.76
Net cash flows from operating activities	2,094,187,373.97	1,154,579,844.77	81.38
Net cash flows from investing activities	-2,024,141,754.57	-560,501,674.27	N/A
Net cash flows from financing activities	1,797,930,958.66	370,512,394.73	385.26

The change in revenue was due to that the Company achieved substantial sales growth by focusing on its main business and continually utilizing its brand influence strength.

The change in cost of sales was due to the business expansion, resulting in an increase of the costs accordingly.

The change in selling expenses was due to the enlarged sales team and more marketing investment.

The change in administrative expenses was mainly due to the increased spending of the professional consultation services in the reporting period.

The change in financial expenses was mainly due to the increased interest income generated from the larger

scale of the currency funds.

The change in R&D expenses was due to that the Company expanded its R&D team and enhanced the R&D investment.

The change in net cash flows from operating activities was mainly due to that the sales growth led to more cash received from operating activities compared with last year.

The change in net cash flows from investing activities was mainly due to the difference of low-risk financial products purchased and redeemed by the Company in the reporting period reduced than in last year.

The change in net cash flows from financing activities was mainly due to the Company raised capital by IPO in the reporting period.

Detailed description of major changes of the Company in business type, profit makeup or profit source

Applicable Not applicable

2. Analysis on revenue and cost of sales

Applicable Not applicable

In the reporting period, the Company recorded revenue of RMB 15,398.71 million, representing a year-on-year increase of 19.33%, and cost of sales of RMB 13,593.61 million, representing a year-on-year increase of 18.92%. The gross profit rate of the Company was 11.72%, as the Company achieved performance growth by focusing on its main business, and continually utilizing its brand influence strength.

(1). Sales information of principal operation by industry, products, regions and sales models

In: Yuan currency: RMB

Information of main business by industries

Based on industry	Revenue	Cost of sales	Gross profit margin (%)	Change of revenue compared with last year (%)	Change of cost of sales compared with last year (%)	Change of gross profit margin compared with last year (%)
Railway, ship, aerospace and other transport equipment manufacture industries	15,264,913,767.38	13,491,387,679.85	11.62	19.36	18.99	Increased by 0.27 percentage points

Information of principal operation by products

Product	Revenue	Cost of sales	Gross profit margin (%)	Change of revenue compared with last year (%)	Change of cost of sales compared with last year (%)	Change of gross profit margin compared with last year (%)
Electric bicycles	7,159,540,365.16	6,336,213,579.94	11.50	42.71	41.74	Increased by 0.61 percentage points
Electric two-wheel motorcycles	6,765,559,065.06	5,996,024,990.91	11.37	0.40	0.39	Increased by 0.00 percentage points
Electric tricycles	654,919,354.10	566,701,721.63	13.47	94.29	93.89	Increased by 0.18 percentage points
Bicycles	48,285,658.44	45,487,358.07	5.80	-71.91	-70.03	Decreased by 5.91 percentage points
Sale of parts	636,609,324.62	546,960,029.30	14.08	21.41	21.30	Increased by 0.08 percentage points

Information of principal operation by regions

Region	Revenue	Cost of sales	Gross profit margin (%)	Change of revenue compared with last year (%)	Change of cost of sales compared with last year (%)	Change of gross profit margin compared with last year (%)
Northeast China	376,427,355.52	338,885,915.65	9.97	30.64	31.57	Decreased by 0.63 percentage points
East China	5,741,328,245.71	5,049,164,899.73	12.06	22.17	22.41	Decreased by 0.18 percentage points
North China	2,008,529,559.99	1,760,220,802.16	12.36	28.34	26.84	Increased by 1.04 percentage points
Central China	2,446,408,196.31	2,174,030,088.38	11.13	16.72	18.48	Decreased by 1.32 percentage points

						percentage points
South China	2,284,528,382.10	2,005,468,926.39	12.22	26.36	23.53	Increased by 2.01 percentage points
Southwest China	1,030,223,320.97	925,861,130.70	10.13	29.26	17.52	Increased by 8.97 percentage points
Northwest China	574,744,320.48	498,506,211.31	13.26	-4.85	-4.53	Decreased by 0.30 percentage points
Overseas	172,450,122.38	139,944,395.95	18.85	68.14	80.05	Decreased by 5.37 percentage points
Undetermined region	630,274,263.92	599,305,309.58	4.91	-23.94	-16.96	Increased by 4.91 percentage points

Information of principal operation by sales models

Sales model	Revenue	Cost of sales	Gross profit margin (%)	Change of revenue compared with last year (%)	Change of cost of sales compared with last year (%)	Change of gross profit margin compared with last year (%)
Distribution	14,261,757,463.55	12,573,276,668.47	11.84	21.17	20.15	Increased by 0.74 percentage points
Direct sales	1,003,156,303.83	918,111,011.38	8.48	-1.52	5.10	Decreased by 5.76 percentage points

Description of principal operation by industry, products, regions, sales models

1. Description of revenue and cost of sales of principal operation by industry: in the reporting period, the Company focused on its main business, continually utilized its brand strength and obtained performance growth. Furthermore, the Company strengthened new product development efforts, optimized product structure and increased the ratio of the newly developed and high-profit products in sale.

2. Description of sales of principal operation by products: in the reporting period, as the main products of the Company, the electric bicycles achieved sound sales performance, and the demand of electric tricycles also showed the trend of rapid increase.

3. Description of sales of principal operation by regions: The Company actively developed its sales channels, and consequently caused the steady growth in the major sales regions.

4. Description of sales of principal operation by sales models: the revenue from direct sales model reduced than last year, because of the decreased orders of sharing bicycles.

(2). Analysis on production and sales volumes

√Applicable □Not applicable

Main product	Unit	Production volume	Sales volume	Inventory	Change of production volume (%)	Change of sales volume (%)	Change of inventory (%)
Electric bicycles	Set	5,112,906	5,018,823	258,510	30	29	82
Electric two-wheel motorcycles	Set	3,337,703	3,331,682	92,057	-4	-6	6
Electric tricycles	Set	211,873	204,510	12,307	61	54	143
Bicycles	Set	112,756	115,352	2,709	-69	-71	-48
Total	Set	8,775,238	8,670,367	365,583	11	9	53

Description of production and sales volumes

At the end of the reporting period, the inventory level of the Company remained stable, with 7-15 turnover days, according to the flexible adjustment based on the purchase order obtained.

(3). Performance situation of major purchasing contracts, major sales contracts

□Applicable √Not applicable

(4). Cost analysis form

In: RMB

Information based on industry						
Industry	Cost components	Consumed in current year	Ratio in total cost in current year (%)	Consumed in last year	Ratio in total cost in last year (%)	Change in consumption (%)

Railway, ship, aerospace and other transport equipment manufacture industries	Direct materials	12,835,977,562.81	95.14	10,700,510,285.79	94.38	19.96
	Direct labor and manufacture expenses	655,410,117.04	4.86	637,314,854.14	5.62	2.84
Total		13,491,387,679.85	100.00	11,337,825,139.93	100.00	18.99
Information based on product						
Product	Cost structure item	Consumed in current year	Ratio in total cost in current year (%)	Consumed in last year	Ratio in total cost in last year (%)	Change in consumption (%)
Electric bicycle	Direct materials	5,936,021,994.54	44.00	4,121,418,810.02	36.35	44.03
	Direct labor and manufacture expenses	400,191,585.40	2.97	338,136,932.96	2.98	18.35
	Sub-total	6,336,213,579.94	46.97	4,459,555,742.98	39.33	42.08
Electric two-wheel motorcycle	Direct materials	5,796,324,564.55	42.96	5,739,523,116.88	50.62	0.99
	Direct labor and manufacture expenses	199,700,426.37	1.48	243,773,225.48	2.15	-18.08
	Sub-total	5,996,024,990.92	44.44	5,983,296,342.36	52.77	0.21
Electric tricycle	Direct materials	515,830,075.38	3.82	258,126,853.58	2.28	99.84
	Direct labor and manufacture expenses	50,871,646.25	0.38	34,158,822.96	0.30	48.93
	Sub-total	566,701,721.63	4.20	292,285,676.54	2.58	93.89
Bicycle	Direct materials	40,840,899.05	0.30	130,521,149.01	1.15	-68.71
	Direct labor and manufacture expenses	4,646,459.02	0.03	21,245,872.73	0.19	-78.13
	Sub-total	45,487,358.07	0.34	151,767,021.74	1.34	-70.03
Sale of parts	Direct materials	546,960,029.29	4.05	450,920,356.31	3.98	21.30
Total		13,491,387,679.85	100.00	11,337,825,139.93	100.00	18.99

Description of other situations in cost analysis

In the reporting period, as affected by price rise of bulk raw materials, the costs of main raw materials showed rising trend, while the overall cost structure of the Company was basically steady.

(5). **Equity change of major subsidiaries in the reporting period caused change of consolidation scope**

Applicable Not applicable

(6). **Major changes of the Company about business, product or service in the reporting period or relevant adjustment situation**

Applicable Not applicable

(7). **Major customers and major suppliers**

A. Information of major customers of the Company

The total sales amount to the top five customers was RMB1,043.04 million, accounting for 6.83% of the annual sales amount. Among the sales to the top five customers, the amount of sales to the related parties was nil, accounting for 0% of the annual sales amount.

In the reporting period, the circumstance that sales ratio to single customer exceeded 50% of total amount, there were new customers in top five customers or it seriously relied on minority customers

Applicable Not applicable

B. Information of major suppliers of the Company

The total purchasing amount from the top five suppliers was RMB 4,399.14 million, accounting for 32.88% of the annual purchasing amount. Among the purchase from the top five suppliers, the amount of purchase from the related parties was nil, accounting for 0% of the annual purchases.

In the reporting period, the circumstance that purchasing ratio from single supplier exceeded 50% of total amount, there were new suppliers in top five suppliers or it seriously relied on minority suppliers

Applicable Not applicable

3. Expenses

Applicable Not applicable

In: RMB

Expense item	Current year	Prior year	Change (%)	Description of change reasons
Selling expenses	550,605,290.98	398,784,858.24	38.07	The enlarged sales team and more marketing investment
Administrative expenses	316,594,598.36	265,551,124.65	19.22	The increased spending of the professional consultation services in the reporting period
Financial expenses	-261,133,668.57	-135,095,939.12	N/A	The increased interest income generated from the larger scale of the currency funds
R&D expenses	404,084,127.91	239,440,162.52	68.76	The Company expanded its R&D team and enhanced the R&D investment

4. Research and development input**(1). R&D input form**

Applicable Not applicable

In: RMB

Research and development input expensed in current period	404,084,127.91
Research and development input capitalized in current period	0
Total of research and development input	404,084,127.91
Ratio of total R&D input in operating income (%)	2.62
Ratio of capitalization of R&D input (%)	0

(2). Information of R&D personnel

Applicable Not applicable

Quantity of R&D personnel of the Company	701
Ratio of R&D personnel in staff of the Company (%)	9.62
Educational structure of R&D personnel	
Category of educational structure	People in educational structure
Doctorate	3
Master degree	24
University	304
Junior college	223
High school and below	147
Age structure of R&D personnel	
Category of age structure	People in age structure
Below 30 (exclusive)	241
30-40 (inclusive 30, exclusive 40)	377
40-50 (inclusive 40, exclusive 50)	67
50-60 (inclusive 50, exclusive 60)	15
Above 60	1

(3). Description of situation

Applicable Not applicable

(4). Reasons of major change about R&D personnel structure and impact on future development of the

Company

Applicable Not applicable

5. Cash flows

Applicable Not applicable

In: RMB

Cash flow item	Current year	Prior year	Change (%)	Description of change reasons
Net cash flows from operating activities	2,094,187,373.97	1,154,579,844.77	81.38	The sales growth led to more cash received from operating activities compared with last year
Net cash flows from investing activities	-2,024,141,754.57	-560,501,674.27	N/A	The difference of low-risk financial products purchased and redeemed by the Company in the reporting period reduced than in last year.
Net cash flows from financing activities	1,797,930,958.66	370,512,394.73	385.26	The Company raised capital by IPO in the reporting period.

(II) Description of major changes of project caused by non-main business

Applicable Not applicable

(III) Analysis on assets and liabilities

Applicable Not applicable

1. Assets and liabilities

In: RMB

Item	Closing balance of current year	Percentage of closing balance of current year in total assets (%)	Closing balance of last year	Percentage of closing balance of last year in total assets (%)	Year-on-year Change (%)	Description of change
Currency funds	2,846,143,310.70	21.24	1,249,120,118.26	13.07	127.85	Note 1
Financial assets held for trading	1,265,981,818.24	9.45	458,440,486.16	4.80	176.15	Note 2
Receivables financing	49,295,422.59	0.37	194,010,599.36	2.03	-74.59	Note 3
Other receivables	150,069,854.58	1.12	85,518,641.96	0.89	75.48	Note 4
Inventories	795,689,208.89	5.94	494,751,269.64	5.18	60.83	Note 5
Other current assets	170,807,953.30	1.27	120,605,121.80	1.26	41.63	Note 6
Current portion of non-current assets			875,045,616.43	9.15	-100.00	Note 7
Long-term equity investment	105,073,280.23	0.78	32,946,576.25	0.34	218.92	Note 8
Construction in progress	114,131,095.16	0.85	47,995,478.09	0.50	137.80	Note 9
Right-of-use assets	41,226,833.58	0.31			N/A	Note 10
Long-term prepaid expenses	29,394,318.63	0.22	11,802,083.24	0.12	149.06	Note 11
Deferred tax assets	88,843,633.31	0.66	56,365,819.88	0.59	57.62	Note 12
Other non-current assets	4,942,771,969.13	36.89	3,402,470,277.28	35.60	45.27	Note 13
Accounts payable	2,132,113,371.54	15.91	1,382,013,472.83	14.46	54.28	Note 14
Receipts in advance	13,125,994.89	0.10			N/A	Note 15
Contract liabilities	483,535,624.57	3.61	318,471,009.89	3.33	51.83	Note 16
Taxes and surcharges payable	58,301,487.57	0.44	25,977,920.73	0.27	124.43	Note 17
Current portion of non-current liabilities	5,923,801.00	0.04			N/A	Note 18
Other current liabilities	39,990,259.74	0.30	12,219,830.60	0.13	227.26	Note 19
Lease liabilities	46,589,311.07	0.35			N/A	Note 20
Deferred income	118,883,340.46	0.89	73,775,195.25	0.77	61.14	Note 21
Deferred tax liabilities	431,224.44	0.0030	8,740.26	0.0001	4,833.77	Note 22

Other notes

Note 1: the increase of currency funds was mainly due to the fund raised by IPO, and the sales growth in the reporting period.

Note 2: the increase of financial assets held for trading were mainly due to two reasons as below. Firstly, the Company acquired the strategic allotted shares issued by Tianneng Battery Group Co., Ltd. in its IPO on STAR market of Shanghai Stock Exchange. Secondly, the Company purchased more low-risk financial products in the reporting period.

Note 3: the declined receivables financing was due to the decreased undue bank acceptance bill held by the Company at the end of reporting period.

Note 4: other receivables increased because of the deposit paid to the suppliers for locking in the purchasing price of lithium batteries when the upstream raw materials were fast rising.

Note 5: inventories increased mainly due to the three reasons as below. Firstly, the business expansion of the Company in the reporting period. Secondly, preparation of finished goods for Chinese New Year vacation and strategic reserve of some materials. Thirdly, the rising prices of the raw materials in the reporting period.

Note 6: the increased other current assets mainly represented the input VAT to be deducted, as the Company purchased more raw materials by the end of the reporting period.

Note 7: the current portion of non-current assets decreased, because the three-year term deposit recorded in this account was due and received in this period, and there was no fixed term deposit would be due within a year by the end of the reporting period.

Note 8: the increased long-term equity investment mainly represented the newly invested associates in the reporting period.

Note 9: construction in progress increased mainly due to the three reasons as below. Firstly, the plant building decoration of Chongqing Aima Vehicle Technology Co., Ltd. was not completed. Secondly, the new information technology system was still under development. Thirdly, the Company purchased more decoration materials for terminal sales stores' renovation, to expand and improve the distribution network.

Note 10: the increased right-of-use assets were due to the adoption of the new lease standard.

Note 11: the increased long-term prepaid expenses were due to the plant building decoration and workshops reconstruction of the Company in the reporting period.

Note 12: the increased deferred tax assets were mainly attributable to the deductible tax losses of some entities.

Note 13: the increased other non-current assets were due to the purchase of three-year term deposit in the reporting period.

Note 14: accounts payable increased mainly due to more raw materials were purchased to meet the production requirements in the business expansion in the reporting period.

Note 15: the increased receipts in advance represented the rental prepayments received at the end of the reporting period.

Note 16: the contract liabilities increased, mainly due to that the distributors prepaid more advance to the Company by the end of the reporting period, to ensure sufficient stock before Chinese New Year vacation.

Note 17: the increased taxes and surcharges payable mainly represented the increasing corporate income tax payable due to the sales growth in the fourth quarter in the reporting period.

Note 18: the increased current portion of non-current liabilities were due to the adoption of the new lease standard.

Note 19: the increased other current liabilities represented the output VAT related to the advance payments from the distributors.

Note 20: the increased lease liabilities were due to the adoption of the new lease standard.

Note 21: the increased deferred income represented the government grants relating to assets received in the reporting period.

Note 22: the increased deferred tax liabilities mainly represented the investment income of undue financial products at the end of the reporting period.

2. Information of overseas assets

Applicable Not applicable

3. Information of main restricted assets at the end of reporting period

Applicable Not applicable

Item	Closing book value	Restriction reason
Financial assets held for trading	390,000,000.00	Pledged for bank credit
Fixed assets	51,854,177.47	Mortgaged for bank credit
Intangible assets	30,632,651.23	Mortgaged for bank credit
Other non-current assets	4,700,000,000.00	Pledged for bank credit
Total	5,172,486,828.70	

4. Other descriptions

Applicable Not applicable

(IV) Analysis on industrial operation information

Applicable Not applicable

(V) Analysis on investment status**Overall analysis on external equity investment**

Applicable Not applicable

See the following “major non-equity investments” and “financial assets measures with fair value” for details.

1. Major equity investments

Applicable Not applicable

2. Major non-equity investments

Applicable Not applicable

(1) Chongqing Base

On August 16, 2021, the Company held the first temporary general meeting of 2021 and discussed and adopted the Proposal on the Company Intends to Sign Project Agreement with the Management Committee of Chongqing Tongliang High-tech Industrial Development Area, and the Company was agreed to invest about RMB 2 billion to build up the project of AIMA Southwest Manufacture Base at Tongliang District, Chongqing City in manner of establishing a holding project company. The total land used for the project was about 1100 mu (Chinese acres), and the land for the first phase of project was about 300 mu. The land was obtained in manner of acquisition, and the government would assist in completion; the land for the second phase was about 800 mu, and obtained through land remising.

ON August 17, 2021, the project company Chongqing Aima Vehicle Industry Technology Co., Ltd. Received the Business License granted by the Market Supervision Administration of Tongliang District, Chongqing City.

On August 23, 2021, Chongqing Vehicle Industry and Zhongke Chuangxun Technology Co., Ltd. Signed the Assets Purchasing Agreement to purchase relevant land use right and houses and buildings for construction of the first phase of Aima Southwest Manufacture Base. In January 2022, the first phase project of Aima Southwest Manufacture Base was formally put on production.

(2) Taizhou Base

On September 3, 2021, the Company held the 21st meeting of the fourth board of directors, discussed and adopted the Proposal on the Company Intends to Sign the Investment Agreement with the People’s Government of Qingtian County, Lishui City, and the Company was agreed to build up the smart electric vehicles and high-speed electric motorcycle project of Taizhou at Huangyan District, Taizhou City in manner of establishing a project company.

On November 4, 2021, the wholly-owned subsidiary of the Company, Taizhou Aima Vehicle Manufacture Co., Ltd., was responsible for all production and management of Taizhou Smart Electric Vehicles and High-speed Electric Motorcycle Project.

In January 2022, the wholly-owned subsidiary of the Company, Taizhou Aima, signed Contract for Transferring the Right to Use State-owned Construction Land with Taizhou Natural Resources and Planning Bureau of Taizhou City.

(3) Lishui Base

On November 15, 2021, the Company held the second temporary general meeting of 2021, discussed and adopted the Proposal on the Company Intends to Sign the Investment Agreement with the People’s Government of Qingtian County, Lishui City, and the Company was agreed to set up a holding project company at Qingtian County, Lishui City to invest for construction of the project of Aima New Energy Smart Transportation Ecological Industry Park.

In the reporting period, the project company set up by a wholly-funded subsidiary of the Company Aima Technology (Chongqing) Co., Ltd. with full investment received the Business License from the Market Supervision Administration of Qingtian County.

3. Financial assets measured at fair value

Applicable Not applicable

On 1 December 2020, in the 12th meeting of the fourth session, the Board considered and approved the “Proposal on Signing the Strategic Allotted Subscription Agreement with Tianneng Battery Group Co., Ltd.”, pursuant to which the Company was agreed to participate in strategic allotted subscription of Tianneng Battery Group Co., Ltd. as a strategic investor with its own capital no more than RMB 100 million, which should be completed in January 2021.

In: RMB’0000, currency: RMB

Category of security	Abbreviation of security	Code of security	Initial investment cost	Shares held at the end of reporting period (10000 shares)	Book value at the end of reporting period	Whether purchased or sold in the reporting period	Investment income in the reporting period	Change of fair value
Share	Tianneng Share	688819.SH	8,399.79	200	8,560.00	Purchasing	120.00	160.21

4. Concrete progress of restructuring and integration of major assets in the reporting period

Applicable Not applicable

(VI) Sale of major assets and equity

□Applicable √Not applicable

(VII) Analysis of major controlling and companies invested by the Company

√Applicable □Not applicable

In: RMB'0000, currency: RMB

Name of company	Control relationship	Main business	Registered capital	Total assets	Net assets	Revenue	Net profit
Henan Aima	Wholly-owned subsidiary	Development, manufacture and sale of electric tricycle	10,000	25,895.36	12,010.07	54,037.31	1,543.70
Guangdong Aima	Wholly-owned subsidiary	Development, manufacture and sale of electric bicycle, electric moped, electric motorcycle	10,000	76,654.04	16,781.83	142,956.64	4,251.90
Zhejiang Aima	Wholly-owned subsidiary	Development, manufacture and sale of electric bicycle, electric moped, electric motorcycle	10,000	72,927.75	16,125.40	136,156.76	4,224.94
Jiangsu Aima	Wholly-owned subsidiary	Development, manufacture and sale of electric bicycle, electric moped, electric motorcycle	44,000	276,744.28	97,420.67	417,481.48	19,311.48
Tianjin Aima	Wholly-owned subsidiary	Development, manufacture and sale of electric bicycle, electric moped, electric motorcycle, electric tricycle	10,000	302,567.71	29,465.99	549,382.36	14,274.02
Guangxi Aima	Wholly-owned subsidiary	Development, manufacture and sale of electric bicycle, electric moped, electric motorcycle	8,000	38,278.75	14,134.91	113,157.66	8,064.43
Chongqing Aima	Wholly-owned subsidiary	Development, manufacture and sale of electric bicycle, electric moped, electric motorcycle	1,000	98,180.23	16,869.15	285,055.56	16,669.15

In the reporting period, net profit realized by the above important wholly-funded subsidiaries came from the sales of major products including electric two-wheel vehicles, electric tricycles. Other subsidiaries and associates of the Company were in normal operation, and their profit and loss situation had little impact to the Company.

(VIII) Information of structured subjects under control of the Company

□Applicable √Not applicable

VI. Discussion and Analysis of The Company on Its Future Development**(I) Industrial structure and trend**

√Applicable □Not applicable

1. Competition situation of industry

With more intensive market competition and implementation of New National Standard, a large number of small-scale and low-efficiency enterprises that don't have product development and technological competitiveness have been eliminated or closed down, and the industry concentration has continued to increase. In view of enterprise features, the industry participants mainly include three categories of enterprises: the enterprises in the first category are nationwide brand enterprises, which have nationwide marketing network, nationwide production layout, independent product development capacity, powerful capital strength and good market reputation. These enterprises generally have significant scale strength and brand influence, pay attention

to product development and technical innovation and own wide user foundation and market recognition; the enterprises in the second category are regional brand enterprises, which have formed unique competition strength in long-term market competition, have certain market strength in specific regions and specific products, and have powerful industry chain integration capacity and market promotion capacity; the enterprises in the third category are newcomers, which start to enter the industry after the electric two-wheel vehicle industry has been mature. By focusing on products for specific users or specific uses, with intelligence and networking technology as the selling point, as they gain a certain market in specific markets and specific uses, they begin to penetrate into the mass consumer market.

Form market competition situation of electric two-wheel vehicles

Market participant	Customer group	Brand influence	Channel	Distribution of manufacture base
Nationwide brand enterprises	Nationwide consumers	With brand popularity in China	Has set up the nationwide marketing network	Select a few of regions with industrial cluster effect in China, establish nationwide manufacture base system
Regional brand enterprises	Local consumers	With brand popularity in a region	With good marketing network at local place	Establish manufacture base at local place
Newcomers	A segmenting consumer group (currently they are mainly high-income people in first-tier and second-tier cities)	With brand popularity mainly in first-tier and second-tier cities	Channels mainly concentrated in first-tier and second-tier cities	Outsource some production processes

2. Industrial drive factors

(1) Policy

The supervision system in the aspect of policy is becoming better, and implementation of New National Standard and other industrial policies regulates development of industry and brings development opportunities for head enterprises.

1) New National Standard

Implementation of New National Standard brings changes in competition order and market volume.

The inspection rules of Old National Standard are divided into three categories, veto items, important items and common items. The electric bicycle, meeting all veto items, at least 15 ones in 18 important items and at least 9 items in 13 common items, are deemed as qualified in inspection conclusion. The New National Standard does not distinguish the inspection rules of electric bicycle, all technical parameters are compulsory requirements, and insists on the nature of non-motor vehicle of electric bicycle in a few of aspects, for example, the highest velocity of vehicle shall not exceed 25km/h, and increases the technical requirement to prevent changing maximum speed.

With implementation of New National Standard, in order to further strengthen transportation safety management, the administrative departments implement transition period management policy for the existing electric bicycles that exceed the standard, and each local government set the transition period. After the transition period expires, the electric bicycles exceeding the standard will not be allowed to run on the road again. Local governments promulgated the management policies for electric bicycles that exceed the standard, and set different transition periods (generally 5 years, i.e. closing before the end of 2024). And also they strictly executed the New National Standard, and the digital and smart transport monitoring equipment and execution tools greatly reduced execution difficulty, therefore, the implementation effect of the New National Standard was good, and the replacement demand increasing every year extended the industry's market volume.

After implementation of the New National Standard, the demand to electric mopeds and electric motorcycles significantly increased, many manufacturers had to pass strict entry examination in order to obtain production and management qualification. In addition, all electric two-wheel vehicles must pass 3C authentication before sale in the market, and the authentication would generate certain expenses. These requirements significantly raised industrial entry barrier and the operating costs of whole vehicle manufacturers, accelerated survival of the fittest in the industry, and had active promotion action for regulating development and competition order of electric two-wheel vehicle industry. In view of implementation effect of New National Standard in recent two years, integration showed acceleration trend in the industry, and the market share would be concentrated to the leading enterprises.

2) Other important industry policies

The industry supervision and administration policies promulgated and implemented in recent years were mainly related to safety (including riding safety and fire safety). Benefiting from digital and smart transportation monitoring equipment and execution tools, execution strength and effect continually increase, safety use of electric two-wheel vehicles and industrial order were strictly regulated from production end, sales end and user end.

The State Taxation Administration, Ministry of Industry and Information Technology, Ministry of Public Security jointly released Measures for the Use of Motor Vehicle Invoices, which was formally implemented in July 2021. Enterprises which manufacture and sell motor vehicles shall issue unified invoices for the motor

vehicles which they have sold according to the principle of “one invoice for one vehicle”, and any electric motorcycle and electric moped not issued with invoice cannot obtain license plate and run on road. The policy of “one invoice for one vehicle” is convenient for after-sale claim of consumers and effectively removes unsymmetrical competition in the industry.

In addition, occurrence of public safety accidents arising from electric two-wheel vehicle on fire catches more social attention in recent years. Execution of the rule “electric vehicles shall not be upstairs” is stricter, safe charging had become the focal point in consumption and an important issue affecting the development of the industry, and generated a huge potential demand market, and also provided room for business expansion and performance growth.

(2) Society

The common view of “low carbon emission and green transport”, worse traffic jam, influence of COVID-19 to commute habit made more users to accept electric two-wheel vehicles.

In recent years, governments of various nations continually improved the policy and law system on low carbon emission, and advocated the concept of green environmental protection, in order to solve greenhouse effect. The common view of “low carbon emission and green transport” made electric two-wheel vehicles accepted by more customers; traffic jam had become worse day by day, many families and individuals who owned car or electric four-wheel vehicles were willing to select electric two-wheel vehicles for medium and short-distance travel because they were flexible and convenient. Considering risk of epidemic infection, many people gave up closed public transportation and in favor of open personal electric vehicle.

(3) Economy

The medium and short-distance travel demand of residents is basic, transport cost advantage makes electric two-wheel vehicle as major selection for medium and short-distance travel; the rise of take-out distribution and other emerging businesses remarkably extend the use scenarios of electric two-wheel vehicles.

With economic development and urbanization progress, the travel radius of residents (including urban and rural residents) continually increases, and the medium and short-distance travel demand is increasing. Compared with other medium and short-distance vehicles, electric two-wheel vehicle has the following advantages: economical, convenient, time-saving and labor-saving, and the transportation cost advantage is even more obvious, this highly meets the demand of residents and it becomes the major selection of residents for medium and short-distance travel. This is the basic drive factor of industry development.

Furthermore, when consumption awareness of residents improves and the “Internet +” service model is becoming mature in China, various door-to-door services have become mainstream of new consumption, take-out services driven under O2O (online/offline) model and express services driven under e-commerce have become the new consumption scenarios of electric two-wheel vehicle, which benefits the expansion of industry capacity.

(4) Technology

In-depth research on the design, technology and process of electric two-wheel vehicles and the continuous application of networking and intelligence jointly drive the technological development of the industry.

Industry technologies are developed mainly in two paths, one is innovation and improvement of the inherent technology system of the industry (including material, process and structure), including performance improvement of core hardware such as battery, application of new environment-friendly materials and new technologies, improvement of vehicle body structure. The other is technical application crossing industries, networking and smart technical application is the R&D field of current important cross-industry technical application. Both of them jointly promote technology development of the industry, improvement of product performance and function expansion, and it is beneficial that the products in the industry obtain wider market recognition. After the leading enterprises with strength in R&D investment acquire economic interest from research and development, they will further increase input in R&D and design, so that it can generate good cycle of R&D - design - manufacture - sale, and promote improvement of industry concentration and whole upgrading of industry.

(5) International demand

Carbon emission reduction is an important strategic consensus formed on a global scale. Under the background of the continuous implementation of “carbon peaking and carbon neutrality” policies in various countries, the international market for electric two-wheel vehicles is showing a growing trend.

Since electric two-wheel vehicle emerged, the domestic market is the major consumption market, but the international market has low demand to electric two-wheel vehicles. Compared with electric two-wheel vehicles, motorcycles and electric assistance products with leisure and fitness function are greatly acceptable by overseas customers. A few of manufacturers in China have a little export business, and they try to build up factories in Southeast Asia /other countries for developing business, but the effect is very little. While environmental protection awareness is being strengthened in the world, many countries promulgate relevant policies for “prohibiting motorcycle” or encouraging “replacing oil with electricity”, and the demand to electric two-wheel vehicles in the international market shows increasing trend, and this provides another huge development space for the industry.

3. Industry development trend

Economic transformation and consumption upgrading, application of networking and smart technologies and rise of international demand under carbon peaking and carbon neutrality will drive electric two-wheel vehicle industry developing to differential, high-end, smart and international direction.

(1) Differentiation

Electric two-wheel vehicles in early days mainly met the short-distance travel demand of the public, and the products focused at riding function and cost performance, they had simple functions and are homogeneous. With improvement of living standard of residents and development of consumption upgrading trend, the consumption demand to electric two-wheel vehicles changes to the direction of quality, function, personality and experience, including color, vehicle model and style (such as business, fashion and sports), cruising mileage, smart interaction, riding comfort, brake safety, stability, etc. In the trend of consumption demand transformation and consumption upgrading, electric two-wheel vehicles will show differential trend, namely, manufacturers carry out precise identification and deep research to segmenting consumption demand, and organize customized production according to different personal demands.

(2) High-end

With more intensive competition in the industry, restructuring of industry order and change of consumption demand, high-end will be the necessary option of electric two-wheel vehicle industry, and is also only way of brand enterprises. High-end trend of the industry includes three aspects: first, product function upgrading and expansion, second, brand re-positioning and extension, third, overall high-end transformation. Overall high-end transformation mainly refers to innovation, evolution and upgrading of the existing industrial pattern under the networking, smart and digital trend.

(3) Smartness

Consumption upgrading and cross-industry technical application provide opportunities for smart development of the industry, including development and application of automatic driving, automatic parking, smart navigation, automatic unlocking, health testing, remote failure diagnosis, anti-theft warning and other smart modules. Especially, new generation people who have been one of the major consumption groups (born after 1990 and 2000) pay more attention to smart unlocking, human-vehicle interconnection and other smart functions. With continual development of Internet of vehicles, smart function is hopeful to be the standard function configuration. At that time, electric two-wheel vehicles will not be limited to be short-distance transport vehicle, and they will become an important part of smart networking media system of residents and the important source of social networking data.

(4) Internationalization

With formation of international common view on carbon emission reduction and understanding of overseas users about green and convenient characteristics of electric two-wheel vehicle, international market faces development opportunity, electric two-wheel vehicle industry will gradually move from domestic market to global market. At present, many domestic manufacturers of China Intensify their efforts to expand the international market. In spite of the obstruction of trade protectionism in the course of internationalization, the unique advantage of electric two-wheel vehicle industry and the international strategy of some leading enterprises will be helpful for electric two-wheel vehicles to enter overseas market, and this will become the important development trend of this industry.

(II) Development strategy of the Company

Applicable Not applicable

The Company will, based on its strategic axis of "Customer-Centricity, Outstanding Products, Market Cultivation, and Diligent Operations" and following its strategic direction of transforming to digital and smart technical company, focus its core business and carry out differential competition. The Company will achieve products smart and high-end by application of Internet of vehicle technologies and development of core hardware and others, and actively develop international market.

(III) Management plan

Applicable Not applicable

1. Product

The Company's core and base was to meet user needs. To meet that goal, constantly improve product forward development processes and develop hot products projects, the Company improves the success rate of product development and the sales contribution rate of best-selling products; continually carries out SKU simplification, platform orientation, standardization and efficient resource utilization; further makes the whole processes of planning, design, development, manufacturing and procurement smooth, solves coordination problem in the course of product development and improves efficiency. The Company continues to optimize and strictly implement the whole-process quality control system, strictly control the key point management of new product quality, increase investment in product testing equipment, and promote the implementation of key component standards to ensure product quality. The Company takes improvement of product service experience as an important strategic measure of improving brand and product competition, adds input to digital and smart service platform and professional service team, improves service quality and accelerates service demand response.

2. Channel

The Company carries out defined management of domestic channels, insists on value integration direction of factories and dealers, continually adds quantity of shops and optimizes dealers and shops management

system and digital and smart management to improve marketing capacity of dealers and single shop output. The Company concurrently adds input to e-commerce platforms and makes more efforts in drawing online attention and development of new customers, so as to promote online and offline collaborative development.

3. Research and Development

The Company continues to implement the R&D project manager system in depth, focuses on the research on the application of the Internet of vehicles technology and the research on the core technology of the industry, and at the same time increases the project investment in the application of the R&D results, to actively promote the transformation of the results.

4. Marketing

The Company continually explores brand publicity strategy in the new online traffic era, improves the marketing capacity of dealers in new flow era and takes adjustment of product structure as marketing point to increase marketing strength of best selling products.

5. Digital and smart project

The Company continues to promote the construction of digital and intelligent projects, empower all business units, and focus on promoting the iterative launch of systems in the three major areas of manufacturing, marketing and information. At the same time, the Company continuously strengthen its ability to "raise data, manage data, and use data", and establishes data-driven management capabilities.

6. Development of international market

The Company increased input, firmly develops international market with localization strategy, focuses on main markets and realizes collaborative development between key OEM customers and independent brand business; actively promotes overseas localization construction and international manufacturing system upgrading, and builds core competitive advantages for the global markets.

7. Human resources

The Company further optimizes the organizational level, clarifies functions and responsibilities, and fully implements the application of performance results in training, recruitment & promotion, incentives, and other areas; strengthens cultivation of technicians, improves training and development system of skilled personnel, and improves professional development path of skilled personnel related to remuneration distribution.

(IV) Potential risks

Applicable Not applicable

1. More intensive competition in the industry

The competition in the electric two-wheel vehicle industry is more intensive increasingly. In recent years, with regulatory development of industry and optimization of competition order, many small enterprises withdraw from the market, and industry competition mainly exists between leading enterprises. This is a new situation. These enterprises continue to reduce sales prices while improving product performance and expanding service coverage, greatly increasing the difficulty of competition. If a manufacturer fails to promptly launch high-cost performance products and offer high-quality services according to market demand, it may lose original competition advantage and industrial position. At present, the Company has maintained a leading position in the industry by virtue of its capabilities of strong product development, technological innovation, excellent cost control and quality management, good brand image and user reputation, nationwide marketing channels and service networks and other competitive advantages. The Company will continually focus on users' demand, carry out differential competition, realize smart and high-end products by application of Internet of vehicles technologies, development of industrial core hardware, improve production efficiency and defined operation through digital and smart upgrading, development and cost reduction and raise its cost competition advantage.

2. Product R&D risks

With the improvement of consumers' consumption awareness and the trend of consumption upgrading becoming more and more obvious, consumers' demand for electric two-wheeled vehicles presents the characteristics of fashion, intelligence and networking, which requires electric two-wheeled vehicle manufacturers to continuously research and predict the trend of consumer demand, continue to carry out product innovation and technology research and development, and launch new models with new shapes and new functions to meet the constantly upgraded consumer needs of users. Failure to meet consumption expectations will have a negative impact on performance. In addition, the R&D of new models requires a certain period of time. If a manufacturer takes the lead in developing similar products and locks the relevant patents, it may put pressure on the R&D of other manufacturers. The Company always regards R&D and product innovation as the main means to enhance its product competitiveness and achieve long-term development. Starting from the needs of users, after years of continuous R&D investment and exploration, it has acquired the relevant capabilities of accurate user demand positioning, excellent technology and innovation, which makes its products popular among consumers. The Company will continue to improve the APDS process with a user-centered R&D strategy, and enhance the Company's technological capabilities to reduce R&D risks.

3. Management risks to dealers

The main sales model of the Company's products is distribution. Dealers are not only the Company's direct customers, but also important windows for the Company to show its brand image and enhance its brand reputation to consumers in its distribution areas. The operating capabilities, risk appetite and willingness to work hard of the dealers have a greater impact on the sales of the Company's products in the relevant distribution areas. If the dealer's operation method and service quality are contrary to the Company's business purpose or the dealer's understanding of the Company's management philosophy deviates, it may have an adverse impact on the Company's business performance and brand image. In this regard, the Company continuously improves

the dealer management system, strictly implements the management standards for dealer access, training, assessment and exit, etc., and establishes a scorecards and dynamic channel management system to “retain winners and retire losers”, to stimulate the dealer’ working enthusiasm, improve their operation capabilities and ensure the vitality and healthy development of the Company’s channel system.

4. Material price fluctuation risks

The purchase price of raw materials in the industry is affected by factors such as macro trends and industrial policies, and there is the possibility of fluctuations, which increases the difficulty of controlling purchase costs and may have a certain impact on the operating performance of production enterprises. In this regard, the Company has built and will continue to improve a high-quality and efficient supply chain system, set up a special supplier quality management department, and select and integrate global supply chain resources. The Company invested in key parts manufacturers to ensure the safety of the supply of key parts; at the same time, for products with a clear price increase, the Company adopts the method of locking the price in advance and locking the purchase volume to avoid operating risks caused by sharp price increases. The Company has established close strategic cooperative relations with major parts suppliers, which is conducive to achieving sufficient supply of raw materials and stable prices. At the same time, the Company upgrades and optimizes the supply chain platform through the construction of digital intelligence, realizes the deep synergy between the Company’s manufacturing process and the supply chain system, and hedges the cost control pressure caused by rising raw materials with the improvement of production efficiency.

5. Impact of COVID-19 against production and management of the Company

Various measures have been adopted in various places of China to prevent and control the epidemic. However, the repeated outbreak of the new crown epidemic, especially during the period of concentrated outbreaks of COVID-19 cases, the production, material circulation and other business activities of local production enterprises will be negatively affected to varying degrees. The Company’s procurement, production, sales and shipping may be affected. In this regard, the Company gives full play to the advantages of its diversified and flexible supply chain and the network of production bases that radiate across the country, does a good job in normalizing the prevention and control of the pandemic, strengthens flexible stocking and lean production management, and ensure the smooth delivery of procurement, production and sales to reduce COVID-19 impact against the Company to the least.

(V) Other

Applicable Not applicable

VII. Explanation for Non-disclosure in Accordance with The Accounting Standard due to Being Not Applicable to The Provisions of The Standard or State Secret and Business Secrete and Other Special Reasons

Applicable Not applicable

Section 4 Corporate Governance

I. Related Information about Corporate Governance

Applicable Not applicable

The Company is operated strictly in accordance with the Company Law, Securities Law and other laws and regulations, as well as the regulations and rules issued by China Regulatory Securities Committee and relevant requirements of various rules of Shanghai Stock Exchange. Based on its actual situation, the Company has established and improved its corporate governance structure, and actively promoted the optimization of the corporate governance structure to ensure the maximization of the interests of the Company’s shareholders.

The general meeting of shareholders, board of directors, board of supervisors and managers have their respective clear rights and responsibilities, and they perform according to their duties and specifications. Four specialized committees including the Strategy and Development Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee have been set up under the Board of Directors, and each specific committee does its work according to its duties. In 2021, the Company held 4 general meetings of Shareholders, 11 meetings of board of directors and 8 meetings of board of supervisors, reviewing the important matters such as external guarantees, related transactions, external investments and equity incentives. The independent directors of the Company seriously performed duties, expressed independent opinions on relevant matters and practically maintained legal interest of all shareholders in accordance with the requirements of relevant laws and regulations and the Articles of Association. Concurrently, the Company has formulated relevant rules, and continue to amend and improve them, which are effectively executed; The Company has established impartial, transparent performance evaluation standard and incentive and restriction mechanism for senior executives, and has made comprehensive evaluation with reference to the operation targets of the Company and its business units, individual ability and performance examination.

The Company continually improves information disclosure quality according to the provisions of the Articles of Association, Management Method on Information Disclosure and other rules. The Company insists on combination of statutory information disclosure and voluntary information disclosure and ensure that all shareholders and other stakeholders could obtain the Company’s information equally. Since the Company’s listing date and up to December 31, 2021, the Company has disclosed 57 temporary reports, 2 regular reports.

The Company also strictly executed the Insider Registration and Filing System and done well in management of insider information.

The Company attaches importance to management and maintenance of investor relations, and continually improves investor relations management level. After listed, in order to know and properly handle the opinions and proposals of shareholders and investors, the Company communicated with investors in multi-tier and multi-channel manner, including video, telephone, on site, and fully utilized investor hotline, Shanghai Stock Exchange E Interaction Platform to allow investors to understand the operation and management situation of the Company, the Company also organized institutions for investigation several times and attended strategy conferences organized by Securities and Investment Institutes,

Indicate whether there was any material incompliance with the applicable laws and regulations, as well as the CSRC's requirements in corporate governance. If yes, please explain.

Applicable Not applicable

II. Specific Measures Taken by the Controlling Shareholder and Actual Controller to Guarantee the Asset, Personnel, Financial, Organizational and Business Independence of the Company, as well as Solutions, Progress and Subsequent Plans when the Company's Independence Is Intervened

Applicable Not applicable

Since incorporation, the Company has been operating strictly according to the Company Law, Articles of Association and other relevant regulations the Company has established and continues to improve corporate governance structure and is independent of the controlling shareholder, the actual controller and other enterprises under its control in assets, personnel, finance, organization, business, etc. The Company owns complete business system and the ability to operate independently in the market. The concrete situation is as follows:

(I) Intact assets

The Company was changed in whole and incorporated from a limited company, and all businesses, assets, organization, and relevant claims and debts of the limited company at the time of change in whole entered into the joint stock company. The Company has the main production system, auxiliary production system and supporting facilities related to production and management, has independent raw material purchasing and product selling system, legally owns land use rights, workshop, equipment, intangible assets and other assets related to production and management, and has the legal and complete ownership or use right of such assets.

(II) Independent personnel

The Company has set up independent human resource department, and has formulated the rules related to labor, personnel, salary. The general manager, vice general manager, secretary of board of directors, Chief Financial Officer and other senior executives of the Company do not hold positions other than director, supervisor in the controlling shareholder, actual controller of the Company and other enterprises under control thereof, and do not receive salary in the controlling shareholder, actual controller of the Company and other enterprises under control thereof; the financial staff of the Company do not take any part-time job or receive salary in the controlling shareholder, actual controller of the Company and other enterprises under control thereof; the labor, personnel and salary management of the Company is absolutely independent with the controlling shareholder, actual controller of the Company and other enterprises under control thereof. The directors, supervisors and senior executives of the Company generate strictly according to the Company Law, Articles of Association and other relevant rules.

(III) Independent finance

The Company has established a set of independent, complete and normative accounting system and financial management system strictly according to the Accounting Standards for Business Enterprises and relevant rules, and has established relevant internal control rules and independently makes financial decisions. The Company independently opens banking accounts, pays tax, and does not use any joint account with the controlling shareholder, actual controller and other enterprises under control thereof.

(IV) Independent organization

The Company has established and continues to improve corporate governance structure, and its general meeting of shareholders, board of directors, board of supervisors and senior executives perform their respective responsibilities strictly according to the Company Law and Articles of Association; The Company has established the independent organizational structure suitable for its own developmental needs, and has formulated reasonable and complete position duties and internal management rules. Each department independently operates according to the stated responsibilities, has independent operation and office space. There is no situation that the shareholder entities, any other entities or individual interferes with the establishment of the Company's organization, and the Company has no common institution with the controlling shareholder, actual controller and other enterprises under control thereof.

(V) Independent business

The Company owns independent and complete business system including purchasing, production, and sale system, and has the capacity of independently operating its business in market. The Company has independent management decision-making rights, independently organizes its production and management according to operation plans, independently carries out business, which is independent with the controlling shareholder, actual controller and other enterprises under control thereof. The Company does not have horizontal competition or unconscionable related transaction with the controlling shareholder, actual controller and other enterprises under control thereof.

Indicate whether the controlling shareholder, the actual controller, or any entity under their control is engaged in the same or similar business with the Company. Explain the impact of horizontal competition or any significant change to horizontal competition on the Company, solutions taken, progress and subsequent plans.
Applicable Not applicable

III. Introduction to General Meetings of Shareholders

Meeting	Date	Index to disclosed resolutions	Disclosure date	Resolutions
General meeting of 2020	May 17, 2021	N/A	N/A	Reviewed and adopted the Work Report of the Board of Directors of 2020, Work Report of the Board of Supervisors of 2020, Final Financial Report of 2020, Proposal on Reviewing Remuneration Situation of Directors, Supervisors and senior executives in 2020 and Remuneration Program for 2021, Proposal on Estimated Daily Related Transactions in 2021, Proposal on Guarantee Plan of the Company in 2021, Proposal on Use of Idle Self-owned Fund for Cash Management, Profit Distribution Plan of 2020, Proposal on Continuing to Employ Accounting Firm for 2021.
First temporary general meeting of 2021	August 16, 2021	www.sse.com.cn	August 17, 2021	Reviewed and adopted the Proposal on the Company Intends to Sign Project Agreement with the Management Committee of Chongqing Tongliang High-tech Industrial Development Area
Second temporary general meeting of 2021	November 15, 2021	www.sse.com.cn	November 16, 2021	Reviewed and adopted the Proposal on the Company Intends to Sign the Investment Agreement with the People's Government of Qingtian County, Lishui City, Proposal on Amending Articles of Association, Proposal on Amending Rules of Procedure of General Meeting of Shareholders, Proposal on Amending Rules of Procedure of Directors' Meeting, Proposal on Applying for Comprehensive Credit to Bank.
Third temporary general meeting of 2021	December 27, 2021	www.sse.com.cn	December 28, 2021	Reviewed and adopted the Proposal on Restricted Stock Incentive Plan of the Company for 2021 (Draft) and Its Summary, Proposal on Measures for Examination on Implementation of Restricted Stock Incentive Plan of the Company for 2021, Proposal on Requesting General meeting to Authorize Board of Directors to Handle Equity Incentive Matters.

Extraordinary general meetings of shareholders convened at the request of preference shareholders with resumed voting rights:

Applicable Not applicable

Description of general meetings of shareholders

Applicable Not applicable

On May 17, 2021, the Company held the general meeting of shareholders of 2020, reviewed and adopted all proposals. The Company was listed in Shanghai Stock Exchange on June 15, 2021, so it did not publish relevant announcement about the general meeting of shareholders of 2020 on designated website or media.

IV. Situation of Directors, Supervisors and Senior Executives**(I) Shareholding changes and remunerations of incumbent directors, supervisors and senior executives and those who resigned before the end of their tenures during the Reporting Period**

√Applicable □Not applicable

Name	Office title (note)	Gender	Age	Start of tenure	End of tenure	Opening shareholding (share)	Closing shareholding (share)	Change in shareholding in the Reporting Period (share)	Reason for change	In: share	
										Total amount of remuneration pre-tax acquired from the Company in the reporting period (RMB'0000)	Whether acquiring remuneration in the related parties of the Company
Zhang Jian	Chairman of the Board, general manager	M	52	1999/09/27	2022/09/10	282,317,000	282,317,000			186.72	No
Duan Hua	Vice Chairman of the Board, vice GM	F	53	2013/09/13	2022/09/10					186.58	No
Zhang Gege	Director	F	28	2013/09/13	2022/09/10					49.20	No
Peng Wei	Director	M	51	2009/08/26	2022/09/10	3,150,000	3,150,000			34.16	No
Liu Jianxin	Director	M	55	2009/08/26	2022/09/10	3,150,000	3,150,000			0	No
Fang Hao	Director	M	47	2017/11/28	2022/09/10					0	Yes
Wang Aijian	Independent director	F	67	2018/04/16	2022/09/10					8.00	No
Sun Guangliang	Independent director	M	58	2018/01/24	2022/09/10					8.00	No
Xu Haoran	Independent director	M	52	2018/01/24	2022/09/10					8.00	No
Xu Peng	Chairman of board of supervisors	M	32	2016/09/13	2022/09/10					28.76	No
Li Yan	Employee	F	38	2018/05/07	2022/09/10					34.44	No

	supervisor										
Wu Lyubo	Supervisor	M	53	2009/08/26	2022/09/10					0	No
Li Yubao	Vice GM	M	46	2018/01/24	2022/09/10					181.90	No
Wang Chunyan	Vice GM, secretary of board of director	M	42	2018/01/24	2022/09/10					83.70	No
Zheng Hui	Vice GM, Chief Financial Officer	F	40	2021/07/21	2022/09/10					153.08	No
Hu Yupeng	Vice GM	M	42	2020/05/14	2022/09/10					104.57	No
Wang Quanzhang (former)	Vice GM	M	51	2018/01/24	2021/03/22					4.55	No
Hao Hong (former)	Vice GM, Chief Financial Officer	M	43	2013/08/23	2021/07/17					97.52	No
Ren Yong (former)	General manager	M	41	2020/05/14	2021/10/31					139.47	No
Total	/	/	/	/	/	288,617,000	288,617,000		/	1,308.65	/

Name	Main working experience
Zhang Jian	Former executive director of Tianjin Qiyu Interactive Technology Co., Ltd., former director of Tianjin Sanshang Investment Management Co., Ltd. Current Chairman of the Board and general manager of the Company.
Duan Hua	Former vice general manger of Aima Technology. Current vice Chairman of the Board, vice general manger.
Zhang Gege	Former general manager assistant, former secretary of Chairman of the Board of the Company. Current director of the Company, executive director and general manager of Tianjin Suiwanwan, executive partner of Changxin Dingai.
Peng Wei	Former general manager of Tianjin Bond Fushida Electric Vehicle Co., Ltd., former general manager of Aima Sports. Current director of the Company.
Liu Jianxin	Former safety commissioner of the Company, former vice general manager of Tianjin Bond Fushida Electric Vehicle Co., Ltd., former director and general manager of Tianjin Lepuning Packaging Materials Co., Ltd. Current director of the Company, current supervisor of Tianjin Sanshang Investment Management Co., Ltd.
Fang Hao	Former general manager of CITIC Securities Co., Ltd., former executive director and general manager of Qingdao Jinshi Hanna Investment Co., Ltd. Current director and general manager of the Company, current director of China National Gold Group Gold Jewellery Co., Ltd., director of CITIC Industry Investment Fund Management Co., Ltd., director of Zhejiang Huayou New Energy Technology Co., Ltd director of Zhejiang Xingxing Cold Chain Integration Co., Ltd., director of Jupiter Connection Limited, director of Neptune Connection Limited, director of Uranus Connection Limited, director of Pluto Connection Limited, director of CS Regal Holding Limited, director of CSI Capricornus Limited, director of China Investment and Financing Guarantee Co., Ltd., director of Shenzhen BGI Smart Manufacture Technology Corp., Ltd., general manager of Guangzheng Lingxiu Investment Co., Ltd.
Wang Aijian	Former vice president of Tianjin University of Finance and Economics, and former director of Tianjin Pharmaceutical Group Co., Ltd. Current independent director of the Company, teacher of Tianjin University of Finance and Economics, independent director of TASLY PHARMACEUTICAL GROUP CO., LTD., director of Northern International Trust Co., Ltd. and etc.

Sun Guangliang	Former lawyer of China Legal Affairs Center, lawyer of Zhongxin Law Firm, independent director of Daheng New Epoch Technology, Inc. Current independent director of the Company, director of Beijing Huatang Law Firm, independent director of Dongxing Securities Corporation Limited and etc.
Xu Haoran	Former senior vice president of Far East Holding Group, senior editor of Jiangsu Broadcasting Corporation, director journalist of Guangdong Television Station. Current independent director of the Company, supervisor of Far East Holding Group Co., Ltd., vice Chairman of the Board of Beijing Youshi Capital Management Co., Ltd., director of TOJOY Holding Group Co., Ltd., executive director of TOJOY (Qingdao) Financial Technology Group Co., Ltd., Chairman of the Board of Yonghu Cross-border E-commerce Co., Ltd., supervisor of Jiangsu Tianzheng Media Advertising Co., Ltd., supervisor of Beijing Huizhi Huaxia Business Management Consultation Co., Ltd.
Xu Peng	Former Chairman of the Board of Tianjin Bond Fushida Electric Vehicle Co., Ltd., former general manager assistant of Tianjin Sanshang Investment Management Co., Ltd. Current chairman of board of supervisors of the Company.
Li Yan	Former section chief of Supplier Management Section of Procurement Department of the Company, former secretary of vice Chairman of the Board, former director of Improvement Office, Brand Management Center, former director of office of vice Chairman of the Board. Current employee supervisor, product manager of R & D Department of the Company.
Wu Lyubo	Former director of General Affairs Department, former vice director of Business Management Department, former director of Department of Supervision, former public relationship manager of Administrative Department of the Company. Current supervisor of the Company.
Li Yubao	Former director of Procurement Department of Tianjin New Times Vehicle Industry Co., Ltd., former director of Procurement Department of Tianjin Taimei Bicycle Co., Ltd., former supervisor of Procurement Department of the Company. Current vice general manager of the Company.
Wang Chunyan	Former lecturer of Shanghai Ocean University, former Chairman of the Board and president of Tianjin Sanshang Investment Management Co., Ltd. Current vice general manager, secretary of board of directors of the Company.
Zheng Hui	Former financial manager of Product Company of Midea Group Co., Ltd., former vice general manager, Chief Financial Officer of Meizhi Photoelectric Technology Co., Ltd., former vice general manager of Foshan Hange E-commerce Technology Co., Ltd., former Senior Financial Director of Foshan Yunmi Electric Technology Co., Ltd., former Senior Financial Director of the Company. Current vice general manager, Chief Financial Officer of the Company.
Hu Yupeng	Former employee of Beijing Youshi Accurate Marketing Management Consultation Co., Ltd., former general manager of Wuhan Youshi Accurate Marketing Management Consultation Co., Ltd., former general manager of Wuhan Zhuoyue Youshi Accurate Marketing Management Consultation Co., Ltd., former operations director of the Company. Current vice general manager of the Company.
Wang Quanzhang (former)	Former workshop director of Xuchang Machine Manufacture Factory, former general manager assistant of Xinlong Industrial Co., Ltd., former Lean Promotion Office of Structure Branch of XJ Electric Co., Ltd., former assistant manager of Tianjin Xinlong Co., Ltd, former improvement Promotion Department, General Manager's Office of the Company, former director of General Manager's Office, former vice general manager of the Company. Current information technology consultant of the Company.
Hao Hong (former)	Former director of Planning Department of LG Electronic (Tianjin) Electrical Equipment Co., Ltd., former financial manager of OTIS (China) Co., Ltd., former director of Financial Plan & Analysis Department, former director of Financial Management Department, former vice general manager of the Company. Current director of audit center of Audit Center of the Company.
Ren Yong (former)	Former domestic sale general manager of Domestic Appliance Business Department of Midea Group Co., Ltd., former senior superintendent of President's Office, former senior superintendent in market construction and coordination of China Region, former general manager of innovative services of VATTI CORPORATION LIMITED, former general manager of Jizhi Kitchen, former vice general manager, general manager of the Company. Current strategic development consultant of the Company.

Description of other situation

√Applicable Not applicable

1. In March 2021, Wang Quanzhang, vice general manager of the Company, resigned for personal reasons.

2. On July 21, 2021, the 18th meeting of the fourth board of directors of the Company reviewed and adopted the Proposal on Appointing Vice General Manager and Chief Financial Officer of the Company. Hao Hong resigned job of vice general manager and Chief Financial Officer for work need, and acted as director of Audit Center of the Company after the resignation; Zheng Hui was employed as vice general manager and Chief Financial Officer of the Company.
3. On July 30, 2021, the 19th meeting of the fourth board of directors of the Company reviewed and adopted the Proposal on Appointing General Manager of the Company, in consideration of operation and long-term development strategy of the Company, Chairman of the Board Zhang Jian would not act as general manager concurrently; Ren Yong was employed as general manager of the Company.
4. On November 16, 2021, the Company held the 23rd meeting of the fourth board of directors of the Company reviewed and adopted the Proposal on Appointing General Manager of the Company, Ren Yong applied for resignation of the position of general manager of the Company for job change, and would act as strategic development consultant of the Company after resignation; in consideration of operation and long-term development strategy of the Company, Mr. Zhang Jian was employed as general manager of the Company.

(II) Incumbency of current and resigned directors, supervisors and senior executives during the reporting period**1. Position at the shareholder entity**

√Applicable □Not applicable

Name of in-service staff	Name of shareholding entity	Position held in shareholder entity	Starting date of tenure	Ending date of tenure
Fang Hao	CITIC Securities Investment Co., Ltd.	Director, general manager	August 2017	
Statement of the position held in shareholding entity	N/A			

2. Statement of the position held in other entities

√Applicable □Not applicable

Name of in-service staff	Name of other entities	Position held in other entities	Starting date of tenure	Ending date of tenure
Zhang Jian	Tianjin Jiema Electric Technology Co., Ltd.	Director	Jan. 2019	
Zhang Jian	Tianjin Tianli Electric Bicycle Co., Ltd.	Executive director	Jul. 2019	
Zhang Jian	Aima Nanfang Co., Ltd.	General manager	Aug. 2013	
Zhang Jian	Zhejiang Today Sunshine New Energy Vehicle Co., Ltd.	Director	Aug. 2016	Feb. 2022
Duan Hua	Jiangsu Aima Vehicle Technology Co., Ltd.	Supervisor	Nov. 2018	
Duan Hua	Zhejiang Beisite Supply Chain Management Co., Ltd.	Supervisor	Aug. 2021	
Duan Hua	Chongqing Xiaoma Smart Technology Co., Ltd.	Supervisor	Jan. 2022	
Duan Hua	Aima Technology (Chongqing) Co., Ltd.	Supervisor	Apr. 2021	
Duan Hua	Aima Technology (Zhejiang) Co., Ltd.	Supervisor	Aug. 2021	
Duan Hua	Tianjin Xiaoma Network Technology Co., Ltd.	Supervisor	Jun. 2017	
Duan Hua	Tianjin Aima Shared Technology Service Co., Ltd.	Supervisor	Aug. 2017	
Duan Hua	Tianjin Tianli Electric Bicycle Co., Ltd.	Supervisor	Jul. 2019	
Duan Hua	Guangdong Aima Vehicle Technology Co., Ltd.	Supervisor	Dec. 2018	
Duan Hua	Chongqing Aima Vehicle Technology Co., Ltd.	Supervisor	Aug. 2021	
Duan Hua	Xiaopa Electric Technology (Shanghai) Co., Ltd.	Supervisor	Nov. 2018	
Duan Hua	Tianjin Jinge Industrial Design Co., Ltd.	Supervisor	Jun. 2020	
Duan Hua	Aima Technology (Hainan) Co., Ltd.	Supervisor	Apr. 2021	
Duan Hua	Zhejiang Aima Vehicle Technology Co., Ltd.	Supervisor	Mar. 2019	
Duan Hua	Aima South Co., Ltd.	Supervisor	Jul. 2020	
Duan Hua	Tianjin Aima Vehicle Technology Co., Ltd.	Supervisor	Apr. 2017	
Duan Hua	Sichuan Aima Technology Co., Ltd.	Supervisor	Jan. 2017	
Duan Hua	Henan Aima Vehicle Technology Co., Ltd.	Supervisor	Mar. 2019	
Duan Hua	Shenzhen Aima Zhixing Technology Co., Ltd.	Supervisor	Aug. 2021	
Duan Hua	Guangxi Aima Vehicle Technology Co., Ltd.	Supervisor	Jan. 2018	
Duan Hua	Tianjin Suiwanwan Cultural Communication Co., Ltd.	Supervisor	Aug. 2016	
Duan Hua	Tianjin Aima Sports Goods Co., Ltd.	Supervisor	Mar. 2017	
Zhang Gege	Tianjin Suiwanwan Cultural Communication Co., Ltd.	Manager, executive director	Aug. 2016	
Zhang Gege	Changxin Dingai Investment Management Partnership (Limited Partnership)	Executive partner	Dec. 2017	
Peng Wei	Tianjin Tianli Electric Bicycle Co., Ltd.	Manager	Nov. 2021	
Peng Wei	Chongqing Aima Vehicle Technology Co., Ltd.	Executive director	Aug. 2021	
Peng Wei	Xiaopa Electric Technology (Shanghai) Co., Ltd.	Executive director	Mar. 2022	
Liu Jianxin	Tianjin Sanshang Investment Management Co., Ltd.	Supervisor	Feb. 2017	
Fang Hao	CITIC Industry Investment Fund Management Co., Ltd.	Director	Jun. 2018	
Fang Hao	Zhejiang Huayou New Energy Technology Co., Ltd.	Director	May 2019	
Fang Hao	China Investment and Financing Guarantee Co., Ltd.	Director	Nov. 2019	
Fang Hao	Zhejiang Xingxing Cold Chain Integration Co., Ltd.	Director	Dec. 2019	
Fang Hao	China National Gold Group Gold Jewellery Co., Ltd.	Director	Oct. 2017	
Fang Hao	Shenzhen BGI Smart Manufacture Technology Co., Ltd.	Director	Jun. 2020	
Fang Hao	CSI Capricornus Limited	Director		
Fang Hao	Jupiter Connection Limited	Director		
Fang Hao	Neptune Connection Limited	Director		
Fang Hao	Uranus Connection Limited	Director		
Fang Hao	Pluto Connection Limited	Director		

Fang Hao	CS Regal Holding Limited	Director		
Fang Hao	Sailing International Investment Fund (Shanghai) Co., Ltd.	Director	Jun. 2021	
Fang Hao	Xi'an Yisiwei Material Technology Co., Ltd.	Director	Jul. 2021	
Fang Hao	Guangzheng Lingxiu Investment Co., Ltd.	Executive director, general manager	Dec. 2020	
Fang Hao	Hunan Steel Group Co., Ltd.	Director	Oct. 2021	
Fang Hao	Citron PE Holdings Limited	Director		
Wang Aijian	Northern International Trust Co., Ltd. and etc.	Director	Dec. 2015	
Wang Aijian	TASLY PHARMACEUTICAL GROUP CO., LTD.	Independent director	Jun. 2021	
Sun Guangliang	Dongxing Securities Corporation Limited	Independent director	Dec. 2017	
Sun Guangliang	CITIC Metal Co., Ltd.	Independent director	Sep. 2020	
Sun Guangliang	Beijing Huatang Law Firm	Director	Jan. 1998	
Xu Haoran	Beijing Youshi Capital Management Co., Ltd.	Vice Chairman of the Board	Sep. 2019	
Xu Haoran	Kunming Mengtang Technology Co., Ltd.	Director	Dec. 2015	
Xu Haoran	Beijing Gaopeng Tianxia Investment Management Co., Ltd.	Director	Jul. 2014	
Xu Haoran	Jiangsu Tianzheng Media Advertising Co., Ltd.	Supervisor	Mar. 2004	
Xu Haoran	Chongqing Yunhuan Cultural Industry (Group) Co., Ltd.	Director	Oct. 2018	
Xu Haoran	TOJOY Holding Group Co., Ltd.	Director	Sep. 2020	
Xu Haoran	Guangzhou Dingda Educational Information Consultation Co., Ltd.	Supervisor	Aug. 2008	
Xu Haoran	Yonghu Cross-border E-commerce Co., Ltd.	Chairman of the Board	Jul. 2018	
Xu Haoran	Beijing Huizhi Huaxia Business Management Consultation Co., Ltd.	Supervisor	May 2021	
Xu Haoran	Chongqing Yunyixuan Cultural Technology Co., Ltd.	Director	Jun. 2017	
Xu Haoran	Qinzhi Digital Technology Co., Ltd.	Director	Jul. 2015	
Xu Haoran	Far East Holding Group Co., Ltd.	Supervisor	Jan. 2019	
Xu Haoran	TOJOY (Qingdao) Financial Technology Group Co., Ltd.	Executive director	Oct. 2019	
Xu Peng	Taizhou Aima Vehicle Manufacture Co., Ltd.	Executive director	Nov. 2021	
Xu Peng	Aima Growth Venture Capital (Ningbo) Co., Ltd.	Executive director	Nov. 2021	
Xu Peng	Lishui Aima Vehicle Technology Co., Ltd.	Executive director	Dec. 2021	
Li Yubao	Zhejiang Best Supply Chain Management Co., Ltd.	Manager, executive director	Aug. 2021	Mar. 2022
Hao Hong (former)	Jiangsu Aima Vehicle Technology Co., Ltd.	Executive director	Jun. 2020	
Hao Hong (former)	Aima Technology (Chongqing) Co., Ltd.	Executive director	Apr. 2021	
Hao Hong (former)	Tianjin Xiaoma Network Technology Co., Ltd.	Executive director	May 2020	
Hao Hong (former)	Tianjin Aima Shared Technical Service Co., Ltd.	Executive director	May 2020	
Hao Hong (former)	Guangdong Aima Vehicle Technology Co., Ltd.	Executive director	Jun. 2020	
Hao Hong (former)	Aima Technology (Hainan) Co., Ltd.	Executive director	Apr. 2021	
Hao Hong (former)	Zhejiang Aima Vehicle Technology Co., Ltd.	Executive director	May 2020	
Hao Hong (former)	Aima South Co., Ltd.	Executive director	Jul. 2020	
Hao Hong (former)	Tianjin Aima Vehicle Technology Co., Ltd.	Executive director	May 2020	
Hao Hong (former)	Sichuan Aima Technology Co., Ltd.	Executive director	May 2020	
Hao Hong (former)	Henan Aima Vehicle Technology Co., Ltd.	Executive director	Sep. 2020	
Hao Hong (former)	Shenzhen Aima Zhixing Technology Co., Ltd.	Executive director	Aug. 2021	
Hao Hong	Guangxi Aima Vehicle Technology Co., Ltd.	Executive director	May 2020	

(former)				
Hao Hong (former)	Tianjin Aima Sports Goods Co., Ltd.	Executive director	May 2020	
Ren Yong (former)	Guangdong Chengyi Technology Co., Ltd.	Chairman of the Board, manager	Dec. 2021	
Ren Yong (former)	Guangdong Guidepost Investment Co., Ltd.	Manager, executive director	Jan. 2022	
Description of taking office in other units	N/A			

(III) Remunerations of directors, supervisors and senior executives

√Applicable □Not applicable

Decision-making process for the remuneration of directors, supervisors and senior executives	The Remuneration and Appraisal Committee of the board of directors brings forth a proposal to the board of directors about remuneration of directors and senior executives of the Company. The board of directors decides remuneration of management, reward and punishment affairs, and general meeting of shareholders decides remuneration affairs of directors and supervisors.
Basis for deciding the remuneration of directors, supervisors and senior executives	The Company determines the remuneration of directors, supervisors and senior executives according to the Articles of Association and relevant rules.
Actual payment of remuneration for directors, supervisors and senior executives	The directors Liu Jianxin, Fang Hao are external directors who have not acted as other positions in the Company and do not receive remuneration in the Company; the supervisor Wu Lyubo is shareholder representative supervisor and does not receive remuneration in the Company; the remunerations of other directors, supervisors and senior executives are paid by the Company according to relevant rules.
Total remuneration actually obtained by all directors, supervisors and senior executives at the end of reporting period	1,308.65 RMB'0000

(IV) Changes in directors, supervisors and senior executives

√Applicable □Not applicable

Name	Position	Change	Reason of change
Wang Quanzhang	Vice general manager	Resigned	Personal reason
Hao Hong	Vice general manager, Chief Financial Officer	Resigned	Job adjustment
Zheng Hui	Vice general manager, Chief Financial Officer	Employment	General manager nominates to employ
Ren Yong	General manager	Resigned	Job adjustment
Zhang Jian	General manager	Employment	Chairman of the Board nominates to employ

(V) Punishments imposed by securities regulators in the past three years

□Applicable √Not applicable

(VI) Other

□Applicable √Not applicable

V. Board Meetings Convened during the Reporting Period

Meeting	Convening date	Resolutions
14th meeting of the fourth board of directors	January 31, 2021	Reviewed and adopted the Proposal on Approving Financial Statement Reviewing Report of 2020.
15th meeting of the	March 23, 2021	Reviewed and adopted the Proposal on Approving the Audited

fourth board		Financial Report of 2018, 2019 and 2020, the Proposal on Confirming the Related Transactions of the Company in 2020.
16th meeting of the fourth board	April 27, 2021	Reviewed and adopted the Work Report of Board of Directors of 2020, Final Financial Report of 2020, Motion to approve the review report of the financial statements for the three-month period ending March 31, 2021, Proposal on Reviewing Remuneration Situation of Directors, Supervisors and senior executives in 2020 and Remuneration Program for 2021, Proposal on Estimated Daily Related Transactions in 2021, Proposal on Guarantee Plan of the Company in 2021, Proposal on Use of Idle Self-owned Fund for Cash Management, Profit Distribution Plan of 2020, Proposal on Continuing to Employ Accounting Firm for 2021, Proposal on Holding General Meeting of shareholders of 2020.
17th meeting of the fourth board	June 23, 2021	Reviewed and adopted the Proposal on Amending Articles of Association and Completing Business Change Registration, Proposal on Using Raised Fund for Providing Loan to Wholly-owned Subsidiaries for Implementing Raised Investment Projects, Proposal on Using Temporary Idle Raised Fund for Cash Management.
18th meeting of the fourth board	July 21, 2021	Reviewed and adopted the Proposal on Adjusting Organizational Structure of the Company, Proposal on Employing Vice General Manager and Chief Financial Officer of the Company, Proposal on Using Raised Fund for Replacing Raised Investment Projects Inputted in Advance and Self-raised Fund of Paid Issuance Expenses.
19th meeting of the fourth board	July 30, 2021	Reviewed and adopted the Proposal on the Company Intends to sign the Project Agreement with the Management Committee of Chongqing Tongliang High-tech Industrial Development Area, Proposal on Employing General Manager of the Company, Proposal on Holding the First Temporary General Meeting of shareholders of the Company in 2021.
20th meeting of the fourth board	August 26, 2021	Reviewed and adopted the Proposal on Semi-annual Report of 2021 and Its Summary, Proposal on Adjusting the Limit of Using Temporary Idle Raised Fund for Cash Management and Extending Term of Investment, Proposal on Special Report for Semi-annual Deposit and Use Situation of Raised Fund of 2021, the Proposal on Employing Representative of Securities Affairs.
21st meeting of the fourth board	September 3, 2021	Reviewed and adopted the Proposal on the Company Intends to Sign the Agreement for Investment on Taizhou Smart Electric Vehicle and High-speed Electric Motorcycle Project.
22nd meeting of the fourth board	October 28, 2021	Reviewed and adopted the Proposal on Report of Third Quarter of 2021, Proposal on the Company Intends to Sign the Investment Agreement with the People's Government of Qingtian County, Lishui City, Proposal on Amending Articles of Association, Proposal on Amending Rules of Procedure for General Meeting of Shareholders, Proposal on Amending Rules of Procedure for Board of Directors, Proposal on Holding the Second Temporary General Meeting of Shareholders of the Company in 2021, Proposal on Applying for Comprehensive Credit Line to Bank.
23rd meeting of the fourth board	November 16, 2021	Reviewed and adopted the Proposal on Restricted Stock Incentive Plan of 2021 (Draft) of the Company and Its Summary, Proposal on Examination Management Measures for Implementation of Restricted Stock Incentive Plan of 2021 of the Company, Proposal on Requesting General Meeting to Authorize Board of Directors to Handle Matters Related to Equity Incentive, Proposal on Employing General Manager of the Company, Proposal on Holding the Third Temporary General Meeting of Shareholders of the Company in 2021.
24th meeting of the fourth board	December 27, 2021	Reviewed and adopted the Proposal on Adjusting the List of First Granted Incentive Objects Under Restricted Stock Incentive Plan of 2021 and Quantity of Equity Granted, Proposal on Granting Restricted Stock to Incentive Objects First Time, Proposal on Formulating Internal Audit Rules, Proposal on Formulating Internal Control Rules.

VI. Performance of Duty by Directors**(I) Attendance of directors at board meetings and general meetings of shareholders during the Reporting Period**

Name of director	Independent director or not	Attendance at board meetings						Attendance at general meetings of shareholders
		Total number of board meetings The director was supposed to attend	Board meetings attended on site	Board meetings attended by way of telecommunication	Board meetings Attended through a proxy	Absence	The director failed to attend two consecutive board meetings (yes/no)	Total number of general meetings of shareholders the director was supposed to attend
Zhang Jian	No	11	11	7	0	0	No	4
Duan Hua	No	11	11	7	0	0	No	4
Zhang Gege	No	11	11	7	0	0	No	4
Peng Wei	No	11	11	7	0	0	No	4
Liu Jianxin	No	11	11	10	0	0	No	4
Fang Hao	No	11	11	11	0	0	No	3
Wang Aijian	Yes	11	11	11	0	0	No	3
Sun Guangliang	Yes	11	11	11	0	0	No	3
Xu Haoran	Yes	11	11	11	0	0	No	3

Explain why any director failed to attend two consecutive board meetings.

Applicable Not applicable

Total number of board meetings convened in the Reporting Period	11
Of which: on-site meetings	0
Meetings convened by way of telecommunication	7
Meetings where on-site attendance and attendance by telecommunication were both allowed	4

(II) Objections raised by directors on matters of the Company

Applicable Not applicable

(III) Other

Applicable Not applicable

VII. Specialized Committees under the Board of Directors

Applicable Not applicable

(1). Members of the specialized committees

Specialized committee	Members
Audit Committee	Wang Aijian, Sun Guangliang, Xu Haoran Zhang Jian
Nomination Committee	Wang Aijian, Sun Guangliang, Xu Haoran
Remuneration and Appraisal Committee	Wang Aijian, Sun Guangliang, Xu Haoran
Strategy and Development Committee	Wang Aijian, Sun Guangliang, Xu Haoran, Zhang Jian

(2). The Remuneration and Appraisal Committee held two meetings during the Reporting Period.

Convening date	Content of meeting	Important comments and suggestions	Other performance of duties
November 15, 2021	Reviewed the Proposal on Restricted Stock Incentive Plan of 2021 (Draft) of the Company and Its Summary, Proposal on Examination Management Measures for Implementation of Restricted Stock Incentive Plan of 2021	Agree to submit to the board of directors for deliberation	Nil

	of the Company, Proposal on Verifying the List of Incentive Objects of the 2021 Restricted Stock Incentive Plan.		
December 22, 2021	Reviewed the Proposal on Adjusting the List of First Granted Incentive Objects Under Restricted Stock Incentive Plan of 2021 and Quantity of Equity Granted, Proposal on Granting Restricted Stock to Incentive Objects First Time.	Agree to submit to the board of directors for deliberation	Nil

(3). The Audit Committee held five meetings during the Reporting Period.

Convening date	Content of meeting	Important comments and suggestions	Other performance of duties
January 29, 2021	Reviewed the Proposal on Approving Financial Statement Reviewing Report of 2020.	Agree to submit to the board of directors for deliberation	Nil
March 22, 2021	Reviewed the Proposal on Approving the Audited Financial Report of 2018, 2019 and 2020, the Proposal on Confirming the Related Transactions of the Company in 2020	Agree to submit to the board of directors for deliberation	Nil
April 26, 2021	Reviewed the Final Financial Report of 2020, Proposal on Approving the Financial Statement Reviewing Report in the Period of Three Period up to March 31, 2021, Proposal on Estimated Daily Connected Transactions for 2021, Proposal on Continually Employing the Accounting Firm for 2021	Agree to submit to the board of directors for deliberation	Nil
August 25, 2021	Reviewed the Proposal on Semi-annual Report of 2021 and Its Summary, Proposal on Special Report for Semi-annual Deposit and Use Situation of Raised Fund of 2021	Agree to submit to the board of directors for deliberation	Nil
October 26, 2021	Reviewed the Proposal on Third Quarter Report of 2021	Agree to submit to the board of directors for deliberation	Nil

(4). The Nomination Committee held three meetings during the Reporting Period.

Convening date	Content of meeting	Important comments and suggestions	Other performance of duties
July 20, 2021	Reviewed the Proposal on Employing Vice General Manager and Chief Financial Officer of the Company	Agree to submit to the board of directors for deliberation	Nil
July 29, 2021	Reviewed the Proposal on Employing General Manager of the Company	Agree to submit to the board of directors for deliberation	Nil
November 15, 2021	Reviewed the Proposal on Employing General Manager of the Company	Agree to submit to the board of directors for deliberation	Nil

(5). Specification of Objections

Applicable Not applicable

VIII. Risks Detected by the Board of Supervisors

Applicable Not applicable

The board of supervisor raised no objections during the Reporting Period.

IX. Employees of the Company as the Parent and Its Principal Subsidiaries at the Period-end**(I) Employees**

Number of in-service employees of the Company as the parent	1,073
Number of in-service employees of principal subsidiaries	6,215
Total number of in-service employees	7,288
Number of retirees to whom the Company as the parent or its principal subsidiaries need to pay retirement pensions	0
Functions	
Function	Employees
Production	4,516
Sales	1,081
Technical	924
Financial	150
Administrative	617
Total	7,288

Educational background	
Category of education level	Quantity (person)
Doctor	5
Master	68
Undergraduate	1,087
Junior College and Technical secondary school	1,090
High school and below	5,038
Total	7,288

(II) Remuneration policy√Applicable Not applicable

Guided by the Fighters Culture and the performance-oriented idea, The Company implements a remuneration policy that is internally fair, externally competitive, and based on performance evaluation, which takes the post system as the standard and the qualification evaluation as the basis to establish a sound, scientific and reasonable promotion and compensation system. At the same time, through the implementation of incentive measures such as equity incentives, the Company has realized the deep binding between its interests and the key employees and improved loyalty. Under its framework of overall compensation system, for key businesses (including marketing, R&D and manufacturing), the Company conducts performance appraisals based on business attributes and the final realization of the value of related products, including hot product development and marketing incentive, and reward of production process improvements, etc.

(III) Training plans√Applicable Not applicable

The Company appreciated human capital under the talent management idea of “showing respect for our staff, improving their competence and making them happy”. In the aspect of talent team construction, the Company cultivated the “talent forest” idea by external recruitment and internal training to attract experienced R&D talents and formed “talent forest”; it also conducted on-campus recruitment for graduating students from universities and colleges as its talent reserve. The Company focused on talent cultivation, talent development and manager-trainee program, and established qualification system for professionals and technicians. The Company set up training platform (Aida Course) and released “navigation courses” and “initiation courses” for top management and low-level managers. In 2021 the platform provided innovation TRIZ courses, cross-culture courses, courses for gold medal technicians, operator training courses, courses for gold medal team leaders and courses for craftsmen. And there are Young Eagle Training Camp and Eagle Mentor Training Program for 2021 graduates.

(IV) Labor outsourcing√Applicable Not applicable

Total remuneration paid for labor outsourcing	RMB73,615,077.43
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X. Plan on Profit Distribution or Conversion of Capital Reserve**(I) Formulation, implementation or adjustment of the cash dividend policy**√Applicable Not applicable

1. According to the Articles of Association, the cash dividend policy of the Company is as below:

If the Company's profit for the year and the accumulative undistributed profit are positive, and it has no significant investment plan or material cash spending, the Company shall give priority to cash dividends in the profit distribution, which shall be no less than 20% of distributable profit recorded in the year, provided that such distribution shall not prejudice the normal operation and long-term business development of the Company. The dividend ratio of each year shall be formulated by the board of directors according to the operation condition and relevant regulations, and submitted to the general meeting for consideration and approval.

When proposing the profit distribution, the board of directors shall take into consideration of the industry characteristics, ranking in the industry, competition power, profit margin when determining the Company's development stage, and whether it has any significant capital expenditure arrangements, and formulate the profit distribution proposal, in accordance with the provisions set out below:

(1) If the Company is at the mature stage, and has no significant capital expenditure arrangement, the ratio of cash dividends shall be at least 80% in the profit distribution.

(2) If the Company is at the mature stage, and has a significant capital expenditure arrangement, the ratio of cash dividends shall be at least 40% in the profit distribution.

(3) If the Company is at the growing stage, and has a significant capital expenditure arrangement, the ratio of cash dividends shall be at least 20% in the profit distribution.

(4) If it is difficult to determine the development stage of the Company while it has a significant capital expenditure arrangement, the profit distribution may be dealt with according to the rules applied in the previous paragraph.

2. Pursuant to the resolution at the 25th meeting of the fourth session of the Board, the Company intends to take the total shares on the registration date as the basis to execute the profit distribution and capitalization of capital reserve in year 2021 as below:

(1) The Company intends to distribute a cash dividend of RMB5.00 (tax included) per 10 shares to all shareholders. Based on the total share capital of 410,440,003 shares of the Company so far, the cash dividend

to be distributed as above will be RMB 205,220,001.50 in total (tax included). The cash dividend of the Company in this year accounts for 30.91% in the net profit attributable to common shareholders of the Company. After the profit distribution, the remaining balance of undistributed profit will be accumulated for further distribution in the years to come.

(2) The Company intends to issue 4 shares converted by capital reserve, per 10 shares to all shareholders. Based on the total share capital of 410,440,003 shares of the Company so far, the total shares of the Company will increase to 574,616,004 shares after this conversion (the total share capital of the Company is based on the final registration result of China Securities Depository and Clearing Corporation Limited Shanghai Branch, in case of the rounding differences if any)

Before the equity registration date of equity distribution, if the total equity of the Company changes due to equity-based incentives, repurchase and cancellation of shares granted by equity-based incentives and other matters, the Company intends to maintain the ratio of distribution and conversion unchanged, and correspondingly adjust the amount of profit distribution and capital reserve capitalization. This matter needs to be submitted to the 2021 annual general meeting of the Company for consideration.

(II) Special description of cash dividend policy

Applicable Not applicable

In compliance with the Company's Articles of Association or the relevant resolutions of general meeting of shareholders	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Specific and clear dividend standards and ratios	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Complete decision-making procedure and mechanism	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Independent directors have faithfully performed their duties and played their due role	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Non-controlling shareholders are able to fully express their opinion and demand and their legal rights and interests are fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) Where the Company fails to put forward a cash dividend proposal despite the facts that the Company has made profits in the Reporting Period and the profits of the Company as the parent distributable to shareholders are positive, it shall give a detailed explanation of why, as well as of the purpose and use plan for the retained earnings.

Applicable Not applicable

XI. Status and Impact of Share Incentive Schemes, Employee Shareholding Plan or Other Incentive Measures for Employees

(I) Relevant incentive matters disclosed in current announcement with no subsequent progress or change

Applicable Not applicable

Overview	Index to the disclosed information
The Company held the 23rd meeting of the fourth board of directors on November 16, 2021, reviewed and adopted the Proposal on Restricted Stock Incentive Plan of 2021 (Draft) of the Company and Its Summary, Proposal on Examination Management Measures for Implementation of Restricted Stock Incentive Plan of 2021 of the Company, Proposal on Requesting General Meeting to Authorize Board of Directors to Handle Matters Related to Equity Incentive.	See the relevant announcements disclosed on the website of Shanghai Stock Exchange on November 17, 2021 for details.
The Company held the 24th meeting of the fourth board of directors on December 27, 2021, reviewed and adopted the Proposal on Adjusting the List of First Granted Incentive Objects Under Restricted Stock Incentive Plan of 2021 and Quantity of Equity Granted, Proposal on Granting Restricted Stock to Incentive Objects First Time.	See the relevant announcements disclosed on the website of Shanghai Stock Exchange on December 28, 2021 for details.
On January 24, 2022, the Company completed first granting registration of restricted stock incentive plan of 2021 with China Securities Depository and Clearing Corporation Limited Shanghai Branch.	See the relevant announcements disclosed on the website of Shanghai Stock Exchange on January 26, 2022 for details.

(II) Incentives not disclosed in temporary announcement or with subsequent progress

Equity incentive situation

Applicable Not applicable

Other description

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

(III) Equity incentives granted to directors and senior management during the Reporting Period

√Applicable □Not applicable

In: share

Name	Position	Restricted Shares held at the period-begin	Restricted Shares granted in The Reporting Period	Grant price (RMB)	Unlocked shares	Shares still in lockup	Restricted shares held at the period-end	Closing market price (RMB)
Zheng Hui	Vice general manager, Chief Financial Officer		400,000	20.23				
Hu Yupeng	Vice general manager		200,000	20.23				
Total	/		600,000	/				/

By December 31, 2021, the 2021 restricted shares granted by the Company to Zheng Hui and Hu Yupeng have not yet been registered.

(IV) Establishment and formulation of appraisal and incentive mechanisms for senior executives during the Reporting Period

√Applicable □Not applicable

The evaluation and incentive mechanisms of the Company to is based on "Developing with the organization and Achieving organizational goals", the Company selects suitable performance indexes (including financial indexes, operation indexes, quality indexes, key events and veto item) according to business attributes, sets up short-term performance target and long-term performance target to the departments or business units for which the senior executives are responsible, the Company regularly tracks and implements the achievement of these target, and implements short-term and long-term incentives based on assessment and achievement of organizational goals.

XII. Establishment and Implementation of Internal Control System in the Reporting Period

√Applicable □Not applicable

In order to strengthen and regulate internal control management, establish and improve effective self-restraint mechanism, improve risk management level, achieve the strategic target and promote sustainable development, the Company formulated the Internal Control Rules and considered and approved it in the 24th meeting of the fourth session of the Board held on December 27, 2021, in accordance with the Company Law, Securities Law, Basic Standards for Internal Control of Enterprises and its auxiliary guide, Articles of Association and other rules,. The Company continually improves internal control system in consideration of the actual operation situation since it was listed on June15, 2021.

Description of major defects existing in internal control in the reporting period.

□Applicable √Not applicable

XIII. Management and Control of Subsidiaries during the Reporting Period

√Applicable □Not applicable

In order to strength the Company's management and control of the subsidiaries, standardize the internal operation mechanism and maintain legal rights of the Company and the investors, in accordance with the Company Law, Securities Law, Stock Listing Rules of Shanghai Stock Exchange, Articles of Association and other relevant rules, the Company formulated Subsidiary Management Rules, which was considered and approved in the 25th meeting of the fourth session of the Board. In the reporting period, the subsidiaries of the Company were in normal operation without major violations of laws and regulations.

XIV. Information about the Internal Control Audit Report

□Applicable √Not applicable

Whether internal control audit report is disclosed: no

In accordance with The Notice on Implementation of Enterprise Internal Control Norms System for Companies Listed on the Main Board by Categories and Batches in Year 2012 issued by China Securities Regulatory Commission, the companies newly listed on the Main Board shall start to establish an internal control system in the year of listing, and disclose an internal control self-appraisal report and audit report at the time of disclosure of annual report for the year following the listing. Therefore, the Company did not disclose internal control audit report.

XV. Rectification of Issues in Self- inspection of Special Actions for Governance of the Listed Company

Not applicable

XIV. Other

□Applicable √Not applicable

Section 5 Environmental and Social Responsibility

I. Environmental Information

(I) Information about environmental protection of the Company and its main subsidiaries as the key pollutant discharging entities published by environmental protection department

Applicable Inapplicable

1. Pollutant discharging information

Applicable Not Applicable

In accordance with the List of Key Pollutant Discharging Entities of Tianjin City in 2021, Tianjin Aima, a subsidiary of the Company, was listed as a key pollutant discharging entity of atmospheric environment, solid waste and hazardous waste of Tianjin City in 2021. In accordance with the List of Key Pollutant Discharging Entities of GuiGang City in 2021, Guangxi Aima, a subsidiary of the Company, was listed as a key pollutant discharging entity of atmospheric environment in September 2021.

Tianjin Aima and Guangxi Aima have strictly executed relevant requirements of laws, regulations and pollutant discharging permit, they have truthfully disclosed relevant information to the public on the nationwide pollutant discharging permit management information platform, including pollutants, discharging manner, discharging concentration and total discharging volume, construction and operation situation of pollution prevention and control facilities, and accept supervision of the public.

2. Construction and operation situation of pollution prevention and control facilities

Applicable Not Applicable

Tianjin Aima and Guangxi Aima have constructed various pollutant treatment facilities strictly according to regulations, standards, environmental impact assessment and approval requirements, and these pollutant treatment facilities are operating well. They have strictly executed national, local discharging standards to ensure that the pollutant discharging concentration meet the standards, and the solid waste has been properly disposed. Details are as follows:

(1) Tianjin Aima

The major waste gases emitted by Tianjin Aima include spraying dust, organic waste gas and fuel waste gas, and the major factors of these pollutants are dust, methylbenzene, dimethylbenzene, VOCs, smoke dust, SO₂, NO_x. Painting rooms, leveling rooms and drying rooms of various production lines are airtight, the purifying method of organic waste gases is mainly "zeolite roller + RTO", and the gases are emitted through exhaust stack after treatment; Dust from the static powder spraying process is recovered through recovery system, and the tail gas is fully emitted through exhaust tubes. The main waste gas exhaust port of spraying workshop is set with online monitoring devices, which is networked with Tianjin Ecology and Environment Bureau to real-time monitor of atmospheric pollutants emission meeting standards. The waste gas treatment facilities of Tianjin Aima are in good operation, methylbenzene, dimethylbenzene, VOCs, PM, smoke dust, SO₂, NO_x and other pollutants are discharged up to the standard.

Tianjin Aima has constructed a temporary storage room of hazardous waste, recovery area of general solid waste and other facilities, the construction of the temporary storage room of hazardous waste met Pollution Control Standards for Hazardous Waste Storage General industrial solid waste has been disposed according to garbage classification, in basis of which the recycling value has been delivered to the qualified professional institutions for recycle, production and domestic waste has been cleaned and transported regularly by sanitation departments, and hazardous waste has been disposed of safely by qualified professional companies. In 2021, Tianjin Aima fully performed the hazardous waste transfer formalities according to laws, and the hazardous waste was disposed of on the basis of compliance.

(2) Guangxi Aima

The main waste gases emitted from Guangxi Aima are spraying dust, organic waste gas and fuel waste gas, and main pollutant factors are dust, methylbenzene, dimethylbenzene, VOCs, smoke dust, SO₂, NO_x. Painting rooms, leveling rooms and drying rooms of various production lines are airtight, the purifying method of organic waste gas is mainly "pre-treatment with dry filtration + activated carbon adsorption desorption analytic combustion", the waste gases are emitted according to relevant standards through exhaust tubes after treatment, meeting the requirements of Pollution Prevention and Control Technology Policy for Volatile Organic Compounds (VOCs); The waste gas treatment facilities of Guangxi Aima are in good operation, and the pollutant factors of methylbenzene, dimethylbenzene, VOCs, PM, smoke dust, SO₂, NO_x and other pollutants are discharged up to the standard.

Besides the above environmental protection measures, Tianjin Aima and Guangxi Aima have taken corresponding environmental protection measures to drainage and noise, which met the requirements in relevant with national and local environmental protection.

3. Environmental impact assessment of construction project and other administrative licenses for environmental protection

Applicable Not applicable

Strictly according to the requirements of laws and regulations, The Company prepares environmental impact assessment documents for the new, reconstruction and expansion projects that need to go through environmental protection procedures, and obtains environmental impact assessment approval documents, and constructs strictly according to laws, regulations and environmental impact assessment approval documents.

The Company performs the completion and acceptance procedures of environmental protection according to laws and regulations after the completion of the construction.

4. **Emergency plan for environmental accident**

Applicable Not applicable

Tianjin Aima and Guangxi Aima filed their contingency plans for environmental emergencies in local environmental protection administrations in August 2021 and September 2021 respectively and received the corresponding filing receipt. They further inspected risk sources and took relevant corrective measures to improved environmental risk prevention mechanism, and reduce the possibility of environmental risk accidents. Tianjin Aima and Guangxi Aima have organized relevant personnel every year to carry out emergency drills for environmental risk accidents in order to improve emergency response capacities.

5. **Environmental self-monitoring program**

Applicable Not applicable

The main waste gas and wastewater discharging ports of Tianjin Aima are installed with online monitoring system for real-time monitoring of main pollutants, and monitoring data is directly uploaded to environmental protection data platform, various pollutants are discharged in conformity with relevant standards. The Company keeps operation and maintenance records on production and waste gas, wastewater treatment facilities in daily production, and solid waste and hazardous waste records. Tianjin Aima entrusts qualified testing institutions to regularly monitor waste water, waste gas and noise strictly in accordance with self-monitoring Technical Guidance for Pollutant Discharging Entities and other standards, as well as monitoring frequency requirement of environmental impact evaluation documents and pollutant discharging license. The testing report is uploaded to the pollution source monitoring data management and information sharing platform.

Guangxi Aima entrusts qualified testing institutions to regularly monitor wastewater, waste gas and noise strictly in accordance with self-monitoring Technical Guidance for Pollutant Discharging Entities and other standards, as well as monitoring frequency requirement of environmental impact assessment documents and pollutants-discharging license. Various pollutants are discharged according to relevant standards. The testing report is uploaded to the management and information sharing platform for pollution source monitoring data. Guangxi Aima keeps operation and maintenance records on production and waste gas, wastewater treatment facilities in daily production, and solid waste and hazardous waste transfer records.

6. **Administrative penalty due to environmental issues in the reporting period**

Applicable Not applicable

7. **Other environmental information that should be disclosed**

Applicable Not applicable

(II) Description of environmental protection situation of companies other than those defined as key pollutant-discharging entities

Applicable Not applicable

1. **Administrative penalty due to environmental issues**

Applicable Not applicable

2. **Other environmental information disclosed with reference to major pollutant discharging entities**

Applicable Not applicable

The Company attaches importance to environmental protection, each production base has acquired pollutants- discharging license, has marked flow directions of wastewater and rainwater pipelines to complete rain and sewage diversion. Production wastewater, domestic wastewater and rainwater are separately drained; the wastewater treated by the wastewater treatment station is drained through municipal pipelines; the Company regularly inspects to ensure that the wastewater standards of each base in conformity with relevant requirements. The general wastewater drainage port at the Production area of Tianjin Production Base is installed with online monitoring device, which is connected with Tianjin Ecology and Environment Bureau for real-time monitoring of pollutant in the external drainage water of the production area, so that its drainage met relevant discharging standards.

Each production base makes classified disposal of general solid waste, and delivers the general solid waste that can be recovered, such as packaging materials, to third parties for recovery, and other waste is delivered to the local sanitation department for treatment.

The Company has established and strictly executed the special management mechanism of hazardous solid waste, has set special sites, marks and responsible person for collection, storage and transfer of hazardous solid waste, and promptly makes records. All hazardous solid waste is entrusted to the qualified third-party professional institutions for treatment or recycled by the original manufacturers.

The production bases of the Company make reasonably layout of noise equipment, and takes sound insulation, sound absorption, vibration reduction and other measures. The noise at the boundary of factory meets requirements of standard and relevant factories would not generate adverse influence on ambient sound environment.

3. **Reasons of not disclosing other environmental information**

Applicable Not applicable

(III) Relevant information favorable to ecological protection, pollution prevention and control and environmental responsibility fulfillment√Applicable Not applicable

The Company invests in building a digitally-intelligent energy consumption data collecting and analyzing system to support green production decisions such as process improvement, optimization of production process with energy consumption data, and improve energy utilization efficiency in production and management. The Company and its subsidiaries actively carry out inspection, transformation and replacement of high energy consumption equipment, select energy saving, water saving products, use recyclable package if possible, and improved service life of turnover box so as to reduce consumption of resources and energy.

(IV) Measures taken during the Reporting Period to reduce carbon emission and their effectiveness√Applicable Not applicable

The Company actively implements energy saving and consumption reduction projects, considers energy saving and emission reduction throughout the enterprise research and development, production and marketing processes, actively explores the effective paths of reducing resources and energy consumption, realizes cyclic resource utilization to improve comprehensive utilization efficiency of energy and other resources. The Company also establishes the consciousness of energy saving and emission reduction, develops energy conservation and emissions reduction enterprise culture, and encourages employees to start from the intravenous drip, such as saving electricity and water. The specific energy saving projects in 2021 are as follows:

1. Reclaimed water recycling project of Tianjin Aima

Tianjin Aima completed wastewater recycling project in the second half of 2021, and the water quality of treated wastewater in the wastewater treatment station met level 3 drainage standard and can be used for production process without special requirements, and toilet in office building.

2. Energy saving and consumption reduction project of Zhejiang Aima

Zhejiang Aima made energy consumption analysis on water and electricity consumption situation in the production area, formulated and executed energy saving and consumption reduction transformation of production area based on data analysis, including investments in replacing energy-saving variable frequency compressor, lighting equipment, installing water monitoring smart devices and etc.

II. Performance of Social Responsibilities√Applicable Not applicable

The Company has actively undertaken social responsibility and supported charity events. In June 2021, in order to support local epidemic control work, Guangdong Aima donated electric bicycles and tents valued RMB 425,000 to Dongguan City, Guangdong Province, where COVID-19 broke out in large numbers. In July 2021, affected by extreme weather, Zhengzhou City in Henan Province suffered catastrophic flood. The Company established a disaster relief guidance team immediately to take a few of disaster relief measures, including donated 10 vehicles of goods for disaster relief, organized employees to donate RMB 520,000, and it also appointed a special service team to carry out road relief, vehicle inspection and repair free of charge for residents in the disaster - stricken region.

III. Particulars on the Efforts to Consolidate and Expand Its Achievements in Poverty Alleviation and Rural Area Invigoration√Applicable Not applicable

The Company has been pursuing the development concept of "love" for many years, actively undertaking social responsibilities and practicing public welfare undertakings. In the course of responding to the policy all of "precise poverty alleviation", the Company took different support measures according to the actual demand of the supported targets.

As an important enterprise participating in the point-to-point assistance of Tianjin Municipal Government to in the poverty-stricken areas in West China, the Company actively helped the villages in West China to realize vitalization. In June 2021, the Company donated Aima electric tricycles valued RMB 1.20 million to Zhengyuan County, Gansu Province in order to support local rural construction. In July 2021, the Company donated Aima electric bicycles valued RMB 1.50 million to its targeted support region Huangnan Tibetan Autonomous Prefecture, Qinghai Province, and this effectively solved the local travel problem of local officials and employees.

In September 2021, Guangxi Aima donated educational materials to Zhongcun Primary School in Dongjin Town, Guigang City, Guangxi province to support local rural education. Guangxi Aima built a cement road 100m (L) x 3.5m (W) x 0.16m (D) in Zhongli Village, Zhongli Township, Guigang City, Guangxi province to promote local economic development. In addition, Henan Aima actively cooperated with local Labor Bureau of Shangqiu City to provide jobs for local women and support local development.

Section 6 Significant Events**I. Fulfillment of Commitments****(I) Commitments of the Company's actual controller, shareholders, related parties, acquirer, as well as the Company and other relevant entities during or up to the reporting period**"√ Applicable" " Not applicable"

Commitment background	Commitment Category	Promisor	Commitment Description	Commitment Duration	Whether there is a deadline	Whether it is timely	If it is not timely	If it is not timely
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					for implementation	and strictly performed	performed, the specific reasons should be stated	performed, the plan for the further step should be stated
Commitments related to IPO	Restricted shares	Controlling shareholder and actual controller	Note 1	June 15, 2021 to June 14, 2024	Yes	Yes	Not applicable	Not applicable
	Restricted shares	Changxing Dingai and its partner	Note 2	June 15, 2021 to June 14, 2024	Yes	Yes	Not applicable	Not applicable
	Restricted shares	CITIC Investment, Jinshi Zhiyu, Jinshi Haofeng, Three Gorges Jinshi, Liu Jianxin, Peng Wei, Han Jianhua, Li Shishuang and Qiao Baogang	Note 3	June 15, 2021 to June 14, 2022	Yes	Yes	Not applicable	Not applicable
	Others	Controlling shareholder, actual controller, Changxing Dingai and its partner, Liu Jianxin and Peng Wei	Note 4	Long term	No	Yes	Not applicable	Not applicable
	Others	The Company, the controlling shareholder, actual controller, directors (independent directors are excluded) and senior executives	Note 5	June 15, 2021 to June 14, 2024	Yes	Yes	Not applicable	Not applicable
	Solution to horizontal competition	Controlling shareholder and actual controller	Note 6	Long term	No	Yes	Not applicable	Not applicable
	Solution to related transactions	Controlling shareholder and actual controller	Note 7	Long term	No	Yes	Not applicable	Not applicable

Note 1: Commitment of the controlling shareholder and actual controller for locking up their shares

Zhang Jian, the Company's controlling shareholder and the actual controller and Zhang Gege, the Company's actual controller have made the following commitment and confirmed that:

(1) Within 36 months from the date of IPO, I shall not transfer or entrust others to manage the shares directly or indirectly held by me that have been issued before the Company's public offering, nor shall the Company repurchase the shares directly or indirectly held by me that have been issued before the Company's public offering.

(2) Within 6 months after the listing of the Company's stock, the closing price of the Company's stock is continuously lower than the issuing price for successively 20 trading days, or the closing price is lower than the issuing price at the end of the 6 months after listing, the locking duration of the shares held by me in the Company shall prolong automatically 6 months.

Note 2: Commitment of Changxing Dingai and its partner for locking up their shares

Within 36 months from the date of IPO, I shall not transfer or entrust others to manage the shares directly or indirectly held by me that have been issued before the Company's public offering, nor shall the Company repurchase the shares directly or indirectly held by me that have been issued before the Company's public offering.

Note 3: Commitment of CITIC Investment, Jinshi Zhiyu, Jinshi Haofeng, Three Gorges Jinshi, Liu Jianxin, Peng Wei, Han Jianhua, Li Shishuang and Qiao Baogang for locking up their shares

Within 12 months from the date of listing of the Company's shares, I shall neither transfer nor entrust others to manage the shares directly or indirectly held by me that have been issued before the Company's public offering, nor shall the Company repurchase such shares directly or indirectly held by me that have been issued before the Company's public offering.

Note 4: Commitment of the partner of Changxing Dingai, Liu Jianxin, and Peng Wei as the controlling shareholder, actual controller, directors/senior executives for the intentions about shareholding or reduction of shares

(1) During my tenure as a director or senior executive of the Company, the annual transfer of the shares of the Company directly or indirectly held by me shall not exceed 25% of the total shares of the Company directly or indirectly held by me; within six months after my leave from the office, none of the shares of the Company directly or indirectly held by me shall be transferred.

(2) I commit that if the shareholding is lessened within two years after the expiration of the lock-up period, the price of the shares reduced shall not be lower than the issue price. In the event of dividends, bonus shares,

capitalization of provident fund, share allotment, etc., the price shall be adjusted accordingly based on the ex-right and ex-dividend conditions.

(3) The above commitments shall not be exempted from the implementation due to job change, leave from office, etc. If I cause any loss to the Company or other investors due to my failure to perform the above commitments, I shall be liable for compensation to the Company or other investors in accordance with the law.

Note 5: Commitment for the stabilization of the share price and share repurchase

(1) The Company's Commitment

① Within three years from the date of IPO, if the closing price of the stock is lower than the Company's latest audited net assets per share for 20 consecutive trading days (if ex-right and ex-right is conducted due to the distribution of the cash bonus, bonus shares, capitalization of reserve or additional issuing of new shares, the closing price shall be adjusted accordingly, the same below), and the repurchase measures do not result in the Company's equity distribution not meeting the listing criteria, the Company will initiate the measures for stabilizing the stock price through repurchasing of the shares in accordance with the relevant laws, rules and regulations.

② The Board of Directors should hold a Board meeting to review the proposal for repurchase of the Company's shares within 5 trading days commencing from the day of starting the measures for stabilizing the stock price as stated above and submit the same to the general meeting for examination. The Company should start the repurchase commencing from the date when the general meeting has reviewed and approved such a proposal.

③ The price of the Company's shares repurchased shall not be higher than the net assets per share in the latest audited financial statements. The repurchase of the shares is conducted in a way of centralized bidding, tender offer or other ways as recognized by the securities regulatory authority. Under the premise that the Company's equity distribution may not be caused to fail to meet the listing conditions, the amount of the funds used by the Company for repurchase at a time is not less than RMB 10 million in principle, the total repurchase funds used to stabilize the stock price in a single fiscal year shall not exceed 50% of the net profit attributable to the shareholders of the parent Company in the latest audited financial statements, and the total amount of funds used by the Company to repurchase shares shall not exceed the total amount of funds raised by the Company's initial public offering of shares.

④ From the time when the Company initiates the stock price stabilization plan to that before the formal implementation of the stock price stabilization measures, or during the implementing the measures for stabilizing the stock price, if any of the conditions as stated in the "conditions for terminating the implementation of the measures for stabilizing the stock price" in the "AIMA Technology Group Co., Ltd.'s IPO of RMB Common Shares (A Shares) and The Stabilization of The Stock Price within Three Years After Listing of the Company's Stock" is triggered, the implementation of the above-mentioned price stabilization plan will be terminated.

⑤ Within three years from the date of the listing of the Company's stock, if the Company has newly appointed directors (independent directors are exclusive) and senior executives, the Company will require these newly appointed directors and senior executives to fulfill the corresponding commitments made by the directors and senior executives appointed at the time of the listing.

(2) Controlling shareholder and actual controller

① Within three years from the date of IPO, if the closing price of the stock is lower than the Company's latest audited net assets per share for 20 consecutive trading days (if ex-right and ex-right is conducted due to the distribution of the cash bonus, bonus shares, capitalization of reserve or additional issuing of new shares, the closing price shall be adjusted accordingly, the same below), and the repurchase measures do not result in the Company's equity distribution not meeting the listing criteria, I will initiate the measures for stabilizing the stock price through repurchasing of the shares in accordance with the relevant laws, rules and regulations.

② If the closing price of the stock is lower than the Company's latest audited net assets per share for 10 consecutive trading days from the day after the Company has finished implementation of the measures for stabilizing the stock price (subject to the date of the announcement that implementation is finished), or within 3 months from the day after the Company has finished implementation of the measures for stabilizing the stock price (subject to the date of the announcement that implementation is finished), the closing price of the Company's stock is once again lower than the Company's latest audited net assets per share for 20 consecutive trading days, I will initiate the measures for stabilizing the stock price.

③ Within 5 trading days from the day when the above-mentioned conditions for initiating the measures to stabilize the stock price are satisfied, I will propose a plan to increase my shareholding of the Company's shares (including the number of shares to be increased, the price range, the completion period, etc.) and notify the Company. After receiving my shareholding plan, the Company should announce the increasing plan in accordance with the relevant regulations; and I will start to increase the shareholding on the trading day after the day of announcement for the increasing plan.

④ The price of my increased shares is not higher than the Company's audited net assets per share at the end of the previous fiscal year. Under the premise that the Company's equity distribution may not be caused to fail to meet the listing conditions, and the cumulative number of the increased shares shall not exceed 1% of the Company's total shares within every 12 months from the day when the condition for taking the measures to stabilize the stock price is triggered, the funds I use to increase my shareholdings are not less than 30% of the

total amount of the cash dividends, remuneration or allowance(after-tax) that I receive directly or indirectly from the Company in the previous year within every 12 months from the day when the condition for taking the measures for stabilizing stock price is triggered.

⑤ From the time when the Company initiates the stock price stabilization plan to that before the formal implementation of the stock price stabilization measures, or during the implementing the measures for stabilizing the stock price, if any of the conditions as stated in the “conditions for terminating the implementation of the measures for stabilizing the stock price” in the “AIMA Technology Group Co., Ltd.'s IPO of RMB Common Shares (A Shares) and The Stabilization of The Stock Price within Three Years After Listing of the Company's Stock” is triggered, the implementation of the above-mentioned price stabilization plan will be terminated.

⑥ I guarantee that when the Company implements the plan for stabilizing stock price, I shall vote in favor of the resolution to repurchase shares.

(3) Commitments of the directors (independent directors are exclusive) and senior executives

① Within three years from the date of IPO, if the closing price of the stock is lower than the Company's latest audited net assets per share for 20 consecutive trading days (if ex-right and ex-right is conducted due to the distribution of the cash bonus, bonus shares, capitalization of reserve or additional issuing of new shares, the closing price shall be adjusted accordingly, the same below), and the repurchase measures do not result in the Company's equity distribution not meeting the listing criteria, I will initiate the measures for stabilizing the stock price through repurchasing of the shares in accordance with the relevant laws, rules and regulations..

② If the closing price of the stock is lower than the Company's latest audited net assets per share for 10 consecutive trading days from the day after the Company has finished implementation of the measures for stabilizing the stock price (subject to the date of the announcement that implementation is finished), or within 3 months from the day after the Company has finished implementation of the measures for stabilizing the stock price (subject to the date of the announcement that implementation is finished), the closing price of the Company's stock is once again lower than the Company's latest audited net assets per share for 20 consecutive trading days, I will initiate the measures for stabilizing the stock price.

③ Within 5 trading days from the day when the above-mentioned conditions for initiating the measures to stabilize the stock price are satisfied, I will propose a plan to increase my shareholding of the Company's shares (including the number of shares to be increased, the price range, the completion period, etc.) and notify the Company. After receiving my shareholding plan, the Company should announce the increasing plan in accordance with the relevant regulations; and I will start to increase the shareholding on the trading day after the day of announcement for the increasing plan.

④ The price of my increased shares is not higher than the Company's audited net assets per share at the end of the previous fiscal year. Under the premise that the Company's equity distribution may not be caused to fail to meet the listing conditions, and the cumulative number of the increased shares shall not exceed 1% of the Company's total shares within every 12 months from the day when the condition for taking the measures to stabilize the stock price is triggered, the funds I use to increase my shareholdings are not less than 30% of the total amount of the cash dividends, remuneration or allowance(after-tax) that I receive directly or indirectly from the Company in the previous year within every 12 months from the day when the condition for taking the measures for stabilizing stock price is triggered.

⑤ From the time when the Company initiates the stock price stabilization plan to that before the formal implementation of the stock price stabilization measures, or during the implementing the measures for stabilizing the stock price, if any of the conditions as stated in the “conditions for terminating the implementation of the measures for stabilizing the stock price” in the “AIMA Technology Group Co., Ltd.'s IPO of RMB Common Shares (A Shares) and The Stabilization of The Stock Price within Three Years After Listing of the Company's Stock” is triggered; the implementation of the above-mentioned price stabilization plan will be terminated.

⑥ I guarantee that when the Company implements the plan for stabilizing stock price, I shall vote in favor of the resolution to repurchase shares.

Note 6: Commitment to resolve or avoid the Horizontal Competition

The Company's controlling shareholder and actual controller have issued a letter of commitment to resolve or avoid the horizontal competition with the commitment as follows:

(1) For the purpose of avoiding horizontal competition between the enterprise I control or imposing significant impact on and the Company after listing, I hereby commit that while I act as a shareholder and actual controller of Aima Technology Group Co., Ltd., the enterprise I may control or exert significant influence on shall not be directly or indirectly involved in any business or activities which may form competition with Aima Technology by any means both in and out of the territory of China (including but not limited to independent operation, operation through joint venture or owning of the shares and other equity in another company or enterprise), I shall not hold any post to perform any practical management duties in any economic organization that competes with the Company.

If Aima Technology further expands its business scope, I promise and will urge the enterprise that I control or exert significant influence on to commit not to compete with the expanded business of Aima Technology; if I and the enterprise that I control or exert significant influence on have any business opportunity to do or participate in any activity which may compete with Aima Technology currently or in future, I will take and urge the enterprise that I control or exert significant influence on to take all possible and reasonable measures to transfer such opportunity to Aima Technology; if Aima Technology does not accept the transfer of such opportunity, the enterprise that I control or exert significant influence on will take any possible measures before the

implementation of such opportunity to any unaffiliated third party or voluntarily withdraw from such business opportunity, or take any other measures favorable to protect Aima Technology's interest and to avoid horizontal competition with Aima Technology.

For enterprises that I control or exert significant influence on, I will urge these enterprises to perform their obligations in this letter of commitment by dispatching agencies and personnel (including but not limited to directors and managers) and obtaining controlling positions, and commit not to be involved in horizontal competition with Aima Technology.

(2) I commit not to take advantage of my status as the controlling shareholder and actual controller of Aima Technology to damage the legitimate rights and interests of Aima Technology and other minority shareholders, nor to use my special status to seek abnormal additional interests.

(3) I confirm that each of the commitments contained in this letter of commitment is independently enforceable. If any of the above commitments is violated, Aima Technology has the right to require me and the enterprises I control or exert significant influence on to immediately stop horizontal competition, and has the right to require me or the enterprises I control or exert significant influence on to bear the direct or indirect economic losses, claim liability and related expenses caused to Aima Technology.

(4) I guarantee that the above commitments shall continue to be valid and irrevocable as long as Aima Technology remains listed on the domestic stock exchange and I act as its controlling shareholder and actual controller. If change takes place in the relevant laws, rules or regulations, I shall update or supplement the relevant commitments in a timely manner in accordance with the regulations.

Note 7: Measures taken by the Company to reduce related transactions

In order to further regulate and reduce related-party transactions, the controlling shareholder and actual controller of the Company issued the letter of commitment on regulating and reducing related transactions with details as follows:

(1) My close relatives and I, other economic organizations controlled by myself or my close relatives, will try to avoid or reduce related transactions with Aima Technology (including its subsidiaries within the scope of consolidated financial statements, the same below). Transactions between the independent third parties and Aima Technology that occur through the market will be carried out by the independent third parties and Aima Technology. My close relatives and I, other economic organizations controlled by myself or my close relatives, will strictly avoid borrowing from Aima Technology, appropriating Aima Technology funds or taking the form of advances and payments to occupy Aima Technology funds, etc.

(2) Any necessary transaction between my close relatives and myself, other economic organizations controlled by myself or my close relatives and Aima Technology will strictly comply with the market principle and in accordance with the general principles of equality and mutual benefit, and the transaction should be fair and reasonable. If there is government price in pricing for the transaction, the government price shall be applicable; if there is no government price, the market fair price shall be applicable; if there is neither government price nor market price for reference, the cost price shall be determined according to the cost plus a comparable and reasonable profit level.

(3) Any related transactions between my close relatives and myself, other economic organizations controlled by myself or my close relatives and Aima Technology will be clearly stipulated in the form of signing a written contract or agreement. And these transactions must comply with the necessary statutory procedures, which stipulated in the Aima Technology's Articles of Association and the Regulations Concerning Management of Related Transactions. When the authority of Aima Technology reviews the concerned related transaction, I will initiatively implement the obligation of avoidance in accordance with the law. The related transactions that need to be reported to the authority should be implemented only after the authority has deliberated and approved them.

(4) I promise not to obtain any improper benefit through related transactions or making Aima Technology undertake any improper obligations. If the violation of the above commitments causes Aima Technology to lose or using the related transactions to encroach on the interests of Aima Technology. Aima Technology has the right to unilaterally terminate such related transactions, and I shall bear the loss of Aima Technology.

(5) For any unavoidable related transaction, I shall urge Aima Technology to strictly implement the related transaction decision-making procedures, the voting avoidance system and the information disclosure system formulated by the Company's articles of association, so as to ensure the fairness, impartiality and impartiality of related party transactions, and to avoid related transactions that harm the interest of Aima Technology and its shareholders.

(6) The above commitments will retain valid during the period when I constitute a related party of Aima Technology.

(II) If there is earnings forecast for the assets or projects of the Company and the reporting period is still in the earnings forecast period, the Company should explain whether the asset or project reaches the original earnings forecast and give the reasons

Already reached " Not reached " Not applicable"

(III) Fulfillment of commitments on the performance and its impacts on goodwill impairment test

Applicable" Not applicable"

II. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties during the Reporting Period

Applicable" Not applicable"

III. Information on Non-compliance Guarantees

Applicable" Not applicable"

IV. Explanation of the Board of Directors in Company on the "Non-standard audit report" Issued by the Accounting Firm

Applicable" Not applicable"

V. Analysis and Explanation on the Causes and Influences of the Changes in the Company's Accounting Policies, Accounting Estimates or Correction of Major Accounting Errors**(I) Analysis and explanation of the Company on the causes and influences of the changes in the accounting policies and accounting estimates**

Applicable" Not applicable"

The Ministry of Finance promulgated the Circular on Revision, Printing and Issuing of the "Accounting Standards for Enterprises No. 21-Revenues" (CAI KUAI [2018] No. 35) in December, 2018, according to which, a company which is listed both at home and abroad or listed overseas and prepares its financial statements according to the International Financial Reports Standards or the Accounting Standards for Enterprises started implementing the said accounting standards commencing from January 1, 2019; other domestically listed enterprises started the implementation commencing from January 1, 2021. Due to the revision of the above accounting standards, the Company started implementing the new lease standards commencing from January 1, 2021, and made changes to the relevant accounting policies previously adopted.

The Company made changes in its accounting policy according to the relevant rules and regulations promulgated by the Ministry of Finance. After the change, the accounting policy may objectively and fairly reflect the Company's financial status and operating results, in line with relevant laws and regulations and the Company's actual situation. The change in the accounting policy would neither lead to significant impact on the Company's financial position, operating results or cash flow, nor would it harm the interests of the Company and its shareholders.

(II) Explanation of the Company's analysis on reasons and effects of the correction of significant accounting errors

Applicable" Not applicable"

(III) Communication with former accounting firm

Applicable" Not applicable"

(IV) Other notes

Applicable" Not applicable"

VI. Engagement/Disengagement of the CPAs

In: RMB'0000 Currency: RMB

	Currently engaged
Name of the domestic CPAs	Ernst & Young (Special General Partnership)
Remuneration to the domestic CPAs	235
Years of the domestic CPAs offering auditing services	9

Note to Engagement/Disengagement of the CPAs

Applicable" Not applicable"

On May 17, 2021, the Company's 2020 Annual General Meeting reviewed and approved the Proposal on the Renewal of the Employment of the CPAs for 2021, and agreed to appoint Ernst & Young Hua Ming LLP as the Company's auditor for 2021.

Note to the replacement of the CPAs during the auditing

Applicable" Not applicable"

VII. Delisting Risk**(I) Reasons for the delisting risks warning**

Applicable" Not applicable"

(II) Solution to be adopted by the Company

Applicable" Not applicable"

(III) Termination of the listing and its reasons

Applicable" Not applicable"

VIII. Events Related to Bankruptcy and Reorganization

Applicable" Not applicable"

IX. Major Lawsuit and Arbitration Issues

Significant lawsuits and arbitrations in the reporting period"

No significant lawsuit or arbitration in the reporting period"

X. Punishment and Correction on the Listed Company as well as its Directors, Supervisors, Senior Management, Controlling Shareholders and Actual Controller due to Suspect of Law Violations

Applicable" Not applicable"

XI. Integrity Status of the Company, its Controlling Shareholder and Actual Controller during the Reporting Period

Applicable" Not applicable"

During the reporting period, the Company, its controlling shareholder and actual controller were all enjoying good reputation in integrity, and there was no failure to perform any effective judgment of the court, or large amount of outstanding due debts remaining unpaid.

XII. Significant Related Transactions**(I) Related Transactions Related with Day-to-Day Operations****1. Matters already disclosed in the interim announcement but with no progress or change in subsequent implementation**

Applicable" Not applicable"

2. Matters already disclosed in the interim announcement but with no progress or change in subsequent implementation

Applicable" Not applicable"

3. Matters not disclosed in the interim announcement

Applicable" Not applicable"

In: RMB'0000 Currency: RMB

Party of related transaction	Incidence relation	Type of related transaction	Description of the related transactions	Pricing principle of related transactions	Amount of the related transactions	Proportion of the amount in the similar transactions (%)	Way of settlement of related transactions
Tianjin Jiema Electric Technology Co., Ltd.	Associate	Purchase of goods	Purchase of accessories and semi-finished products, etc.	Market price	1,109.57	0.08	Bank transfer
Tianjin Jiema Electric Technology Co., Ltd.	Associate	Supply of labor services	Mould machining services	Market price	22.34	0.83	Bank transfer
Tianjin Jiema Electric Technology Co., Ltd.	Associate	Rent and lease	Property lease	Market price	633.35	16.31	Bank transfer
Duan Hua	Other related parties	Rent and lease	Property lease	Market price	476.19	27.67	Bank transfer
Tianjin Jiema Electric Technology Co., Ltd.	Associate	Rent and lease	Equipment hiring	Market price	2.65	0.07	Bank transfer
Total				/	2,244.10	/	/
Particulars about the big sales return					Not applicable		
Note to related transactions	<p>The 28th Session of the Third Board of Directors held on July 8, 2019 reviewed and approved the Proposal on the Company to Rent Office Space and Related Transaction and the Proposal on the Company to Lease Property to Tianjin Jijema Electric Technology Co., Ltd. and Related Transaction. The aforesaid related transaction between Duan Hua and Tianjin Jiema was reviewed and approved by the Board of Directors.</p> <p>2020 Annual General Meeting held on May 17, 2021 reviewed and approved the Proposal on the Predicted Routine Related Transactions of Year 2021. The related transactions, including purchase of commodities, supply of labor services, sales of products and lease of equipment, were reviewed and approved by the General Meeting.</p>						

(II) Related transactions concerning acquisition and sales of assets or equity**1. Matters already disclosed in the interim announcement but with no progress or change in subsequent implementation**

Applicable" Not applicable"

2. Matters already disclosed in the interim announcement but with no progress or change in subsequent implementation

Applicable" Not applicable"

3. Matters not disclosed in the interim announcement

Applicable" Not applicable"

4. If a performance agreement is involved, the achievement of performance during the reporting period should be disclosed

Applicable" Not applicable"

(III) Significant related transactions concerning joint investment in foreign countries

1. Matters already disclosed in the interim announcement but with no progress or change in subsequent implementation

Applicable" Not applicable"

2. Matters already disclosed in the interim announcement but with no progress or change in subsequent implementation

Applicable" Not applicable"

3. Matters not disclosed in the interim announcement

Applicable" Not applicable"

(IV) Current Associated Rights of Credit and Liabilities

1. Matters already disclosed in the interim announcement but with no progress or change in subsequent implementation

Applicable" Not applicable"

2. Matters already disclosed in the interim announcement but with no progress or change in subsequent implementation

Applicable" Not applicable"

3. Matters not disclosed in the interim announcement

Applicable" Not applicable"

(V) Financial business between the Company and the financial company with an associated relationship, the Company's holding financial company and the related party

Applicable" Not applicable"

(VI) Others

Applicable" Not applicable"

XIII. Important Contracts and Implementation

(I) Custody, Contacting and Leases

1. Custody

Applicable" Not applicable"

2. Contracting

Applicable" Not applicable"

3. Leases

Applicable" Not applicable"

(II) Guarantees

applicable Not applicable

In: Yuan Currency: RMB

Outward guarantees by the Company (excluding guarantee to the subsidiaries)														
Guarantors	Relationship between the guarantor and the Company	Guarantees	Amount guaranteed	Guarantee occurrence date (date of signing the agreement)	Guarantee Starting date	Guarantee Due date	Type of guarantee	Collateral (if any)	Is the guarantee finished	Has the guarantee been overdue	Overdue amount	About counter guarantee	Guarantee to related party?	Associated Relationship
Total amount of guarantees incurred during the reporting period (excluding guarantees to subsidiaries)														
Total amount of guarantees incurred at the end of the reporting period (A) (excluding guarantees to subsidiaries)														
Guarantee to the subsidiaries provided by the Company and its subsidiaries														
Total amount of guarantee to the subsidiaries incurred in the reporting period														4,722,795,186.44
Total balance of guarantees to the subsidiaries at the end of the reporting period (B)														2,800,769,582.04
About total amount of guarantees provided by the Company (including guarantees to subsidiaries)														
Total amount of guarantees (A+B)														2,800,769,582.04
Proportion of the total amount of guarantees in the Company's net assets (%)														56.30
Including:														

Amount of guarantees offered to the shareholders, actual controller and its related parties (C)	
Amount of guarantee for liabilities directly or indirectly offered to the guarantees with the asset-liability ratio exceeding 70% (D)	1,770,627,153.15
Guarantee with total amount exceeding 50% of the net assets (E)	313,355,886.58
Total amount of the aforesaid three guarantees (C+D+E)	2,083,983,039.73
Note to the immature guarantees which may bear joint liability for repayment	Not applicable
Note to the guarantees	The 2020 Annual General Meeting held on May 17, 2021 reviewed and approved the "Proposal on the Company's Guarantee Plan for Year 2021", and the above-mentioned guarantees have been reviewed and approved by the Company's General Meeting.

(III) Entrusting a Third Party to Manage the Cash Assets

1. Finance Management on Commission

(1) General of consigned financing

Applicable Not applicable

In: RMB'0000 Currency: RMB

Type	Capital source	Amount incurred	Immature balance	Overdue amount unrecovered
Bank financial product	Self-raised capital	240,220.00	116,741.00	
Bank financial product	Raised proceeds	126,230.77	56,837.59	

Note: The amount of consigned financing in the above table is the highest single-day balance of this type of wealth management product.

Other Information

Applicable Not applicable

1. About cash management of the idle self-raised funds

The Company's 2020 Annual General Meeting of Shareholders held on May 17, 2021, reviewed and approved the "Proposal on Using Idle Self-raised Capital for Cash Management", and agreed that the Company and its controlled subsidiaries (including subsidiaries of the controlled subsidiaries) intend to use no more than RMB 5 billion of idle funds to purchase low-risk cash management products with high security and good liquidity, from the date of approval at the 2020 Annual General Meeting to the date of the 2021 Annual General Meeting.

2. About cash management of the idle raised capital

The 17th session of the Fourth Board of Directors and the 7th session of the Fourth Board of Supervisors held on June 23, 2021 respectively reviewed and approved the Proposal on Use of the Temporarily Idle Raised Capital for Cash Management, and approved the Company to use no higher than RMB 1.3 billion idle raised capital for cash management to purchase investment products with high security and good liquidity. The Proposal came into force within 3 months commencing from the date when the Proposal was reviewed and approved by the Board of Directors and the Board of Supervisors. Within the aforesaid limit, the capital may be applied in a rolling way.

The 20th session of the Fourth Board of Directors and the 9th session of the Fourth Board of Supervisors held on August 26, 2021 respectively reviewed and approved the Proposal on the Adjustment of the Application Limit of the Temporarily Idle Raised Capital for Cash Management and Prolonging the Investment Deadline, approved that commencing from August 26, 2021, the Company and its subsidiaries would adjust the amount of temporarily idle raised funds of no more than RMB 1.3 billion for cash management to no more than RMB 650 million. At the same time, the investment period would be extended to June 22, 2022, and the above limit of the raised capital may be used in a rolling way within effective period.

3. In the reporting period, the Company conducted the cash management with the idle raised capital strictly based on the limit as approved by the Board of Directors and the General Meeting. The aforesaid wealth management products are the wealth management products or structured deposits with high security, good liquidity, low risk and open-end.

(2) About single consigned financing

Applicable Not applicable

In: RMB'0000 Currency: RMB

Consignee	Type of consigned financing	Amount of consigned financing	Date of commencement of consigned financing	Date of end of consigned financing	Fund Source	Annual Yield	Actual Income or loss	Actual recovery	Has it gone through statutory procedure
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ICBC	Structured deposit	20,000	July 16, 2021	December 30, 2021	Self-raised capital	3.72%	340.45	Recovered	Yes
ICBC	Structured deposit	40,000	November 24, 2021	August 24, 2022	Self-raised capital	3.75%			Yes
ICBC	Structured deposit	20,000	April 16, 2021	October 18, 2021	Self-raised capital	3.75%	380.14	Recovered	Yes
ICBC	Structured deposit	20,000	May 12, 2021	November 16, 2021	Self-raised capital	3.78%	389.39	Recovered	Yes
Bohai Bank	Structured deposit	30,000	August 13, 2021	February 14, 2022	Self-raised capital	3.55%			Yes
Industrial Bank	Structured deposit	39,000	August 17, 2021	February 18, 2022	Self-raised capital	3.03%			Yes

Note: The above table shows the wealth management products of the Company's single significant amount of structured deposits during the reporting period, and other open-end wealth management products are Not applicable.

Other Information

Applicable Not applicable

(3) Provision for impairment of consigned financing

Applicable Not applicable

2. About consigned loans

(1) General of consigned loans

Applicable Not applicable

Other Information

Applicable Not applicable

(2) About single consigned loan

Applicable Not applicable

Other Information

Applicable Not applicable

(3) Provision for impairment of consigned loans

Applicable Not applicable

3. Other Information

Applicable Not applicable

(IV) Other Important Contracts

Applicable Not applicable

XIV. Note to Other Major Events that have Significant Impact on Investors' Value Judgments and Investment Decisions

Applicable Not applicable

During the reporting period, Tianjin Aima, Guangdong Aima, and Guangxi Aima acquired the qualifications of high-tech enterprises, and may enjoy income tax preference policy for high-tech enterprises for three consecutive years (i.e. 2021, 2022 and 2023); that means they pay corporate income tax at a rate of 15%. As of the disclosure date of the Report, only Tianjin Aima received the certificate of hi-tech enterprise but the other two did not.

Section 7 Changes in Common Shares and Information about Shareholders

I. Changes in Shares Capital

(I) Table of Changes in shares

1. Table of Changes in shares

	Before the change		Increase or decrease of the change (+, -)					After the change	
	Quantity	Percentage (%)	New shares issued	Bonus shares	Shares converted from	Others	Subtotal	Quantity	Percentage (%)

In: share

					capital reserves				
I. Restricted shares	338,660,003	100						338,660,003	83.90
1. Shares held by the state									
2. Shares held by the state-owned legal entities									
3. Other domestic shares	338,660,003	100						338,660,003	83.90
Including: shares held by Domestic non-state-owned legal entities	40,593,003	11.99						40,593,003	10.06
Shares held by domestic individuals	298,067,000	88.01						298,067,000	73.84
4. Oversea shares									
Including: shares held by foreign legal entities									
Shares held by foreign individuals									
II. Tradable shares without selling restrictions			65,000,000				65,000,000	65,000,000	16.10
1. RMB common shares			65,000,000				65,000,000	65,000,000	16.10
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total shares	338,660,003	100.00	65,000,000				65,000,000	403,660,003	100.00

2. Statement on the change in shares

Applicable" Not applicable"

With the approval of the China Securities Regulatory Commission by the "Official Reply on Approving the Initial Public Offering of Aima Technology Group Co., Ltd." (Zheng Jian Xu Ke [2021] No. 1775), the Company publicly issued 65,000,000 RMB common shares (A-shares) through the Shanghai Stock Exchange on June 15, 2021.

3. Effect of changes in shares on financial indicators such as earnings per share and net asset per share for the latest year and period (if any) over the last year and the last reporting period

Applicable" Not applicable"

During the reporting period, the Company publicly issued 65,000,000 RMB common shares (A shares), and the Company's total share capital changed from 338,660,003 shares to 403,660,003 shares. The above-mentioned change in shares has resulted in the dilution of the Company's basic earnings per share and net assets per share in 2021 and other financial indicators.

4. Other contents that the Company deems necessary and the securities regulatory authorities require disclosing

Applicable" Not applicable"

The Company's 2021 third Extraordinary General Meeting held on December 27, 2021 reviewed and approved the "Proposal on the Company's "2021 Restricted Stock Incentive Plan (Draft)" and its Summary", etc., and the 24th session of the Fourth Board of Directors reviewed and approved the "Proposal on Granting Restricted Shares to Incentive Objects for the First Time", etc., and determined to grant restricted stocks to incentive objects.

On January 24, 2022, the Company completed the registration of the first grant of the 2021 Restricted Stocks Incentive Plan with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited; and the Company's total capital stock increased to 410,440,003 shares from 403,660,003 shares.

(II) Changes in restricted shares

Applicable" Not applicable"

II. Securities Issuance and Listing

(I) Issuance of securities during the reporting period

Applicable" Not applicable"

Stock and its derivatives Types of securities	Date of issuance	Issuing price (or interest rate)	Shares issued	Date of listing	In: share Currency: RMB	
					Quantity approved for being listed and traded	Expiry date of trading
Type of common stock						
A-shares	June 3, 2021	27.86	65,000,000	June 15, 2021	65,000,000	

Note to issuance of securities during the reporting period (for the bonds with different interest rates during the period, please explain separately):

Applicable" Not applicable"

With the approval of the China Securities Regulatory Commission by the "Official Reply on Approving the Initial Public Offering of Aima Technology Group Co., Ltd." (Zheng Jian Xu Ke [2021] No. 1775), on June 3, 2021, the Company publicly issued 65,000,000 RMB common shares (A-shares) through the Shanghai Stock Exchange (hereinafter referred to as the "SSE") trading system and the offline subscription electronic platform which were listed for trading with Shanghai Stock Exchange on June 15, 2021.

(II) Changes in total common shares and shareholders structure, as well as in assets and liabilities structure

Applicable" Not applicable"

During the reporting period, the Company publicly issued 65,000,000 common shares (A shares), and the Company's total capital stock changed from 338,660,003 shares to 403,660,003 shares. At the end of the previous year, the total assets amounted to RMB9,558,496,657.40, the total liabilities amounted to RMB6,910,653,818.49, and the gearing ratio was 72.30%; at the end of the reporting period, the total assets amounted to RMB13,396,944,911.18, the total liabilities amounted to RMB8,417,177,181.15, and the gearing ratio was 62.83%.

III. Shareholders and Actual Controller

(I) Total number of shareholders

Total number of common shareholders up to the end of the reporting period	31,306
Total number of common shareholders as at the end of the last month prior to the disclosure day of the annual report	26,472

(II) Table of top 10 shareholders, top 10 common shares (or tradable shares without selling restrictions) by the end of reporting period

In: share

Shareholdings by top 10 shareholders							
Names of the Shareholders (Full name)	Increase/Decrease during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Number of restricted shares	Status of shares pledged, marked or frozen		Nature of the shareholder
					Status of the shares	Quantity	
Zhang Jian		282,317,000	69.94	282,317,000	Nil		Domestic natural person

Changxing Dingai Investment Management Partnership (LLP)		16,933,000	4.19	16,933,000	Nil		Domestic non-state legal entity
CITIC Securities Investment Co., Ltd.		8,400,000	2.08	8,400,000	Nil		Domestic non-state legal entity
Jinshi Zhiyu Equity Investment (Hangzhou) Partnership (Limited Partnership)		8,260,001	2.05	8,260,001	Nil		Domestic non-state legal entity
Three Gorges Jinshi (Wuhan) Equity Investment Fund Partnership (LLP)		3,500,001	0.87	3,500,001	Nil		Domestic non-state legal entity
Jinshi Haofeng Equity Investment (Hangzhou) Partnership (LLP)		3,500,001	0.87	3,500,001	Nil		Domestic non-state legal entity
Peng Wei		3,150,000	0.78	3,150,000	Nil		Domestic natural person
Han Jianhua		3,150,000	0.78	3,150,000	Nil		Domestic natural person
Li Shishuang		3,150,000	0.78	3,150,000	Nil		Domestic natural person
Liu Jianxin		3,150,000	0.78	3,150,000	Nil		Domestic natural person
Qiao Baogang		3,150,000	0.78	3,150,000	Nil		Domestic natural person

Shareholdings of top 10 shareholders of tradable shares without selling restrictions

Names of the Shareholders	Number of tradable shares without selling restrictions	Types and Number of shares	
		Types	Quantity
National Social Security Fund 113	2,699,913	Common floating shares	2,699,913
Basic Endowment Insurance Fund Portfolio 802	1,745,500	Common floating shares	1,745,500
Huang Yunhai	1,671,748	Common floating shares	1,671,748
China Merchants Bank Co., Ltd. - E Fund Day Fenghua Bond Type Securities Investment Fund	1,521,784	Common floating shares	1,521,784
Construction Bank of China - BOSERA THEME INDUSTRY Mixed Securities Investment Fund (LOF)	1,457,932	Common floating shares	1,457,932
TAIPING LIFE INSURANCE COMPANY LIMITED	900,026	Common floating shares	900,026
Dajia Life Insurance Co., Ltd.- Universal Products	865,324	Common floating shares	865,324
Construction Bank of China Co., Ltd. - Huaxia Emerging Economies 1-Year Holding Hybrid Securities Investment Fund	763,858	Common floating shares	763,858
Shanghai Ruiyi Investment Development Center - Ruiyi Investment Panshan Phase VI Block Trading Private Placement Investment Fund	563,219	Common floating shares	563,219
Construction Bank of China Co., Ltd. - Huaxia Emerging Economies 1-Year Holding Hybrid Securities Investment Fund	506,919	Common floating shares	506,919
Explanation on repurchase account of top 10 shareholders	Not applicable		

Explanation on delegated voting rights, entrusted voting rights, abstained voting rights of the aforesaid shareholders	Not applicable
Notes to the related relation or consistent actions of the above-mentioned shareholders	CITIC Investment, Jinshi Zhiyu, Jinshi Haofeng and Three Gorges Jinshi are enterprises under the same control of CITIC Securities Co., Ltd. and are concerted actors. Apart from the above circumstance, it is not known whether there is an associated relationship among the other shareholders mentioned above, and it is also unknown whether the other shareholders are concerted actors as stipulated in the Measures for the Administration of the Acquisition of Listed Companies.
Explanation on preference stockholders with recovered voting rights and the number of stocks held by them	Not applicable

Number of shares held by top ten shareholders with selling restrictions and the selling restrictions
 Applicable" Not applicable"

In: share

No.	Names of shareholders with selling restrictions	Number of restricted shares	Restricted shares allowed for public trading		Selling restrictions
			Date when public trading is allowed	Increase in restricted shares allowed for public trading	
1	Zhang Jian	282,317,000	June 15, 2024		Non-tradable for 36 months from IPO
2	Changxing Dingai Investment Management Partnership (LLP)	16,933,000	June 15, 2024		Non-tradable for 36 months from IPO
3	CITIC Securities Investment Co., Ltd.	8,400,000	June 15, 2022		Non-tradable for 12 months from IPO
4	Jinshi Zhiyu Equity Investment (Hangzhou) Partnership (Limited Partnership)	8,260,001	June 15, 2022		Non-tradable for 12 months from IPO
5	Three Gorges Jinshi (Wuhan) Equity Investment Fund Partnership (LLP)	3,500,001	June 15, 2022		Non-tradable for 12 months from IPO
6	Jinshi Haofeng Equity Investment (Hangzhou) Partnership (LLP)	3,500,001	June 15, 2022		Non-tradable for 12 months from IPO
7	Peng Wei	3,150,000	June 15, 2022		Non-tradable for 12 months from IPO
8	Han Jianhua	3,150,000	June 15, 2022		Non-tradable for 12 months from IPO
9	Li Shishuang	3,150,000	June 15, 2022		Non-tradable for 12 months from IPO
10	Liu Jianxin	3,150,000	June 15, 2022		Non-tradable for 12 months from IPO
11	Qiao Baogang	3,150,000	June 15, 2022		Non-tradable for 12 months from IPO
Notes to the related relation or consistent actions of the above-mentioned shareholders		CITIC Investment, Jinshi Zhiyu, Jinshi Haofeng and Three Gorges Jinshi are enterprises under the same control of CITIC Securities Co., Ltd. and are concerted actors. Apart from the above circumstance, it is not known whether there is an associated relationship among the other shareholders mentioned above, and it is also unknown whether the other shareholders are concerted actors as stipulated in the Measures for the Administration of the Acquisition of Listed Companies.			

(III) Strategic investors or general legal entity who became the top 10 shareholders due to placing of new shares

Applicable" Not applicable"

IV. Controlling Shareholders and Actual Controllers**(I) Controlling shareholder****1. Legal entity**

Applicable" Not applicable"

2. Natural person

Applicable" Not applicable"

Name	Zhang Jian
Nationality	China
Residency in other countries or regions (yes/no)	No
Main occupations and positions	Chairman of the Board & General Manager

3. Special statement about no controlling shareholder in the Company

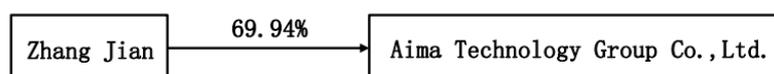
Applicable" Not applicable"

4. Explanation on changes in controlling shareholders during the reporting period

Applicable" Not applicable"

5. Framework of the ownership and controlling relationship between the Company and its controlling shareholder

Applicable" Not applicable"

**(II) Actual controller****1. Legal entity**

Applicable" Not applicable"

2. Natural person

Applicable" Not applicable"

Name	Zhang Jian, Zhang Gege
Nationality	China
Residency in other countries or regions (yes/no)	No
Main occupations and positions	Zhang Jian is the Chairman of the Board and the General Manager of the Company; Zhang Gege is a director of the Company, the executive director and general manager of Tianjin Suiwanwan, and the executive partner of Changxing Dingai.
Controlling interests in other domestically and overseas listed companies in the past 10 years	Not applicable

3. Special statement about no actual controller in the Company

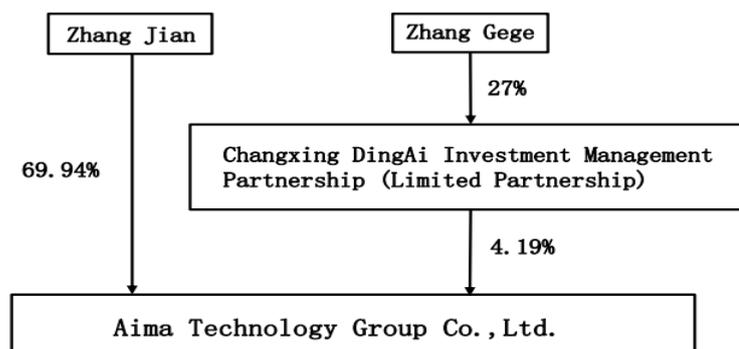
Applicable" Not applicable"

4. Explanation on changes in the Company's Control during the reporting period

Applicable" Not applicable"

5. Framework of ownership and controlling relationship between the Company and the actual controllers

Applicable" Not applicable"

**6. The actual controller controls the Company by way of Trust or other Assets Management**

Applicable" Not applicable"

(III) Other information about Controlling shareholders and actual controllers

Applicable" Not applicable"

Zhang Jian and Zhang Gege, the actual controllers of the Company, are in a father-daughter relationship, in which Zhang Jian directly holds 282,317,000 shares of the Company, and Zhang Gege indirectly holds 4,571,910 shares of the Company through Changxing DingAi Investment Management Partnership (Limited Partnership).

On January 24, 2022, the Company's 2021 equity incentive restricted shares were first granted and registered, resulting in a change in the Company's total capital stock, and the proportion of the shares in the Company held by Zhang Jian and Zhang Ge, the two actual controllers of the Company, was reduced from 71.07% to 69.90%.

V. The Proportion of The Accumulated Number of Shares Pledged by The Controlling Shareholders or The Largest Shareholder of the Company, Together with The Parties Acting in Concert with Them to The Number of Shares of The Company Held by Them Amounts to More Than 80%

Applicable" Not applicable"

VI. Other Legal Entity Shareholder Holding More Than 10%

Applicable" Not applicable"

VII. Explanation on The Reduction of Restricted Shares

Applicable" Not applicable"

For details, please refer to the interpretation on shareholding lessening as stated in "Section 6 I. (I) Commitments of the Company's actual controller, shareholders, related parties, acquirer, as well as the Company and other relevant entities during or up to the reporting period". There existed no shareholding lessening by any of the subjects restricted for shareholding lessening against the regulations.

VIII. Specific Implementation of Share Repurchase During The Reporting Period

Applicable" Not applicable"

Section 8 Preferred Shares

Applicable" Not applicable"

Section 9 Corporate Bonds**I. Enterprise Bonds, Corporate Bonds and Debt Financing Instruments for Non-financial Enterprises**

Applicable" Not applicable"

II. Convertible Corporate Bonds

Applicable" Not applicable"

Section 10 Financial Report**I. Auditor's Report**

Applicable" Not applicable"

Ernst & Young Hua Ming (2022) Shen Zi NO.60968971_B01
AIMA Technology Group Co., LTD.

To all shareholders of AIMA Technology Group Co., LTD.,

I. Opinion

We have audited the financial statements of AIMA Technology Group Co., LTD. (the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2021, and the consolidated and company income statements, the consolidated and company statement of changes in equity and the consolidated and company statement of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the consolidated and company as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

II. Basis for opinion

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

III. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit

of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters:	How our audit addressed the key audit matter:
Sales rebates and incentives	
<p>The book value of sales rebates and incentives payable in the consolidated financial statements on December 31, 2021 was RMB 186,926,832.16, and the book value of sales rebates and incentives payable in the Company's financial statements was RMB 101,065,324.67.</p> <p>It is stipulated in the distribution agreement signed with the dealers that sales rebates and other specific incentives should be given based on the purchase volume to offset against revenue. On the balance sheet date, sales rebates and incentives are estimated based on the dealers' purchase volume and other rebates and promotion policies. Due to the large number of dealers and the various forms of sales rebates and incentives, the purchase volume of each dealer and the achievement of other performances needs to be considered in order to determine the period of sales rebates and incentives. The calculation of sales rebates and incentives depends on the judgment and estimate of the management.</p> <p>The accounting policies, accounting estimates and disclosures for the sales rebates and incentives are set out in "V. 38. Revenue", "V. 43. Other significant accounting policies and accounting estimates" and "VII. 38. Contract liabilities" of the financial report in this section".</p>	<p>Our audit procedures performed on sales rebates and incentives mainly include:</p> <ol style="list-style-type: none"> 1) Understand the internal control of sales rebate and incentives management, perform walkthrough test and control test on identified controls; 2) Check the distribution agreements signed with several dealers in 2021, and checking the provisions in the distribution agreements on sales rebates and incentives; 3) Select a number of dealers to check whether the sales rebates and incentives obtained by them comply with the relevant sales policies, and check the application of these dealers' sales rebates and incentives; 4) Check the year-end sales rebate calculation process prepared by the management, and check whether the target sales volume of the dealer's year-end sales rebate has been achieved for the year-end rebate; and check whether the quantity and unit price of the calculated sales rebate are consistent with the specific terms in the distribution agreement; 5) Execute the subsequent review procedure to check the sales rebate payable by the Company at the end of the year and the actual payment status thereafter.
Bad debt provision of accounts receivable	
<p>The book value of accounts receivable in the consolidated financial statements on December 31, 2021 was RMB 207,629,801.65, and the book value of the accounts receivable in the Company's financial statements was RMB 90,196,112.09.</p> <p>The management considers the credit risk characteristics of different customers and evaluates the expected credit losses ("ECLs") of accounts receivable based on the aging portfolio. Then, on the basis of ECLs, the bad debt provision is measured according to the ECLs amount equivalent to the entire lifetime. The management considers reasonable and supportable information about past events, current conditions and forecasts of future economic conditions when assessing ECLs.</p> <p>The dealers' customers are scattered and numerous, and the estimation of bad-debt provision for accounts receivable depends on the judgment and estimation of the management.</p> <p>The accounting policies and disclosures for bad-debt provision for accounts receivable are set out in "V. 10. Financial instruments", "V. 43. Other important accounting policies and accounting estimates", "VII. 5. Accounts receivable" in the financial report of this</p>	<p>Our audit procedures performed on bad debt provision for accounts receivable mainly include:</p> <ol style="list-style-type: none"> 1) For the accounts receivable that have been individually assessed for impairment, interview the managers of the sales department and the legal department, and review the basis for the management to estimate the bad debt provision, including the communication correspondences between the management and the relevant customers, the management's assessment on credit risks of the customers in consideration of their operating conditions and historical payment record, etc.; 2) For the accounts receivable assessed by combination, review the management's setting of the combination of credit risk characteristics, key information such as the aging and credit quality records of each combination by sampling; and with the combination of credit risk characteristics (i.e. ageing combination) as the base, review the management's basis to assess the credit risk and ECLs amount, including testing historical default data, evaluating adjustments to historical loss rates based on current economic conditions, and evaluating forward-looking information by examining publicly available macroeconomic factors, and check the actual credit losses incurred during the

section, "XVII. 1. Accounts receivable".	year; 3) Check the subsequent collection of accounts receivable, and consider the impact of subsequent events on the estimation of bad debt provision; 4) Retest the calculation process of bad debt provision for accounts receivable, and review the amount of bad debt provision; 5) Review the disclosure of bad debt provision for accounts receivable in the financial statements.
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IV. Other information

The management of AIMA Technology Group Co., LTD. is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

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

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

V. Responsibilities of the management and those charged with governance for the financial statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing AIMA Technology Group Co., LTD.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless either intend to liquidate AIMA Technology Group Co., LTD. or to cease operations or have no realistic alternative but to do so.

Those charged with governance is responsible for overseeing AIMA Technology Group Co., LTD.'s financial reporting process.

VI. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with those charged with governance all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: ZhangJiong

Chinese Certified Public Accountant: Zhang Bin

Beijing, the People's Republic of China

14 April 2022

II. Financial Statements

Consolidated Balance Sheet

December 31, 2021

Prepared by AIMA Technology Group Co., LTD.

In: Yuan Currency: RMB

Items	Notes	December 31, 2021	December 31, 2020
Current assets:			
Currency funds	VII.1	2,846,143,310.70	1,249,120,118.26
Settlement reserve			
Inter-bank lending			
Financial assets held for trading	VII.2	1,265,981,818.24	458,440,486.16
Derivative financial assets			
Notes receivable			
Accounts receivable	VII.5	207,629,801.65	187,700,162.28
Receivables financing	VII.6	49,295,422.59	194,010,599.36
Prepayments	VII.7	21,538,098.38	20,248,469.38
Receivable premium			
Reinsurance accounts receivable			
Reserve for reinsurance contract receivable			
Other receivables	VII.8	150,069,854.58	85,518,641.96
Including: Interest receivable		642,997.45	930,559.39
Dividend receivable			
Redemptory monetary capital for sale			
Inventories	VII.9	795,689,208.89	494,751,269.64
Contract assets			
Assets classified as held for sale			
Current portion of non-current assets	VII.12		875,045,616.43
Other current assets	VII.13	170,807,953.30	120,605,121.80
Total current assets		5,507,155,468.33	3,685,440,485.27
Non-current assets:			
Loan issuing and advance in cash			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII.17	105,073,280.23	32,946,576.25

Other equity investments			
Other non-current financial assets			
Investment properties	VII.20	270,188,544.27	223,753,945.07
Fixed assets	VII.21	1,966,085,704.31	1,781,506,536.14
Construction in progress	VII.22	114,131,095.16	47,995,478.09
Productive biological asset			
Oil and Gas Assets			
Right-of-use assets	VII.25	41,226,833.58	
Intangible assets	VII.26	332,074,064.23	316,215,456.18
Development expenditures			
Goodwill			
Long-term prepaid expenses	VII.29	29,394,318.63	11,802,083.24
Deferred tax assets	VII.30	88,843,633.31	56,365,819.88
Other non-current assets	VII.31	4,942,771,969.13	3,402,470,277.28
Total non-current assets		7,889,789,442.85	5,873,056,172.13
Total assets		13,396,944,911.18	9,558,496,657.40
Current liabilities:			
Short-term borrowings			
Borrowings from the central bank			
Loans from other banks			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	VII.35	4,926,337,711.40	4,555,247,953.70
Accounts payable	VII.36	2,132,113,371.54	1,382,013,472.83
Receipts in advance	VII.37	13,125,994.89	
Contract liabilities	VII.38	483,535,624.57	318,471,009.89
Money from sale of the repurchased financial assets			
Deposits taking and interbank placement			
Acting trading securities			
Income from securities underwriting on commission			
Employee benefits payable	VII.39	113,584,622.70	89,154,510.59
Taxes and surcharges payable	VII.40	58,301,487.57	25,977,920.73
Other payables	VII.41	478,360,431.77	453,785,184.64
Including: interest payable			
Dividends payable			
Service charge and commission payable			
Payable reinsurance			
Liabilities classified as held for sale			
Current portion of non-current liabilities	VII.43	5,923,801.00	
Other current liabilities	VII.44	39,990,259.74	12,219,830.60
Total current liabilities		8,251,273,305.18	6,836,869,882.98
Non-current liabilities:			
Reserve for insurance contract			
Long-term borrowings			
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities	VII.47	46,589,311.07	
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income	VII.51	118,883,340.46	73,775,195.25
Deferred tax liabilities	VII.30	431,224.44	8,740.26
Other non-current liabilities			

Total non-current liabilities		165,903,875.97	73,783,935.51
Total liabilities		8,417,177,181.15	6,910,653,818.49
Shareholders' Equity:			
Share capital	VII.53	403,660,003.00	338,660,003.00
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserves	VII.55	1,935,686,839.31	319,618,893.64
Less: Treasury shares			
Other comprehensive income			
Special reserves			
Surplus reserves	VII.59	201,830,001.50	189,936,412.55
General risks reserves			
Retained earnings	VII.60	2,433,650,547.11	1,781,546,043.16
Total shareholders' equity attributable to the parent company		4,974,827,390.92	2,629,761,352.35
Non-controlling interests		4,940,339.11	18,081,486.56
Total shareholder's equity		4,979,767,730.03	2,647,842,838.91
Total Liabilities and Shareholder's Equity		13,396,944,911.18	9,558,496,657.40

Legal representative: Zhang Jian

Financial controller: Zheng Hui

Accounting supervisor: Zheng Hui

Balance Sheet, Parent Company

December 31, 2021

Prepared by: AIMA Technology Group Co., LTD.

In: Yuan Currency: RMB

Items	Notes	December 31, 2021	December 31, 2020
Current assets:			
Currency funds		1,381,189,954.73	1,026,281,081.52
Financial assets held for trading		487,120,547.95	60,600,000.00
Derivative financial assets			
Notes receivable			
Accounts receivable	XVII.1	90,196,112.09	187,973,999.10
Receivables financing			2,920,000.00
Prepayments		8,325,601.78	9,320,260.63
Other receivables	XVII.2	226,834,333.25	54,343,683.45
Including: Interest receivable		255,452.31	928,998.18
Dividend receivable			
Inventories		11,327,860.00	5,103,408.33
Contract assets			
Assets classified as held for sale			
Current portion of non-current assets			875,045,616.43
Other current assets		1,908,746.07	48,187,421.72
Total current assets		2,206,903,155.87	2,269,775,471.18
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	874,946,715.49	693,448,588.33
Other equity investments			
Other non-current financial assets			
Investment properties		426,912,592.10	438,596,163.82
Fixed assets		62,254,198.18	48,254,628.34
Construction in progress		49,538,123.48	13,543,609.26
Productive biological asset			
Oil and Gas Assets			
Right-of-use assets		11,005,806.85	

Intangible assets		59,929,778.27	30,295,640.40
Development expenditures			
Goodwill			
Long-term prepaid expenses		14,285,240.24	1,021,465.06
Deferred tax assets		43,885,593.62	20,994,245.62
Other non-current assets		4,108,653,262.00	3,190,437,580.45
Total non-current assets		5,651,411,310.23	4,436,591,921.28
Total assets		7,858,314,466.10	6,706,367,392.46
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		1,200,158,631.00	1,535,609,263.11
Accounts payable		1,856,691,257.42	2,581,643,212.31
Receipts in advance		18,776,664.32	
Contract liabilities		259,774,265.64	293,258,453.68
Employee benefits payable		32,754,658.59	25,528,265.93
Taxes and surcharges payable		1,220,779.78	666,987.59
Other payables		356,709,196.67	308,332,553.91
Including: interest payable			
Dividends payable			
Liabilities classified as held for sale			
Current portion of non-current liabilities		4,349,098.29	
Other current liabilities		22,063,245.17	9,711,127.61
Total current liabilities		3,752,497,796.88	4,754,749,864.14
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities		6,909,182.17	
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		35,407,977.88	36,257,597.30
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		42,317,160.05	36,257,597.30
Total liabilities		3,794,814,956.93	4,791,007,461.44
Shareholders' Equity:			
Share capital		403,660,003.00	338,660,003.00
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserves		1,910,845,161.11	294,981,361.11
Less: Treasury shares			
Other comprehensive income			
Special reserves			
Surplus reserves		201,830,001.50	189,936,412.55
Retained earnings		1,547,164,343.56	1,091,782,154.36
Total shareholder's equity		4,063,499,509.17	1,915,359,931.02
Total Liabilities and Shareholder's Equity		7,858,314,466.10	6,706,367,392.46

Legal representative: Zhang Jian

Financial controller : Zheng Hui

Accounting supervisor: Zheng Hui

Consolidated Income Statement

2021

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In:Yuan Currency: RMB

Items	Notes	2021	2020
I. Revenue		15,398,710,870.72	12,904,586,099.11
Including: operating revenue	VII.61	15,398,710,870.72	12,904,586,099.11
Interest income			
Earned insurance premium			
Service charge and commission income			
II. Total operating costs		14,659,904,964.29	12,252,528,155.38
Including: cost of sales	VII.61	13,593,606,029.56	11,431,221,982.27
Interest payment			
Service charge and commission payment			
Surrender Value			
Compensation expenses, net			
Provision of reserve for insurance liabilities, net			
Payment of policy dividend			
Reinsurance expenses			
Taxes and surcharges	VII.62	56,148,586.05	52,625,966.82
Selling expenses	VII.63	550,605,290.98	398,784,858.24
Administrative expenses	VII.64	316,594,598.36	265,551,124.65
Research and development expenses	VII.65	404,084,127.91	239,440,162.52
Financial expenses	VII.66	-261,133,668.57	-135,095,939.12
Including: Interest expenses		1,869,959.31	10,954,710.98
Interest income		264,701,993.37	150,694,536.85
Add: Other income	VII.67	22,672,276.61	29,136,346.91
Investment income (loss is stated with "-")	VII.68	-16,374,983.63	71,851,196.50
Including: Income from investments in associates and joint ventures		-39,867,033.98	10,372,839.35
Income from the derecognition of financial assets measured at amortised cost			
Exchange income (loss stated with "-")			
Net position hedging gains (loss stated with "-")			
Fair value gains (loss is stated with "-")	VII.70	9,978,187.68	12,219,498.91
Credit impairment losses (loss is stated with "-")	VII.71	5,960,856.26	3,965,931.68
Impairment losses of assets (loss is stated with "-")	VII.72	-11,557,401.98	-679,328.75
Gains on disposal of non-current assets (loss is stated with "-")	VII.73	-10,592,015.11	-4,371,284.89
III. Operating profit (loss is stated with "-")		738,892,826.26	764,180,304.09
Add: Non-operating income	VII.74	30,687,494.40	26,135,758.67
Less: Non-operating expenses	VII.75	11,326,697.86	11,236,658.62
IV. Total profit (total loss is stated with "-")		758,253,622.80	779,079,404.14
Less: Income tax expense	VII.76	90,532,343.61	169,238,614.08
V. Net Profit (net loss is stated with "-")		667,721,279.19	609,840,790.06
(I) Classified by continuity of operations			
1. Profit from continuing operations(loss is stated with "-")			
2. Profit from discontinued operations(loss is stated with "-")			
(II) Classified by ownership			
1. Profit attributable to owners of the parent(loss is stated with "-")		663,998,092.90	598,524,584.35
2. Profit attributable to non-controlling interests(loss is stated with "-")		3,723,186.29	11,316,205.71
VI. Other comprehensive income, net of tax			
(I) Other comprehensive income, net of tax, attributable to owners of the parent			
1 Other comprehensive income that will not be reclassified to profit or loss			
(1) Remeasurement of a defined benefit plan			
(2) Other comprehensive income using the equity method that will not be reclassified to profit or loss			
(3) Change in the fair value of other equity investments			

(4) Change in the fair value of the entity's own credit risks			
2. Other comprehensive income that may be reclassified to profit or loss			
(1) Other comprehensive income using the equity method that may be reclassified to profit or loss			
(2) Change in the fair value of other debt investments			
(3) Amount recognized in other comprehensive income resulting from the reclassification of financial assets			
(4) Provision for credit impairment of receivables financing			
(5) Cash flow hedge reserve (Effective portion of cash flow hedges)			
(6) Exchange differences on translation of foreign currency financial statements			
(7) Others			
(II) Other comprehensive income, net of tax, attributable to non-controlling interests			
VII. Total comprehensive income		667,721,279.19	609,840,790.06
(I) Total comprehensive income attributable to owners of the parent		663,998,092.90	598,524,584.35
(II) Total comprehensive income attributable to non-controlling interests		3,723,186.29	11,316,205.71
VIII. Earnings per share:			
(I) Basic earning per share (RMB/share)		1.79	1.77
(II) Diluted earning per share (RMB/share)		1.79	1.77

Legal representative: Zhang Jian

Financial controller: Zheng Hui

Accounting supervisor: Zheng Hui

Income Statement, Parent Company

2021

In: Yuan Currency: RMB

Items	Notes	2021	2020
I. Operating revenue	XVII.4	10,943,228,159.23	11,794,656,290.53
Less: cost of sales	XVII.4	10,678,372,712.23	11,546,176,689.61
Taxes and surcharges		10,355,046.08	13,663,859.20
Selling expenses		365,753,276.19	277,532,607.93
Administrative expenses		179,546,823.66	100,509,267.05
Research and development expenses		8,486,096.33	
Financial expenses		-210,284,084.80	-124,131,405.89
Including: Interest expenses		646,375.99	
Interest income		211,239,319.46	125,442,381.35
Add: Other income		3,645,613.87	4,487,710.36
Investment income (loss is stated with "-")	XVII.5	511,195,864.47	380,728,865.97
Including: Income from investments in associates and joint ventures		-39,589,711.80	10,372,839.35
Income from the derecognition of financial assets measured at amortised cost			
Net position hedging gains (loss stated with "-")			
Fair value gains (loss is stated with "-")		3,122,647.95	10,600,000.00
Credit impairment losses (loss is stated with "-")		7,853,598.98	-983,807.95
Impairment losses (loss is stated with "-")			-3,090,527.33
Gains on disposal of non-current assets (loss is stated with "-")		1,101,007.69	288,816.97
II. Operating Profit (loss is stated with "-")		437,917,022.50	372,936,330.65
Add: Non-operating income		11,846,519.04	4,874,439.87
Less: Non-operating expenses		5,497,070.24	2,014,877.86
III. Total profit (total loss is stated with "-")		444,266,471.30	375,795,892.66
Less: Income tax expense		-23,009,306.85	10,989,295.61
IV. Net Profit (net loss is stated with "-")		467,275,778.15	364,806,597.05

(I) Profit from continuing operations (net loss is stated with "-")		467,275,778.15	364,806,597.05
(II) Profit from a discontinued operation (net loss is stated with "-")			
V. Other comprehensive income, net of tax			
(I) Other comprehensive income which cannot be re-classified into the gain and loss			
1. Remeasurement of a defined benefit plan			
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss			
3. Change in the fair value of other equity investments			
4. Change in the fair value of the entity's own credit risks			
(II) Other comprehensive income that may be reclassified to profit or loss			
1. Other comprehensive income using the equity method that may be reclassified to profit or loss			
2. Change in the fair value of other debt investments			
3. Amount recognised in other comprehensive income resulting from the reclassification of financial assets			
4. Provision for credit impairment of receivables financing			
5. Cash flow hedge reserve (Effective portion of cash flow hedges)			
6. Exchange differences on translation of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		467,275,778.15	364,806,597.05
VII. Earnings per share:			
(I) Basic earning per share (RMB/share)			
(II) Diluted earning per share (RMB/share)			

Legal representative: Zhang Jian Financial controller: Zheng Hui Accounting supervisor: Zheng Hui

Consolidated Statement of Cash Flows

2021

In: Yuan Currency: RMB

Items	Notes	2021	2020
I. Cash flows from operating activities			
Cash receipts from the sale of goods and the rendering of services		17,756,512,273.66	15,475,502,884.84
Net increase of customers' deposit and due from banks			
Net increase of borrowings from the central bank			
Net increase of borrowings from other financial institutions			
Cash received from the premium of the original insurance contract			
Net cash received from the reinsurance business			
Net increase of the reserve from policy holders and investment			
Cash received from interest, service charge and commission			
Net increase of loan from other banks			
Net increase of fund from repurchase business			
Net cash received from securities trading on commission			
Receipts of taxes and surcharges refunds		52,669,169.36	4,853,543.93
Other cash receipts relating to operating activities	VII.78	151,715,468.87	103,151,684.34

Total cash inflows from operating activities		17,960,896,911.89	15,583,508,113.11
Cash payments for goods and services		13,901,355,060.72	12,911,439,657.89
Net increase of loans and advances to customers			
Net increase of due from central bank and due from other banks			
Cash from payment for settlement of the original insurance contract			
Net increase of the lending capital			
Cash paid for interest, service charge and commission			
Cash for payment of policy dividend			
Cash payments to and on behalf of employees		993,967,512.50	666,386,325.08
Payments of all types of taxes and surcharges		427,444,370.30	439,740,523.39
Other cash payments relating to operating activities	VII.78	543,942,594.40	411,361,761.98
Total cash outflows from operating activities		15,866,709,537.92	14,428,928,268.34
Net cash flows from operating activities		2,094,187,373.97	1,154,579,844.77
II. Cash flows from investing activities:			
Cash receipts from returns of investments		119,800,000.00	2,989,200,000.00
Cash receipts from returns on investments		141,528,971.25	108,378,734.93
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		17,849,229.40	30,428,864.95
Net cash receipts from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities	VII.78	16,002,100.00	
Total cash inflows from investing activities		295,180,300.65	3,128,007,599.88
Cash payments to acquire fixed assets, intangible assets and other long-term assets		659,592,055.18	363,509,274.15
Cash payments for investments		1,659,730,000.04	3,225,000,000.00
Net increase of the pledged loan			
Net cash payments for acquisition of subsidiaries and other business units			
Other cash payments relating to investing activities			100,000,000.00
Total cash outflows from investing activities		2,319,322,055.22	3,688,509,274.15
Net cash flows from investing activities		-2,024,141,754.57	-560,501,674.27
III. Cash flows from financing activities:			
Cash proceeds from investments by others		1,828,453,699.40	
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries			
Cash receipts from borrowing			
Other cash receipts relating to financing activities	VII.78		466,996,028.88
Total cash inflows from financing activities		1,828,453,699.40	466,996,028.88
Cash repayments for debts			
Cash payments for distribution of dividends or profit and interest expenses		13,230,000.00	4,302,051.07
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		13,230,000.00	4,302,051.07
Other cash payments relating to financing activities	VII.78	17,292,740.74	92,181,583.08
Total cash outflows from financing activities		30,522,740.74	96,483,634.15
Net cash flows from financing activities		1,797,930,958.66	370,512,394.73
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		-534,069.84	-2,338,295.06
V. Net increase in cash and cash equivalents			
		1,867,442,508.22	962,252,270.17
Add: Cash and cash equivalents at the beginning of the year		978,700,802.48	16,448,532.31
VI. Cash and cash equivalents at the end of the year			
		2,846,143,310.70	978,700,802.48

Legal representative: Zhang Jian

Financial controller: Zheng Hui

Accounting supervisor: Zheng Hui

Statement of Cash Flows, Parent Company

2021

In: Yuan Currency: RMB

Items	Notes	2021	2020
I. Cash flows from operating activities			
Cash receipts from the sale of goods and the rendering of services		12,479,010,351.93	13,289,330,508.54
Receipts of tax and surcharges refunds		31,843,942.86	
Other cash receipts relating to operating activities		58,877,297.11	106,402,786.35
Total cash inflows from operating activities		12,569,731,591.90	13,395,733,294.89
Cash payments for goods and services		13,036,232,276.18	10,596,245,189.98
Cash payments to and on behalf of employees		254,458,245.22	137,501,877.81
Payments of all types of taxes and surcharges		25,016,277.14	76,114,567.00
Other cash payments relating to operating activities		353,843,037.93	210,308,120.61
Total cash outflows from operating activities		13,669,549,836.47	11,020,169,755.40
Net cash flows from operating activities		-1,099,818,244.57	2,375,563,539.49
II. Cash flows from investing activities:			
Cash receipts from returns of investments		5,724,000.00	1,425,367,528.00
Cash receipts from returns on investments		661,081,902.78	390,532,498.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,516,772.14	335,209.76
Net cash receipts from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities		26,002,100.00	
Total cash inflows from investing activities		694,324,774.92	1,816,235,235.76
Cash payments to acquire fixed assets, intangible assets and other long-term assets		135,643,702.12	60,729,640.87
Cash payments for investments		673,914,101.00	3,000,000,000.00
Net cash payments for acquisition of subsidiaries and other business units			2,700,000.00
Other cash payments relating to other investing activities		185,000,000.00	105,000,000.00
Total cash outflows from investing activities		994,557,803.12	3,168,429,640.87
Net cash flows from investing activities		-300,233,028.20	-1,352,194,405.11
III. Cash flows from financing activities:			
Cash proceeds from investments by others		1,828,453,699.40	
Cash receipts from borrowings			
Other cash receipts relating to financing activities			
Total cash inflows from financing activities		1,828,453,699.40	
Cash repayments for debts			
Cash payments for distribution of dividends or profit and interest expenses		646,375.99	
Other cash payments relating to financing activities		8,327,413.70	63,978,025.00
Total cash outflows from financing activities		8,973,789.69	63,978,025.00
Net cash flows from financing activities		1,819,479,909.71	-63,978,025.00
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-308,858.66	-402,836.52
V. Net increase in cash and cash equivalents		419,119,778.28	958,988,272.86
Add: Cash and cash equivalents at the beginning of the year		962,070,176.45	3,081,903.59
VI. Cash and cash equivalents at the end of the year		1,381,189,954.73	962,070,176.45

Legal representative: Zhang Jian

Financial controller: Zheng Hui

Accounting supervisor: Zheng Hui

Consolidated Statement of Changes in Owner's Equity
2021

In: Yuan Currency: RMB

Items	2021															
	Owners' equity attributable to the parent company												Non-controlling interests	Total shareholders' equity		
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus Reserves	Reserves for general risks	Retained earnings	Others			Sub-total	
	Preferred shares	Perpetual bond	Others													
I. Balance at end of prior year	338,660,003.00				319,618,893.64					189,936,412.55		1,781,546,043.16		2,629,761,352.35	18,081,486.56	2,647,842,838.91
Add: Changes in accounting policy																
Correction of prior period errors																
Business combination involving entities under common control																
Others																
II. Balance at the beginning of the year	338,660,003.00				319,618,893.64					189,936,412.55		1,781,546,043.16		2,629,761,352.35	18,081,486.56	2,647,842,838.91

III. Changes for the year(decrease is stated with "-")	65,000,000.00				1,616,067,945.67					11,893,588.95		652,104,503.95	2,345,066,038.57	-13,141,147.45	2,331,924,891.12
(I) Total comprehensive income												663,998,092.90	663,998,092.90	3,723,186.29	667,721,279.19
(II) Shareholders' contributions and reduction in capital	65,000,000.00				1,616,067,945.67								1,681,067,945.67	-3,634,333.74	1,677,433,611.93
1. Capital contributions by shareholders	65,000,000.00				1,615,863,800.00								1,680,863,800.00		1,680,863,800.00
2. Capital contributed by other equity instruments holders															
3. Amount of share-based payments recognised in equity															
4. Others															
5. Purchase of the non-controlling interests					204,145.67								204,145.67	-3,898,246.67	-3,694,101.00

6. Disposal of subsidiaries															263,912.93	263,912.93
(III) Profit Distribution																
1. Transfer to surplus reserves									11,893,588.95		-11,893,588.95				-13,230,000.00	-13,230,000.00
2. Transfer to general risks reserves																
3. Distribution to shareholders															-13,230,000.00	-13,230,000.00
4. Others																
(IV) Internal carry-over of owners' equity																
1. Capitalisation of capital reserves																
2. Capitalisation of surplus reserves																
3. Loss made up by surplus reserves																
4. Transfer of changes in the defined benefit																

plan to retained earnings																
5. Transfer of other comprehensive income to retained earnings																
6. Others																
(V) Special reserves																
1. Appropriation for the year																
2. Utilisation for the year																
(VI) Others																
IV. Balance at end of year	403,660,003.00				1,935,686,839.31				201,830,001.50		2,433,650,547.11		4,974,827,390.92	4,940,339.11	4,979,767,730.03	

Items	2020															
	Owners' equity attributable to the parent company													Non-controlling interests	Total shareholder's equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus Reserves	Reserves for general risks	Retained earnings	Others	Sub-total			
	Preferred shares	Perpetual bond	Others													

I. Balance at end of prior year	338,660,003.00				322,216,957.58					189,936,412.55		1,183,021,458.81		2,033,834,831.94	10,974,267.98	2,044,809,099.92
Add: Changes in accounting policy																
Correction of prior period errors																
Business combination involving entities under common control																
Others																
II. Balance at the beginning of the year	338,660,003.00				322,216,957.58					189,936,412.55		1,183,021,458.81		2,033,834,831.94	10,974,267.98	2,044,809,099.92
III. Changes for the year(decrease is stated with "-")					-2,598,063.94							598,524,584.35		595,926,520.41	7,107,218.58	603,033,738.99
(I) Total comprehensive income												598,524,584.35		598,524,584.35	11,316,205.71	609,840,790.06
(II) Shareholders'					-2,598,063.94									-2,598,063.94	93,063.94	-2,505,000.00

shareholders															
4. Others															
(IV) Internal carry-over of owners' equity															
1. Capitalisation of capital reserves															
2. Capitalisation of surplus reserves															
3. Loss made up by surplus reserves															
4. Transfer of changes in the defined benefit plan to retained earnings															
5. Transfer of other comprehensive income to retained earnings															
6. Others															

(V) Special reserves															
1. Appropriation for the year															
2. Utilisation for the year															
(VI) Others															
IV. Balance at end of year	338,660,003.00				319,618,893.64			189,936,412.55		1,781,546,043.16		2,629,761,352.35	18,081,486.56	2,647,842,838.91	

Legal representative: Zhang Jian

Financial controller: Zheng Hui

Accounting supervisor: Zheng Hui

Statement of Changes in Owner's Equity, Parent Company
2021

In: Yuan Currency: RMB

Items	2021										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus Reserves	Retained earnings	Total shareholders' equity
		Preferred shares	Perpetual bond	Others							
I. Balance at end of prior year	338,660,003.00				294,981,361.11				189,936,412.55	1,091,782,154.36	1,915,359,931.02
Add: Changes in accounting policy											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	338,660,003.00				294,981,361.11				189,936,412.55	1,091,782,154.36	1,915,359,931.02

III. Decrease/increase of the report year (decrease is stated with "-")	65,000,000.00				1,615,863,800.00				11,893,588.95	455,382,189.20	2,148,139,578.15
(I) Total comprehensive income										467,275,778.15	467,275,778.15
(II) Shareholders' contributions and reduction in capital	65,000,000.00				1,615,863,800.00						1,680,863,800.00
1. Capital contributions by shareholders	65,000,000.00				1,615,863,800.00						1,680,863,800.00
2. Capital contributed by other equity instruments holders											
3. Amount of payment for shares counted to shareholders' equity											
4. Others											
(III) Profit Distribution									11,893,588.95	-11,893,588.95	
1. Transfer to surplus reserves									11,893,588.95	-11,893,588.95	
2. Distributions to shareholders											
3. Others											
(IV) Internal carry-over of owners' equity											
1. Capitalisation of capital reserves											
2. Capitalisation of surplus reserves											
3. Loss made up by surplus reserves											
4. Transfer of changes in the defined benefit plan to retained earnings											
5. Transfer of other comprehensive income to retained earnings											
6. Others											
(V) Special reserves											

1. Appropriation for the year											
2. Utilisation for the year											
(VI) Others											
IV. Balance at end of year	403,660,003.00				1,910,845,161.11				201,830,001.50	1,547,164,343.56	4,063,499,509.17

Items	Year 2020										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus Reserves	Retained earnings	Total shareholders' equity
		Preferred shares	Perpetual bond	Others							
I. Balance at end of prior year	338,660,003.00				294,981,361.11				189,936,412.55	726,975,557.31	1,550,553,333.97
Add: Changes in accounting policy											
Correction of prior period errors											
Others											
II. Balance at the beginning of the year	338,660,003.00				294,981,361.11				189,936,412.55	726,975,557.31	1,550,553,333.97
III. Decrease/increase of the report year (decrease is stated with "-")										364,806,597.05	364,806,597.05
(I) Total comprehensive income										364,806,597.05	364,806,597.05
(II) Shareholders' contributions and reduction in capital											
1. Capital contributions by shareholders											

2. Capital contributed by other equity instruments holders											
3. Amount of payment for shares counted to shareholders' equity											
4. Others											
(III) Profit Distribution											
1. Transfer to surplus reserves											
2. Distributions to shareholders											
3. Others											
(IV) Internal carry-over of owners' equity											
1. Capitalisation of capital reserves											
2. Capitalisation of surplus reserves											
3. Loss made up by surplus reserves											
4. Transfer of changes in the defined benefit plan to retained earnings											
5. Transfer of other comprehensive income to retained earnings											
6. Others											
(V) Special reserves											
1. Appropriation for the year											
2. Utilisation for the year											
(VI) Others											
IV. Balance at end of year	338,660,003.00				294,981,361.11				189,936,412.55	1,091,782,154.36	1,915,359,931.02

Legal representative: Zhang Jian

Financial controller: Zheng Hui

Accounting supervisor: Zheng Hui

III. Company Profile

1. About the Company

"√ Applicable" "□ Not applicable"

AIMA Technology Group Co., LTD. is a joint stock limited company registered in Tianjin, People's Republic of China. It was established on September 27, 1999. The Company is headquartered at 5 Aima Road, Jinghai Economic Development Zone, Tianjin.

The Company's principal businesses: manufacture, R&D, machining and assemble of bicycles, electric bicycles, electric tricycles, electric four-wheeled vehicles (excluding automobiles), sightseeing vehicles (excluding automobiles), off-highway recreational vehicles (excluding automobiles), sports equipment and its parts and components; sales and after-sales services of bicycles, electric bicycles, electric motorcycles and their parts and components; wholesale and retail of hardware and electrical equipment, chemical products (except hazardous chemicals and precursor chemicals); import and export of goods and technologies; supply of consulting services in business information, financial information, business management, technology, marketing planning and other related consulting services; R&D, foundation construction, installation, testing and trial-run, maintenance and technical services of public bicycle intelligent management systems; housing leasing; property management services. (Unless otherwise specified in the laws, administrative rules and regulations) (Businesses subject to approval in accordance with the law must not be carried out until being approved by the competent department.)

On July 31, 2009, Zhang Jian, Qiao Baogang, Yu Lin, Liu Jianxin, Han Jianhua, Li Shishuang and Peng Wei, shareholders of Tianjin Taimei Vehicle Co., Ltd. (the predecessor of the Company, hereinafter referred to as "Tianjin Taimei") jointly signed the "Tianjin Aima Technology Co., Ltd. Founder Agreement", held its founding conference on August 26, 2009, signed the "Articles of Tianjin Aima Technology Co., Ltd." on August 28, 2009, and established a joint stock limited company as a whole and renewed with the company name as Tianjin Aima Technology Co., Ltd. (the Company's former name). The amount of the registered capital and share capital of Tianjin Aima Technology Co., Ltd. was both RMB 50,000,000.00 at the time of establishment. The number of shares held by each founder and the shareholding ratio were as follows:

No.	Name of the founder	Number of shares held/Number of shares converted (in 10,000 shares)	Amount contributed (in RMB10,000)	Shareholding proportion (%)
1	Zhang Jian	4,100.00	4,100.00	82.00
2	Qiao Baogang	200.00	200.00	4.00
3	Yu Lin	200.00	200.00	4.00
4	Liu Jianxin	150.00	150.00	3.00
5	Han Jianhua	150.00	150.00	3.00
6	Li Shishuang	100.00	100.00	2.00
7	Peng Wei	100.00	100.00	2.00
Total		5,000.00	5,000.00	100.00

After the previous changes, up to January 1, 2017, the Company's registered capital increased to RMB 150,000,000.00.

On October 31, 2017, through the resolution of the 5th extraordinary general meeting of the Company, the Company increased its capital by 11,266,668.00 shares, and increased its registered capital by RMB 11,266,668.00. The four new shareholders (collectively referred to as "Shareholders of Private Placements") subscribed the shares. Where, CITIC Securities Investment Co., Ltd. subscribed RMB 4,000,000.00, GoldStone Zhiyu Equity Investment (Hangzhou) Partnership (Limited Partnership) subscribed RMB 3,933,334.00, and GoldStone Haofeng Equity Investment (Hangzhou) Partnership (Limited Partnership) subscribed RMB 1,666,667.00, and Three Gorges GoldStone (Shenzhen) Equity Investment Fund Partnership (Limited Partnership) subscribed RMB 1,666,667.00. The registered capital and capital stock after the said private placement amounted to RMB 161,266,668.00.

On November 28, 2017, through the resolution of the Company's sixth extraordinary general meeting in 2017, with the Company's total share capital of 161,226,688.00 shares as the base, the Company capitalized its capital reserves to all shareholders at the rate of 11 shares for every 10 shares, a private placement and the ratio of 11 shares for every 10 shares was transferred to all shareholders by capital reserves. Share capital and a total of 177,393,335.00 shares were capitalized. After the said capitalization, the capital stock amounted to RMB 338,660,003.00 and the amount of both registered capital and share capital was RMB 338,660,003.00.

On December 25, 2017, Mr. Zhang Jian, the controlling shareholder of the Company, transferred 16,933,000.00 shares of the Company to Changxing Dingai Investment Management Partnership (Limited Partnership). The registered capital and capital stock after the change amounted to RMB 338,660,003.00.

On May 20, 2021, with the approval of the China Securities Regulatory Commission by the "Official Reply on Approving the Initial Public Offering of AIMA Technology Group Co., LTD." (Zheng Jian Xu Ke [2021] No. 1775), the Company publicly issued RMB common shares no more than 65,000,000 shares with a par value of RMB 1.00 per share. On June 9, 2021, the Company received the total amount of the proceeds raised from the public offering of RMB 1,810,900,000.00. The net amount was RMB 1,810,900,000.00 after the professional service fee of legal, audit, capital verification and other issuance related expenses and taxes deducted, with RMB 65,000,000.00 recorded in "share capital", and RMB 1,615,863,800.00 recorded in "capital reserves - share capital premium". As of June 9, 2021, the Company's share capital after the change amounted to RMB 403,660,003.00, which equaled to the latest registered capital, with the corresponding accounting treatment completed. For the detail of the registered capital and share capital, please refer to "Section 10 VII. 53 Share capital".

The Company's controlling shareholder is Mr. Zhang Jian, a natural person.

The financial statements were approved and issued through the resolution of the Board of Directors dated April 14, 2022.

2. Scope of Consolidated Financial Statements

Applicable Not applicable

For the detail of the scope of the consolidated financial statements and the changes, please refer to "Section 10: Changes in the Scope of Consolidation" and "Section 10: IX. Interests in Other Entities".

IV. Basis for Preparation of Financial Statements

1. Preparation Basis

These financial statements have been prepared in accordance with Accounting Standards for Business Enterprises - Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions issued subsequently by the Ministry of Finance (the "MOF") (collectively referred to as "ASBEs").

2. Operation on Going Concern Basis

Applicable Not applicable

The financial statements of the Company have been prepared on going concern basis. The financial statements have been prepared under the historical cost convention, except for certain financial instruments. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant requirements.

V. Significant Accounting Policies and Estimates

Presentation on specific accounting policies and accounting estimates

Applicable Not applicable

The Company has formulated specific accounting policies and accounting estimates based on the practical production and operation characteristics, which are mainly reflected in the provision for bad debts of receivables, inventory valuation methods, depreciation and amortization of investment properties, depreciation of fixed assets, amortization of intangible assets, amortization of long-term prepaid expenses, etc.

1. Statement on complying with the accounting standard for business enterprises

The Company declares that the financial statements prepared by the Company comply with requirements of the enterprise accounting standards, truly and completely reflect the concerned information, including the Company's financial position as at December 31, 2021 and results of their operations, cash flow, etc. of the year then ended.

2. Accounting period

The accounting year of the Group is a calendar year, i.e., from 1 January to 31 December of each year.

3. Business Cycle

Applicable Not applicable

The Company takes 12 months as a business cycle.

4. Functional currency for bookkeeping

The Company's functional and presentation currency is RMB. The currency unit is RMB Yuan unless otherwise stated.

5. The accounting treatment on business consolidation under the common control and not under the common control

Applicable" Not applicable"

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. In a business combination involving entities under common control, the entity that, at the combination date, obtains control of another combining entity is the absorbing entity, while that other combining entity is the entity being absorbed. The combination date is the date on which the absorbing entity effectively obtains control on the entity being absorbed.

The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the entity being absorbed) that are obtained by the absorbing entity in a business combination involving entities under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to capital premium under capital reserves. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

(2) Business combinations not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. In a business combination not involving entities under common control, the entity that, on the acquisition date, obtains control of another combining entity is the acquirer, while that other combining entity is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date.

Goodwill is initially recognised and measured at cost, being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group's previously held equity interest in the acquiree over the Group's interest in the fair value of the acquiree's net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group's previously held equity interest in the acquiree is lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the fair value of the consideration transferred (or the fair value of the equity securities issued), together with the fair value of the Group's previously held equity interest in the acquiree. If after that reassessment, the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and the Group's previously held equity interest in the acquiree is still lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group recognises the remaining difference in profit or loss.

6. Consolidated financial statements

Applicable" Not applicable"

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. A subsidiary is an entity that is controlled by the Company (such as an enterprise, a deemed separate entity, or a structured entity controlled by the Company).

In the preparation of the consolidated financial statements, the financial statements of subsidiaries are prepared for the same accounting year as the Company, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against the non-controlling interests.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the

basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

The Group reassesses whether or not it controls an investee if any change in facts and circumstances indicates that there are changes to one or more of the three elements of control.

A change in the non-controlling interests, without a loss of control, is accounted for as an equity transaction.

7. Classification of joint arrangement and joint operation

Applicable" Not applicable"

A joint arrangement is classified as either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint operators have rights to the net assets of the arrangement.

A joint operator recognises the following items in relation to its interest in a joint operation: its solely-held assets, and its share of any assets held jointly; its solely-assumed liabilities, and its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its solely-incurred expenses, and its share of any expenses incurred jointly.

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and bank deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and foreign currency translation

Applicable" Not applicable"

The Group translates foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded, on initial recognition in the functional currency using average exchange rates for the period in which the transactions occur. Monetary items denominated in foreign currencies are translated at the spot exchange rates ruling at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of those relating to foreign currency borrowings specifically for the construction and acquisition of qualifying assets, which are capitalised in accordance with the guidance for capitalisation of borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

Foreign currency cash flows are translated using the average exchange rates for the period during which the cash flows occur. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

10. Financial instruments

Applicable" Not applicable"

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

(1) Recognition and derecognition

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

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

- 1) the rights to receive cash flows from the financial asset have expired; or
- 2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (i) has transferred substantially all the risks and rewards of the financial asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

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

(2) Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income. Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

The subsequent measurement of financial assets depends on their classification as follows:

1) Debt investments measured at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Such financial assets mainly include currency funds, notes receivable, accounts receivable and other receivables.

2) Debt investments at fair value through other comprehensive income

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss. Such financial assets are reported as other creditor's rights investments, other creditor's rights investments that mature within one year as of the balance sheet date are reported as non-current assets that mature within one year, and other creditor's rights investments whose original maturity is within one year are reported as other current assets.

3) Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss. Such financial assets are presented as held-for-trading financial assets, and those with maturity more than one year from the balance sheet date and expected to be held for more than one year are presented as other non-current financial assets.

(3) Classification and measurement of financial liabilities

The financial liabilities of the Company are classified as: other financial liabilities related transaction costs are included in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

Other financial liabilities: The effective interest method is applied for this category of financial liabilities and the subsequent measurement is conducted according to the amortized cost.

(4) Impairment of financial instruments

Based on the expected credit losses ("ECLs"), the Group recognises an allowance for ECLs for the financial assets measured at amortised cost, debt investments at fair value through other comprehensive income.

For accounts receivable and contract assets that do not contain a significant financing component, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

Except for financial assets which apply the simplified approach as mentioned above, other financial assets, [loan commitments] and [financial guarantee contracts], the Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal

to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate. For financial instruments with lower credit risk on the balance sheet date, the Company assumes that its credit risk has not increased significantly since the initial recognition.

The Group assesses the expected credit losses of financial instruments based on individual items and portfolios. The Group has considered the credit risk characteristics of different customers and assessed the expected credit losses of receivables based on the age combination.

The Group considers reasonable and supportable information about past events, current conditions and forecasts of future economic conditions when assessing expected credit losses.

For the Group's judgment criteria for significant increase in credit risk, the definition of credit-impaired assets, and the assumption for the measurement of expected credit losses, please refer to "Section 10 X. Risks Related to Financial Instruments".

When the Group no longer reasonably expects to collect all or part of the contractual cash flows of the financial asset, the Group directly writes down the carrying amount of the financial asset.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts; and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(6) Financial guarantee contract

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

(7) Transfer of Financial Assets

A financial asset is derecognised when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Group retains substantially all the risks and rewards of the financial asset.

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

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

11. Notes receivable

Method for determination and accounting treatment of the expected credit loss of other receivables

Applicable " Not applicable"

12. Accounts receivable

Method for determination and accounting treatment of the expected credit loss of other receivables

Applicable " Not applicable"

For details, please refer to "10. Financial Instruments" and "V. 43. Other Important Accounting Policies and Accounting Estimates" of "V. Significant Accounting Policies and Accounting Estimates" in "Section X. Financial Report".

13. Receivables financing

Applicable " Not applicable"

For details, please refer to "10. Financial Instruments" and "V. 43. Other Important Accounting Policies and Accounting Estimates" of "V. Significant Accounting Policies and Accounting Estimates" in "Section X. Financial Report".

14. Other receivables**Method for determination and accounting treatment of the expected credit loss of other receivables**

Applicable" Not applicable"

For details, please refer to "10. Financial Instruments" and "V. 43. Other Important Accounting Policies and Accounting Estimates" of "V. Significant Accounting Policies and Accounting Estimates" in "Section X. Financial Report".

15. Inventories

Applicable" Not applicable"

The Company's inventories consist of raw materials, work-in-process and finished goods.

Inventories are initially carried at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. For inventories delivered, the actual costs are determined on the weighted average basis. Turnover materials include low value consumables and packing materials, which are on the immediate write-off basis.

The Company adopts the perpetual inventory system.

At the balance sheet date, inventories are stated at the lower of cost and net realisable value. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value. When the circumstances that previously caused the inventories to be written down below cost no longer exist, in which case the net realisable value of inventories becomes higher than the carrying amount, the amount of the write-down is reversed. The reversal is limited to the amount of the original write-down, and is recognised in profit or loss.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Raw materials and finished goods are written down item by item.

16. Contract assets**(1). Recognition method and impairment test method of contract assets**

Applicable" Not applicable"

(2) Methods for determination and accounting treatment of the expected credit loss of contract assets

Applicable" Not applicable"

17. Held-for-sale assets

Applicable" Not applicable"

18. Debt investment**(1). Methods for determination and accounting treatment of the expected credit loss of debt investment**

Applicable" Not applicable"

19. Other debt investment**(1). Methods for determination and accounting treatment of the expected credit loss of other debt investment**

Applicable" Not applicable"

20. Long-term receivables**(1). Method for determination and accounting treatment of the expected credit loss of long-term receivables**

Applicable" Not applicable"

21. Long-term equity investments

Applicable" Not applicable"

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

A long-term equity investment is initially measured at its initial investment cost on acquisition. The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amounts of the consideration given is adjusted to the capital premium in the capital reserve, with any excess adjusted to retained earnings. For OCI before the combination date, when disposing of the investment, the same basis as the investee's direct disposal of relevant assets or liabilities shall be adopted. Shareholders' equity recognized due to changes in shareholders' equity other than net profit or loss, OCI and profit distribution of the investee shall be transferred to the profit or loss upon the disposal of the investment. Those that are still long-term equity investments after disposal are carried forward on a pro-rata basis, and those that are converted into financial instruments after disposal are carried forward in full.

For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving enterprises under common control and achieved in stages, the initial cost comprises the carrying value of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date. OCI held before the acquisition date and recognized by the use of the equity method shall be accounted for when the investment is disposed of on the same basis as the investee directly disposes of the relevant assets or liabilities. Shareholders' equity recognized as a result of changes in shareholders' equity other than net profit or loss, OCI and profit distribution of the investee is transferred to profit or loss upon the disposal of the investment. Those that remain long-term equity investments after disposal are carried forward on a pro-rata basis, while those that are converted into financial instruments after disposal are carried forward in full. For long-term equity investments obtained by means other than business combination, the initial investment cost is determined according to the following method: for those obtained by paying cash, the actual purchase price paid and the expenses, taxes and other necessary costs directly related to the acquisition of long-term equity investments shall be used. Expenses are taken as the initial investment cost. For those obtained by issuing equity securities, the fair value of the issued equity securities is taken as the initial investment cost.

For a long-term equity investment where the Company can exercise control over the investee, the long-term investment is accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

The equity method is adopted when the Group has joint control, or exercises significant influence over the investee. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control with other parties over those policies.

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

Under the equity method, after it has acquired a long-term equity investment, the Group recognises its share of the investee's profit or loss, as well as its share of the investee's other comprehensive income, as investment income or loss and other comprehensive income, and adjusts the carrying amount of the investment accordingly. The Group recognises its share of the investee's profit or loss after making appropriate adjustments to the investee's profit or loss based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods. Unrealised profits and losses from transactions with its joint ventures and associates are eliminated to the extent of the Group's investments in the associates or joint ventures (except for assets that constitute a business) (However, any loss arising from such transactions which are attributable to an impairment loss shall be recognised at its entirety). For any long-term equity investment differences (debit side) arising from investments in joint ventures and associates held before the first-time adoption of ASBEs, the investment income or loss is recognised after deducting the debit balance to be amortised over the remaining period on a straight-line basis. The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume further losses. The Group's share of the investee's equity changes, other than those arising from the investee's profit or loss, other comprehensive income or profit distribution, is

recognised in the Group's equity, and the carrying amount of the long-term equity investment is adjusted accordingly.

Upon disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss. For a long-term equity investment accounted for using the equity method, when the Group discontinues using the equity method due to disposal, all amounts previously recognised in other comprehensive income are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. Equity previously recognised resulting from the investee's equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss in its entirety.

When the Group continues to use the equity method, the amounts previously recognised in other comprehensive income are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities and reclassified to profit or loss on a pro-rata basis. Equity previously recognised resulting from the investee's equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss on a pro-rata basis.

22. Investment properties

(1) If the cost measurement model is used,

Depreciation or amortization method

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include land use rights leased out, land use rights held for transfer upon capital appreciation, and buildings leased out.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

The Group uses the cost model for the subsequent measurement of its investment properties. For the depreciation method of houses and buildings in investment real estate, please refer to the relevant content of "Section 10 V. 23 Fixed Assets", and for the amortization method of land use rights in investment real estate, please refer to "Section 10 V. 29 Intangible Assets".

23. Fixed asset

(1) Recognition of fixed assets

Applicable" Not applicable"

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss as incurred.

The fixed assets are initially measured at the cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

(2) Depreciation methods

Applicable" Not applicable"

Categories	Depreciation method	Useful life (year)	Residual rate	Annual depreciation rate
Buildings	Straight-line method	20	5%	4.75%
Machinery and equipment	Straight-line method	10	5%	9.50%
Office equipment	Straight-line method	5	5%	19.00%
Vehicles	Straight-line method	4	5%	23.75%
Electronic equipment	Straight-line method	3	5%	31.67%

Production tools	Straight-line method	3	5%	31.67%
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The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and make adjustments if necessary.

(3) Basis for recognizing the fixed assets under financing lease, pricing and depreciation methods

Applicable" Not applicable"

24. Construction in progress

Applicable" Not applicable"

The cost of construction in progress is determined according to the actual expenditures incurred for the construction, including all necessary construction expenditures incurred during the construction period and other relevant expenditures. An item of construction in progress is transferred to fixed assets, when the asset is ready for its intended use.

25. Borrowing costs

Applicable" Not applicable"

26. Biological assets

Applicable" Not applicable"

27. Oil and gas assets

Applicable" Not applicable"

28. Right-of-use assets

Applicable" Not applicable"

The Group's right-of-use assets include plant and buildings.

At the commencement date, the Group recognises the right of using leased assets within the lease term as right-of-use assets, the amount of which includes: (1) the amount of the initial measurement of the lease liability; (2) any lease payments made at or before the commencement date, less any lease incentives received (if applicable); (3) any initial direct costs incurred; (4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group depreciates right-of-use assets using the straight-line method. If the lease transfers ownership of the underlying assets to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term.

The Group remeasures the lease liability at the present value of the changed lease payments and adjusts the carrying amount of the right-of-use assets accordingly, when the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognises the remaining amount of the remeasurement in profit or loss.

29. Intangible assets

(1). Pricing Method, Service Life and Impairment Test

Applicable" Not applicable"

An intangible asset shall be recognised only when it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination not involving entities under common control with a fair value that can be measured reliably are recognised separately as intangible assets and initially measured at the fair value at the date of acquisition.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

Land use rights that are purchased by the Group are accounted for as intangible assets. An intangible asset with a finite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least at each year end and makes adjustment if necessary.

The useful life of each intangible asset is as follows:

Items	Useful Life
Land use rights	50 years
Software	5-10 years
Trademarks	5-10 years

(2). Accounting policy for internal research and development expenditure

Applicable" Not applicable"

30. Impairment of long term assets

Applicable" Not applicable"

The Group determines the impairment of assets other than impairment of inventories, contract assets and assets related to contract costs, deferred income tax and financial assets, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing. Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for their intended use are tested for impairment each year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis, to each of the related asset groups unless it is impossible to allocate to the related asset groups, in which case it is allocated to each of the related sets of asset groups. Each of the related asset groups or sets of asset groups is an asset group or a set of asset groups that is expected to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

When testing an asset group (a set of asset groups) to which goodwill has been allocated for impairment, if there is any indication of impairment, the Group firstly tests the asset group (set of asset groups), excluding the amount of goodwill allocated, for impairment, i.e., the Group determines and compares the recoverable amount with the related carrying amount and recognises any impairment loss. After that, the Group tests the asset group (set of asset groups), including goodwill, for impairment, the carrying amount of the related asset group (set of asset groups) is compared to its recoverable amount. If the carrying amount of the asset group (set of asset groups) is higher than its recoverable amount, the amount of the impairment loss is firstly used to reduce the carrying amount of the goodwill allocated to the asset group (set of asset groups), and then used to reduce the carrying amount of other assets (other than the goodwill) within the asset group (set of asset groups), on a pro-rata basis of the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

31. Long term prepaid expenses

Applicable" Not applicable"

Long-term expenses to be apportioned are amortized using the straight-line method, and the amortization period is as follows:

Items	Amortization term
Building decoration	36 months
Leasehold Improvement	36 months
Others	24 to 60 months

32. Contract liabilities**(1). Recognition of contract liabilities**

Applicable" Not applicable"

The Company presents contract liabilities in the balance sheet based on the relationship between the performance of the contract obligations and the payment by the customer.

A contractual liability is an obligation to transfer goods or service to a customer for consideration received or receivable from the customer, such as money that a business has received before transferring the promised goods or service.

33. Employee benefits**(1). Accounting treatment of short term salaries**

Applicable" Not applicable"

Employee benefits refer to all forms of consideration or compensation [other than share-based payments] given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits given by the Group to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also employee benefits.

The Company recognizes the actual short-term remuneration as a liability during the accounting period when employees provide services to the Group, and stated in the profit or loss or the cost of related assets.

(2). Accounting treatment of post-employment benefits

Applicable" Not applicable"

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government, the corresponding expenses shall be included in the cost of related assets or profit or loss..

(3). Dismissal benefits

Applicable" Not applicable"

(4). Other long term employees' benefits

Applicable" Not applicable"

34. Lease liabilities

Applicable" Not applicable"

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognises such interest expenses in profit or loss, except those in the costs of the related asset as required. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related asset as required.

A lessee shall remeasure the lease liability by discounting the revised lease payments, if (a) there is a change in the actual fixed lease payments; (b) there is a change in the amounts expected to be payable under a residual value guarantee; (c) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; (d) there is a change in the assessment of an option to purchase the underlying asset, to renew the lease or a change in the actual exercise of the option.

35. Provisions

Applicable" Not applicable"

An obligation related to a contingency shall be recognised by the Group as a provision when all of the following conditions are satisfied, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) a reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Provisions are reviewed at each balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

36. Share-based payment

Applicable" Not applicable"

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves; if such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group at each balance sheet date during the vesting period recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. The fair value is determined using the market price.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

37. Other financial instruments, such as preferred shares, perpetual bonds, etc.

Applicable" Not applicable"

38. Revenue

(1). Accounting policies used in revenue recognition and measurement

Applicable" Not applicable"

Revenue from contracts with customers is recognised when the Group has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods, or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

1) Contracts for the sale of goods

A contract for the sale of goods between the Group and the customer usually only includes the performance obligation to transfer the xx goods. The revenue is recognised at xx point in time based on the following indicators, which include: a present right to payment for goods, the transfer of significant risks and rewards of ownership of goods, the transfer of legal title to goods, the transfer of physical possession of goods, the customer's acceptance of goods.

2) Contracts for the rendering of services

A contract for the rendering of services between the Company and the customer usually includes the performance obligation of after-sales service guarantee. Because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, the revenue is recognised over time only if the Group can reasonably measure its progress towards the complete satisfaction of the performance obligation. The Company uses the straight-line method and determines the progress of the services rendered on the basis of the time elapsed. If the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Group expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to the extent of the costs incurred until such time that the Group can reasonably measure the progress towards the complete satisfaction of the performance obligation.

3) Variable consideration

Some of the Group's contracts with customers including arrangements of sales rebates result in variable consideration. The Group determines the best estimate of variable consideration by using the expected value method or the most likely amount method. However, the transaction price including variable consideration is only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

4) Consideration payable to a customer

The Group accounts for the consideration payable to a customer as a reduction of the transaction price, and recognises the reduction of revenue when (or as) the later of the recognition of relevant revenue and the payment (or promised payment) of the consideration to a customer, unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

5) Warranties

The Group provides a warranty in connection with the sale of a good in accordance with the contract and the relevant laws and regulations, etc. For an assurance-type warranty that provides the customer the assurance that the good complies with agreed-upon specifications. When assessing whether a service-type warranty provides a customer with a separate service in addition to the assurance that the good complies with agreed-upon specifications, the Group considers whether the warranty is required by law, the length of the warranty coverage period and the nature of the tasks that the Group promises to perform, etc.

(2) Differences in accounting policies for revenue recognition caused by the adoption of different business models for similar businesses

Applicable" Not applicable"

39. Contract cost assets

Applicable" Not applicable"

The Group's contract cost assets include the costs to obtain and fulfill a contract and are classified as inventories, other current assets and other non-current assets by liquidity.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs, unless the amortisation period of the asset is one year or less.

Other than the costs which are capitalised as inventories, fixed assets and intangible assets, etc., costs incurred to fulfill a contract with a customer are capitalised as an asset if all of the following criteria are met:

(1) the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, overheads (or similar expenses), costs that are explicitly chargeable to the customer and other costs that are incurred only because an entity entered into the contract;

(2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and

(3) the costs are expected to be recovered.

The contract cost asset is amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised.

The Group accrues provisions for impairment and recognises impairment losses to the extent that the carrying amount of a contract cost asset exceeds:

(1) the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less

(2) the costs that are expected to be incurred to transfer those related goods or services.

The Group recognises in profit or loss a reversal of the impairment loss previously recognised to the extent that the difference between (1) and (2) exceeds the carrying amount of the asset due to the subsequent changes of the factors causing asset impairment in previous periods, but the carrying amount after the reversal does not exceed the carrying amount of the asset at the reversal date if no impairment loss is otherwise recognised.

40. Government grants

Applicable" Not applicable"

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

Asset-related government grants are recognised when the government document designates that the government grants are used for constructing or forming long-term assets. If the government document is implicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are to form long-term assets through construction or other method. Otherwise, the government grants should be income-related.

The Company's government grants are subject to the gross method.

A government subsidy related to income, which is used to compensate the related costs or losses in the future period, is recognized as deferred income, and is recorded into the profit or loss or to offset the relevant costs during the period when the related costs and expenses or losses are recognized; costs or losses incurred in compensation is directly recorded into the profit or loss or offset the relevant costs.

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual installments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

41. Deferred income tax asset/deferred income tax liability

Applicable" Not applicable"

Based on the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base, and the differences between the carrying amounts of some items that have a tax base but are not recognised as assets and liabilities and their tax base, the Group adopts the liability method for the provision of deferred tax.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(1) when the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit or loss; and

(2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except:

(1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

42. Leases

(1) Accounting process for operating lease

Applicable" Not applicable"

(2) Accounting treatment method for finance lease

Applicable" Not applicable"

(3) Determination method and accounting treatment method for lease under the new lease standard

Applicable" Not applicable"

Applicable Commencing from January 1, 2021

1) Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

2) Identification of separate lease components

For a contract that contains multiple separate lease components, the Group separates the components of the contract and accounts for each separate lease component. The right to use an underlying asset is a separate lease component if both:

① the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; and

② the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

3) Separating lease components and non-lease components

For a contract that contains lease components and non-lease components, the Group accounts for lease components and non-lease components separately as a lessor or a lessee.

4) Assessment of the lease term

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

5) As lessee

① Lease modifications

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

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

(1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

(1) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, and recognising the gain or loss relating to the partial or full termination of the lease in profit or loss; or

(2) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

② Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset is not more than RMB 40,000 when it is new as a lease of low-value assets. If the Group subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. The Group does not recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis.

The Group does not assess whether there is a lease modification, and continues to calculate the interest expense of the lease liability at the same discount rate as before the discount, and include it in the profit or loss, and continues to depreciate the right-of-use asset according to the same method as before the discount. For the rent reduction or exemption as incurred, the Group regards the reduced rent as the variable lease payment amount. When the original rent payment obligation is relieved by reaching a reduction agreement, the undiscounted amount is used to offset the relevant asset costs or expenses, and

the lease liabilities is adjusted accordingly; for the deferred payment of rent as incurred, the Company offsets the lease liabilities recognised in the previous period when the actual payment is made.

6) As the lessor

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

7) As the lessor of operating lease

Rental income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred.

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

43. Other Important Accounting Policy and Accounting Estimates

✓Applicable Not applicable

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(1) Judgments

① Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

② Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including when assessing the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

(2) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

① Write down inventories to net realisable value

The Group writes down inventories to net realisable value based on the estimation of the realizable inventories. The assessment of write-downs requires management's judgment and reasonable estimates. Once there is a difference between the expectation and the original estimate, the difference may affect the book value of inventories in the estimate changed period and the impairment losses of assets.

② Impairment of financial instruments

Commencing from January 1, 2019, the Company has adopted the expected credit loss model to assess the impairment of financial instruments. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future.

③ Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the

present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

④ Service life and estimated net residual value of fixed assets

During the use of fixed assets, the economic environment, technology environment and other environments in which they are may have a greater impact on the service life and estimated net residual value of fixed assets. At the end of each year, the management reviews the service life and estimated net residual value of fixed assets. If there is conclusive evidence that: the estimated service life of the fixed asset is different from the original estimate, the service life of the fixed asset shall be adjusted; the estimated net residual value of the fixed asset is different from the original estimate, and the estimated net residual value shall be adjusted.

⑤ Deferred income tax asset

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

⑥ Warranties

The Group makes reasonable estimate of the warranty rate of a group of contracts with similar characteristics based on historical warranty data, current warranty, as well as all relevant information such as product improvements, market changes, etc. Estimates of the expected warranty rate may not be representative of the actual warranty rate in the future. The Group re-evaluates the warranty rate at least on each balance sheet date and updates the measurement of the provisions based on the re-evaluated warranty rate.

⑦ Provision of Sales Rebates and Rewards

The Group applies the sales rebate and incentive policy to the dealers. According to the relevant stipulations in the distribution agreement, with reference to the completion of the agreed assessment indicators by the dealers, sales rebates and incentives are estimated and accrued at the end of each year.

44. Changes in significant accounting policies and accounting estimates

(1). Change in accounting policies

Applicable Not applicable

Contents and causes of the change in accounting policies	Examination and approval procedures	Remarks (Names and amounts of report items that are significantly affected)
The MOF issued the "Accounting Standard for Business Enterprises No. 21 – Leases" (CAI KUAI [2018] No. 35) on December 7, 2018. According to the requirement of the MOF, a company which is listed both at home and abroad or listed overseas and prepares its financial report according to the International Financial Reports Standards or the Accounting Standard for Business Enterprises started implementing the said accounting standards commencing from January 1, 2019; other domestically listed enterprises started the implementation commencing from January 1, 2021.	The MOF issued the Accounting Standards for Business Enterprises No. 21 – Leases (CAI KUAI (2018) No. 35).	Note

Other notes

Notes:

On December 7, 2018, the MOF issued revised Accounting Standard for Business Enterprises No. 21 – Leases (the "New Leases Standard"). The New Leases Standard introduces a single model similar to the current accounting treatment of finance leases, requiring the lessor to recognise right-of-use assets and lease liabilities for all the leases, except for short-term leases and leases of low-value assets, and recognise depreciation and interest expense, respectively. The Group has accounted for leases under the revised leases standard since 1 January 2021. As a practical expedient, the Group did not reassess whether a contract is, or contains, a lease at the date of initial application. According to the transitional requirements, the Group did not restate comparative information. Instead, the Group recognised the cumulative effect of the initial application of the New Leases Standard as an adjustment to the opening balance of retained earnings of 2021 at the date of initial application:

1) the Group recognised the right-of-use asset and the lease liabilities at the amount of the carrying amount of the lease asset and lease liability under the original standards applicable at the date of initial application for leases previously classified as finance leases;

2) for leases previously classified as operating leases, the Group recognised lease liabilities based on the present value of the remaining lease payments discounted at the incremental borrowing rate at the date

of initial application, and measured right-of-use assets based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised; and

3) the Group performed its impairment test of right-of-use assets and account for the impairment.

Identify the fulfilled and outstanding performance obligations, determine transaction prices, and allocate transaction prices between fulfilled and outstanding performance obligations.

For operating leases of low-value assets and operating leases for which the lease term ends within 12 months before initial application, the Group applied a simplified approach and did not recognise the right-of-use assets and lease liabilities:

1) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; and excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;

2) used hindsight in determining the lease term where the contract contained options to extend or terminate the lease;

3) relied on its assessment of whether leases are onerous applying "42. Leases" of "V. Significant Accounting Policy and Accounting Estimate" of "Section 10. Financial Report" immediately before the date of initial application as an alternative to performing an impairment review, and adjusted the right-of-use assets at the date of initial application by the amount of any provision for onerous leases recognised in the balance sheet immediately before the date of initial application; and

4) accounted for the changes in leases before the date of initial application based on the final arrangement for such changes.

(2). Change of Significant Accounting Estimates

Applicable" Not applicable"

(3) The Company started implementing the New Leases Standard commencing from 2021 and adjusted the financial statements at the beginning of the current year

Applicable" Inapplicable"

Consolidated Balance Sheet

In: Yuan Currency:RMB

Items	December 31, 2020	January 01, 2021	Amount involved in the adjustment
Current assets:			
Currency funds	1,249,120,118.26	1,249,120,118.26	
Settlement reserve			
Inter-bank lending			
Financial assets held for trading	458,440,486.16	458,440,486.16	
Derivative financial assets			
Notes receivable			
Accounts receivable	187,700,162.28	187,700,162.28	
Receivables financing	194,010,599.36	194,010,599.36	
Prepayments	20,248,469.38	18,328,847.77	-1,919,621.61
Receivable premium			
Reinsurance accounts receivable			
Reserve for reinsurance contract receivable			
Other receivables	85,518,641.96	85,518,641.96	
Including: Interest receivable	930,559.39	930,559.39	
Dividends receivable			
Redemptory monetary fund for sale			
Inventories	494,751,269.64	494,751,269.64	
Contract assets			

Assets classified as held for sale			
Current portion of non-current assets	875,045,616.43	875,045,616.43	
Other current assets	120,605,121.80	120,605,121.80	
Total current assets	3,685,440,485.27	3,683,520,863.66	-1,919,621.61
Non-current assets:			
Loan issuing and advance in cash			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	32,946,576.25	32,946,576.25	
Other equity investments			
Other non-current financial assets			
Investment properties	223,753,945.07	223,753,945.07	
Fixed assets	1,781,506,536.14	1,781,506,536.14	
Construction in progress	47,995,478.09	47,995,478.09	
Productive biological asset			
Oil and Gas Assets			
Right-of-use assets		56,116,227.00	56,116,227.00
Intangible assets	316,215,456.18	316,215,456.18	
Development expenditures			
Goodwill			
Long-term prepaid expenses	11,802,083.24	11,802,083.24	
Deferred tax assets	56,365,819.88	56,365,819.88	
Other non-current assets	3,402,470,277.28	3,402,470,277.28	
Total non-current assets	5,873,056,172.13	5,929,172,399.13	56,116,227.00
Total assets	9,558,496,657.40	9,612,693,262.79	54,196,605.39
Current liabilities:			
Short-term borrowings			
Borrowings from the central bank			
Loans from other banks			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	4,555,247,953.70	4,555,247,953.70	
Accounts payable	1,382,013,472.83	1,382,013,472.83	
Receipts in advance			
Contract liabilities	318,471,009.89	318,471,009.89	
Money from sale of the repurchased financial assets			
Deposits taking and interbank placement			
Acting trading securities			

Income from securities underwriting on commission			
Employee benefits payable	89,154,510.59	89,154,510.59	
Taxes and surcharges payable	25,977,920.73	25,977,920.73	
Other payables	453,785,184.64	446,629,221.36	-7,155,963.28
Including: interest payable			
Dividends payable			
Service charge and commission payable			
Payable reinsurance			
Liabilities classified as held for sale			
Current portion of non-current liabilities		9,424,674.23	9,424,674.23
Other current liabilities	12,219,830.60	12,219,830.60	
Total current liabilities	6,836,869,882.98	6,839,138,593.93	2,268,710.95
Non-current liabilities:			
Reserve for insurance contract			
Long-term borrowings			
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities		51,927,894.44	51,927,894.44
Long-term payables			
Long-term employee benefits payable			
Predicted liabilities			
Deferred income	73,775,195.25	73,775,195.25	
Deferred tax liability	8,740.26	8,740.26	
Other non-current liabilities			
Total non-current liabilities	73,783,935.51	125,711,829.95	51,927,894.44
Total liabilities	6,910,653,818.49	6,964,850,423.88	54,196,605.39
Owner's equity(or shareholder's equity):			
Share capital	338,660,003.00	338,660,003.00	
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserves	319,618,893.64	319,618,893.64	
Less: Treasury shares			
Other comprehensive income			
Special reserves			
Surplus reserves	189,936,412.55	189,936,412.55	
General risks reserves			

Retained earnings	1,781,546,043.16	1,781,546,043.16	
Total shareholders' equity attributable to the parent company	2,629,761,352.35	2,629,761,352.35	
Non-controlling interests	18,081,486.56	18,081,486.56	
Total shareholder's equity	2,647,842,838.91	2,647,842,838.91	
Total Liabilities and Shareholder's Equity	9,558,496,657.40	9,612,693,262.79	54,196,605.39

Note to various item adjustments:

"□ Applicable" "√ Inapplicable"

Balance Sheet, Parent Company

In: Yuan Currency: RMB

Items	December 31, 2020	January 01, 2021	Amount involved in the adjustment
Current assets:			
Current assets	1,026,281,081.52	1,026,281,081.52	
Financial assets at fair value through profit or loss	60,600,000.00	60,600,000.00	
Derivative financial assets			
Notes receivable			
Accounts receivable	187,973,999.10	187,973,999.10	
Receivables financing	2,920,000.00	2,920,000.00	
Prepayments	9,320,260.63	9,320,260.63	
Other receivables	54,343,683.45	54,343,683.45	
Including: Interest receivable	928,998.18	928,998.18	
Dividend receivable			
Inventories	5,103,408.33	5,103,408.33	
Contract assets			
Assets classified as held for sale			
Current portion of non-current assets	875,045,616.43	875,045,616.43	
Other current assets	48,187,421.72	48,187,421.72	
Total current assets	2,269,775,471.18	2,269,775,471.18	
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	693,448,588.33	693,448,588.33	
Other equity investments			
Other non-current financial assets			

Investment properties	438,596,163.82	438,596,163.82	
Fixed asset	48,254,628.34	48,254,628.34	
Construction in progress	13,543,609.26	13,543,609.26	
Productive biological asset			
Oil and Gas Assets			
Right-of-use assets		16,638,789.86	16,638,789.86
Intangible assets	30,295,640.40	30,295,640.40	
Development expenditures			
Goodwill			
Long-term prepaid expenses	1,021,465.06	1,021,465.06	
Deferred tax assets	20,994,245.62	20,994,245.62	
Other non-current assets	3,190,437,580.45	3,190,437,580.45	
Total non-current assets	4,436,591,921.28	4,453,230,711.14	16,638,789.86
Total assets	6,706,367,392.46	6,723,006,182.32	16,638,789.86
Current liabilities:			
Short term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	1,535,609,263.11	1,535,609,263.11	
Accounts payable	2,581,643,212.31	2,581,643,212.31	
Receipts in advance			
Contract liabilities	293,258,453.68	293,258,453.68	
Employee benefits payable	25,528,265.93	25,528,265.93	
Taxes and surcharges payable	666,987.59	666,987.59	
Other payables	308,332,553.91	308,332,553.91	
Including: interest payable			
Dividends payable			
Liabilities classified as held for sale			
Current portion of non-current liabilities		4,766,830.14	4,766,830.14
Other current liabilities	9,711,127.61	9,711,127.61	
Total current liabilities	4,754,749,864.14	4,759,516,694.28	4,766,830.14
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liabilities		11,871,959.72	11,871,959.72
Long-term payables			
Long-term employee benefits payable			

Provisions			
Deferred income	36,257,597.30	36,257,597.30	
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	36,257,597.30	48,129,557.02	11,871,959.72
Total liabilities	4,791,007,461.44	4,807,646,251.30	16,638,789.86
Shareholder's equity:			
Share capital)	338,660,003.00	338,660,003.00	
Other equity instruments			
Including: preferred shares			
Perpetual bond			
Capital reserves	294,981,361.11	294,981,361.11	
Less: Treasury shares			
Other comprehensive income			
Special reserves			
Surplus reserves	189,936,412.55	189,936,412.55	
Retained earnings	1,091,782,154.36	1,091,782,154.36	
Total shareholder's equity	1,915,359,931.02	1,915,359,931.02	
Total Liabilities and Shareholder's Equity	6,706,367,392.46	6,723,006,182.32	16,638,789.86

Note to various item adjustments:

Applicable" Inapplicable"

(4) **Note to the retroactive adjustment of the previous comparative data according to the new standards for lease initially implemented from 2021**

Applicable" Not applicable"

45. Others

Applicable" Not applicable"

VI. Taxes

1. Types of major taxes and tax rates

Types of major taxes and tax rates

Applicable" Not applicable"

Types of taxes	Tax basis	Tax rates
Value-added tax	The output VAT is calculated based on the sales of goods and taxable labor income according to the tax law. After deducting the offsetable input VAT in the reporting period, the difference is the value-added tax payable.	13%, 9%, 6%
Urban maintenance and construction tax	It is paid based on the turnover tax actually paid	7%
Corporate income tax	Based on the amount of income taxable	25%, 20%, 15%

Education Surcharge	It is paid based on the turnover tax actually paid	3%
Local education Surcharge	It is paid based on the turnover tax actually paid	2%

In case there exist taxpayers subject to different corporate income tax rates, disclose the information.

Applicable Not applicable

Taxpayers	Income tax rate (%)
Tianjin Suiwanwan Culture Communication Co., Ltd.	20
Tianjin Tianli Electric Bicycle Co., Ltd.	20
Tianjin Jinge Industrial Design Co., Ltd.	20
Xiaopa Electric Technology (Shanghai) Co., Ltd	20
Tianjin Xiaoma Network Technology Co., Ltd.	20
Aima Technology (Chongqing) Co., Ltd.	15
Chongqing Aima Vehicle Technology Co., Ltd.	15
Aima Technology (Hainan) Co., Ltd.	15
Tianjin Aima Vehicle Technology Co., Ltd.	15
Guangdong Aima Vehicle Technology Co., Ltd.	15
Guangxi Aima Vehicle Co., Ltd.	15

2. Tax Preferences

Applicable Not applicable

In 2021, Tianjin Jinge Industrial Design Co., Ltd., Tianjin Suiwanwan Cultural Communication Co., Ltd., Xiaopa Electric Technology (Shanghai) Co., Ltd., Tianjin Tianli Electric Bicycle Co., Ltd. and Tianjin Xiaoma Network Technology Co., Ltd. enjoyed preferential taxes for small low-profit enterprises. In accordance with the Enterprise Income Tax Law of the People's Republic of China and the regulations for the implementation, and the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (CAISHUI [2019] No. 13), from January 1, 2019 to December 31, 2021, the annual taxable income of a small low-profit enterprise that is not more than RMB 1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%; and the annual taxable income that is not less than RMB 1 million nor more than RMB 3 million shall be included in its taxable income at the reduced rate of 50%, with the applicable enterprise income tax rate of 20%. In accordance with the Announcement of the State Administration of Taxation on the Implementation of Preferential Income Tax Policies Supporting the Development of Small and Low-profit Enterprises and Individual Industrial and Commercial Households (State Administration of Taxation Announcement No. 8 [2021]), from January 1, 2021 to December 31, 2022, the annual taxable income of small and low-profit enterprises does not exceed RMB 1 million, a reduction of 12.5% shall be included in the taxable income, and the corporate income tax shall be paid at the rate of 20%.

Aima Technology (Chongqing) Co., Ltd. and Chongqing Aima Vehicle Technology Co., Ltd. belong to the encouraged industrial companies of the Western Development, and can enjoy the tax preference of 15% corporate income tax from 2021 to 2030.

Aima Technology (Hainan) Co., Ltd. Enjoys the tax preference policy for and Chongqing Aima Vehicle Technology Co., Ltd. Enjoys preferential tax policy for Hainan Free Trade Port, and can enjoy the tax preference of 15% corporate income tax from 2020 to 2024.

Tianjin Aima Vehicle Technology Co., Ltd., Guangdong Aima Vehicle Technology Co., Ltd. and Guangxi Aima Vehicle Technology Co., Ltd. Were qualified for hi-tech enterprise in 2021, and may enjoy the tax preference of 15% corporate income tax from 2021 to 2023.

3. Others

Applicable Not applicable

VII. Notes to Items of Consolidated Financial Statements

1. Currency funds

Applicable Not applicable

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Cash		
Cash at banks	2,844,921,448.22	977,405,317.96
Others	1,221,862.48	271,714,800.30
Total	2,846,143,310.70	1,249,120,118.26

Other notes

The details of the Company's currency funds that have restrictions on use due to mortgage, pledge or freezing, and which are deposited overseas and restricted from repatriation of funds are as follows:

As of December 31, 2021, the Company had no monetary funds with restricted ownership (December 31, 2020: RMB 269,196,678.00).

For the bank demand deposits, the interest income is received at the interest rate of bank demand deposits. As at December 31, 2021, there was no short-term fixed-term deposit.

2. Financial assets held for trading

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Financial assets at fair value through profit or loss	1,265,981,818.24	458,440,486.16
Where:		
Equity investments	85,600,000.00	
Financial products	1,180,381,818.24	458,440,486.16
Financial assets designated at fair value through profit or loss		
Where:		
Total	1,265,981,818.24	458,440,486.16

Other notes:

Applicable" Not applicable"

The details of the financial products with the use right restricted are as follows:

Items	Ending balance	Opening balance
Financial products	390,000,000.00	280,000,000.00

3. Derivative financial assets

Applicable" Not applicable"

4. Notes receivable**(1) Classification of notes receivable**

Applicable" Not applicable"

(2) Notes receivable already pledged by the Company at the end of the reporting period

Applicable" Not applicable"

(3) Endorsed or discounted notes receivable at the end of the reporting period, but not yet due on the balance sheet date

Applicable" Not applicable"

(4) Notes transferred to receivables due to issuer's default at the end of the reporting period

Applicable" Not applicable"

(5) Classified disclosure based on the method of provision for bad debt

Applicable" Not applicable"

Individual provision for bad debts:

Applicable" Not applicable"

Provision for bad and doubtful debts based on portfolio:

Applicable" Not applicable"

If the provision for bad debt is accrued in accordance with the general model of expected credit loss, please refer to the disclosure of other receivables

Applicable" Not applicable"

(6) Provision for bad debts

Applicable" Not applicable"

(7) Notes receivable actually written off in the reporting period

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

5. Accounts receivable**(1) Disclosed based on aging**

Applicable" Not applicable"

In: Yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Where: Itemized within 1 year	
Within 1 year	209,442,121.39
Sub-total within 1 year	209,442,121.39
1 to 2 years	524,323.97
2 to 3 years	
Over 3 years	
Total	209,966,445.36

(2) Classified disclosure based on the method of provision for bad debt

Applicable" Inapplicable"

In: Yuan Currency: RMB

Categories	Ending balance					Opening balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Assessed bad debt provision individually						4,248,734.54	2.15			4,248,734.54

Where:										
Individually significant amount and separate provision for bad debts						4,248,734.54	2.15			4,248,734.54
Assessed bad debt provision in portfolio	209,966,445.36	100.00	2,336,643.71	1.11	207,629,801.65	193,547,668.80	97.85	10,096,241.06	5.22	183,451,427.74
Where:										
Portfolios based on credit risk characteristics	209,966,445.36	100.00	2,336,643.71	1.11	207,629,801.65	193,547,668.80	97.85	10,096,241.06	5.22	183,451,427.74
Total	209,966,445.36	/	2,336,643.71	/	207,629,801.65	197,796,403.34	/	10,096,241.06	/	187,700,162.28

Individual provision for bad debts:

Applicable Not applicable

Provision for bad and doubtful debts based on portfolio:

Applicable Not applicable

Provision items on portfolio

In:Yuan Currency:RMB

Name	Ending balance		
	Accounts receivable	Bad debt provision	Provision proportion (%)
Within 1 year (with 1 year inclusive)	209,442,121.39	2,220,086.49	1.06
1 to 2 years (with 2 years inclusive)	524,323.97	116,557.22	22.23
2 to 3 years (with 3 years inclusive)			
Over 3 years			
Total	209,966,445.36	2,336,643.71	1.11

Criteria of and note to recognition of provision for bad debts based on portfolio:

Applicable Not applicable

If the provision for bad debt is accrued in accordance with the general model of expected credit loss, please refer to the disclosure of other receivables

Applicable Not applicable

(3) Provision for bad debts

Applicable Not applicable

In:Yuan Currency:RMB

Categories	Amount of movement during the reporting period

	Opening balance	Provision	Recovery or reversal	Charge-off or write-off	Other changes	Ending balance
Assessed bad debt provision in portfolio	10,096,241.06	6,513,215.15	14,272,719.28	93.22		2,336,643.71
Total	10,096,241.06	6,513,215.15	14,272,719.28	93.22		2,336,643.71

Where the significant amount of the reserve for bad debt recovered or reversed:

Applicable Not applicable

(4) Accounts receivable actually written off in the reporting period

Applicable Not applicable

(5) Accounts receivable owed by the top five debtors based on the ending balance

Applicable Not applicable

In:Yuan Currency:RMB

Organization name	Ending balance	Proportion in total ending balance of accounts receivable (%)	Ending balance of the provision for bad debts
Customer 1	21,928,902.65	10.44	232,446.37
Customer 2	13,641,918.29	6.50	144,604.33
Customer 3	9,414,533.53	4.48	99,794.06
Customer 4	7,605,767.51	3.62	80,621.14
Customer 5	7,235,102.18	3.45	76,692.08
Total	59,826,224.16	28.49	634,157.98

(6) Account receivable with recognition terminated due to transfer of financial assets

Applicable Not applicable

(7) Amount of assets and liabilities formed through transfer of account receivable and continuing to be involved

Applicable Not applicable

Other notes:

Applicable Not applicable

6. Receivables financing

Applicable Not applicable

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Bank acceptance notes	49,295,422.59	194,010,599.36
Total	49,295,422.59	194,010,599.36

Change of increase/decrease and fair value of accounts receivable financing in the reporting period:

Applicable Not applicable

If the provision for bad debt is accrued in accordance with the general model of expected credit loss, please refer to the disclosure of other receivables

Applicable Not applicable

7. Prepayments**(1) Prepayments are presented based on aging**

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Aging	Ending balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	20,878,129.11	96.94	17,851,166.97	97.40
1 to 2 years	559,969.27	2.60	370,840.99	2.02
2 to 3 years			106,839.81	0.58
Over 3 years	100,000.00	0.46		
Total	21,538,098.38	100.00	18,328,847.77	100.00

(2) Prepayments to the top five debtors of the ending balance collected based on the debtors of the prepayments

"√ Applicable" "□ Not applicable"

Organization name	Ending balance	Proportion in total ending balance of prepayments (%)
Supplier 1	2,593,313.53	12.04
Supplier 2	1,605,683.60	7.46
Supplier 3	1,587,174.59	7.37
Supplier 4	1,140,287.61	5.29
Supplier 5	487,834.30	2.26
Total	7,414,293.63	34.42

Other notes

"□ Applicable" "√ Not applicable"

8. Other receivables**Items Presentation**

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Interest receivables	642,997.45	930,559.39
Dividends receivable		
Other receivables	149,426,857.13	84,588,082.57
Total	150,069,854.58	85,518,641.96

Other notes:

"□ Applicable" "√ Not applicable"

Interest receivables**(1) Classification of interest receivable**

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Deposit and wealth investment		331,204.44
Interest of accounts receivable	642,997.45	599,354.95
Total	642,997.45	930,559.39

(2) Significant overdue interest

Applicable" Not applicable"

(3) Provision for bad debts

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Dividend receivable**(4) Dividend receivable**

Applicable" Not applicable"

(5) Significant dividends receivable with age exceeding 1 year

Applicable" Not applicable"

(6) Provision for bad debts

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Other receivables**(7) Disclosed based on aging**

Applicable" Not applicable"

In:Yuan Currency:RMB

Aging	Ending book balance
Within 1 year	
Where: Itemized within 1 year	
Within 1 year	144,245,727.86
Sub-total within 1 year	144,245,727.86
1 to 2 years	3,156,255.55
2 to 3 years	3,708,453.30
Over 3 years	24,323,512.34
Total	175,433,949.05

(8) Classification based on the nature of fund

Applicable" Not applicable"

In:Yuan Currency:RMB

Nature of the fund	Ending book balance	Opening book balance
Engineering fees to be recovered	24,164,117.84	24,164,117.84
Deposits	138,555,562.94	2,161,666.16

Listing expenses		30,534,966.17
Reimbursement of the advance to employees	406,934.00	176,881.17
Receivable from disposal of fixed assets	5,248,574.23	16,509,154.50
Rebate to suppliers		17,806,530.09
Others	7,058,760.04	17,443,210.69
Total	175,433,949.05	108,796,526.62

(9) Provision for bad debts

Applicable" Not applicable"

In:Yuan Currency:RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime ECLs (no credit impairment incurred)	Lifetime ECLs (credit impairment already incurred)	
Balance as at January 1, 2021	26,894.68	17,431.53	24,164,117.84	24,208,444.05
Balance as at January 1, 2021 in the reporting period				
-- transferred into Stage 2				
-- transferred into Stage 3				
-- reversed to Stage 2				
-- reversed to Stage 1				
Accrual	21,647.20	1,821,326.88		1,842,974.08
Reversal	26,894.68	17,431.53		44,326.21
Transfer out				
Write-off				
Other changes				
Balance as at December 31, 2021	21,647.20	1,821,326.88	24,164,117.84	26,007,091.92

Note to the significant changes in the book balance of other receivables with changes in provision for loss in the reporting period:

Applicable" Not applicable"

The amount of provision for bad debts in the reporting period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable" Not applicable"

(10) Provision for bad debts

Applicable" Not applicable"

In:Yuan Currency:RMB

Categories	Amount of movement during the reporting period
------------	--

	Opening balance	Provision	Recovery or reversal	Charge-off or write-off	Other changes	Ending balance
Bad debt provision	24,208,444.05	1,842,974.08	44,326.21			26,007,091.92
Total	24,208,444.05	1,842,974.08	44,326.21			26,007,091.92

Where a significant amount of the reserve for bad debt recovered or reversed during the reporting period:

Applicable" Not applicable"

(11) Other receivables actually written off in the reporting period

Applicable" Not applicable"

(12) Other receivables owed by the top five debtors based on the ending balance

Applicable" Not applicable"

In:Yuan Currency:RMB

Organization name	Nature of Payment	Ending balance	Aging	Proportion in total ending balance of other receivables (%)	Bad debt reserve Ending balance
Customer 1	Deposits	107,506,442.86	Within 1 year	61.28	
Customer 2	Deposits	28,534,883.61	Within 1 year	16.27	
Customer 3	Engineering fees to be recovered	24,164,117.84	Over 3 years	13.77	24,164,117.84
Customer 4	Receivable from disposal of fixed assets	2,998,574.23	2-3 years	1.71	696,326.88
Customer 5	Receivable from disposal of fixed assets	2,250,000.00	2-3 years	1.28	1,125,000.00
Total	/	165,454,018.54		94.31	25,985,444.72

(13) Accounts receivable involving government subsidy

Applicable" Not applicable"

(14) Other receivables with recognition terminated due to transfer of financial assets

Applicable" Not applicable"

(15) Amount of assets and liabilities formed through transfer of other receivables and continuing to be involved

Applicable" Not applicable"

Other notes:

 Applicable" Not applicable"**9. Inventories****(1) Classification of inventories** Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance			Opening balance		
	Book balance	Provision for write-down of inventories/impairment of costs to fulfill a contract	Book value	Book balance	Provision for write-down of inventories / impairment of costs to fulfill a contract	Book value
Raw materials	359,993,370.61	4,730,148.62	355,263,221.99	214,631,044.28	436,248.90	214,194,795.38
Finished goods	440,425,986.90		440,425,986.90	280,754,523.22	198,048.96	280,556,474.26
Total	800,419,357.51	4,730,148.62	795,689,208.89	495,385,567.50	634,297.86	494,751,269.64

(2) Provision for write-down of inventories / impairment of costs to fulfill a contract Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Opening balance	Amount increased in the reporting period		Decrease in the reporting period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	436,248.90	6,878,033.90		2,584,134.18		4,730,148.62
Finished goods	198,048.96			198,048.96		
Total	634,297.86	6,878,033.90		2,782,183.14		4,730,148.62

(3) Note to the amount of capitalized borrowing costs involved in the ending balance of inventories Applicable" Not applicable"**(4) Note to the current amortization amount of contract performance costs** Applicable" Not applicable"

Other notes

 Applicable" Not applicable"

10. Contract assets**(1) About contract assets**

Applicable" Not applicable"

(2)The amount involved in the significant change of the book value and the cause during the reporting period

Applicable" Not applicable"

(3)Provision for impairment of contract assets in the reporting period

Applicable" Not applicable"

If the provision for bad debt is accrued in accordance with the general model of expected credit loss, please refer to the disclosure of other receivables

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

11. Held-for-sale assets

Applicable" Not applicable"

12. Non-current assets due within a year

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Fixed term deposit due within a year		875,045,616.43
Total		875,045,616.43

Significant debt investment and other debt investments at the end of the reporting period:

Applicable" Not applicable"

13. Other current assets

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
CIT paid in advance	78,929,325.30	54,956,430.47
Input VAT to be credited	91,878,628.00	65,648,691.33
Total	170,807,953.30	120,605,121.80

14. Debt investment**(1) About debt investment**

Applicable" Not applicable"

(2) Significant debt investment at the end of the reporting period

Applicable" Not applicable"

(3)Provision for impairment

Applicable" Not applicable"

The amount of provision for impairment in the reporting period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

15. Other debt investment

(1) About other debt investment

Applicable" Not applicable"

(2) Significant other debt investment at the end of the reporting period

Applicable" Not applicable"

(3) Provision for impairment

Applicable" Not applicable"

The amount of provision for impairment in the reporting period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

16. Long-term receivables

(1) About long-term receivables

Applicable" Not applicable"

(2) Provision for bad debts

Applicable" Not applicable"

The amount of provision for bad debts in the reporting period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable" Not applicable"

(3) Long term receivables with recognition terminated due to transfer of financial assets

Applicable" Not applicable"

(4) Amount of assets and liabilities formed through transfer of long-term receivables and continuing to be involved

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

17. Long-term equity investments

Applicable Not applicable

In:Yuan Currency:RMB

Investees	Opening balance	Increase/ Decrease (+ / -) in the reporting period								Ending balance	Impairment at the end of the year
		Increase	Decrease	Investment income under the	Other comprehensive income	Other equity move	Cash dividend declared	Provision for impairment	Others		

				equity method		me nt					
I. Joint Venture											
Sub-total											
II. Associates											
TODAY	13,29			-						11,569,3	
SUNSHI	8,705			1,729,3						94.32	
NE	.15			10.83							
Tianjin	19,64			651,72			5,72			14,575,5	
Gamma	7,871			8.75			4,00			99.85	
	.10						0.00				
Shandong		22,71		-						19,255,2	
Grand		7,737.		3,462,4						84.44	
		96		53.52							
Taizhou		90,00		-						54,950,3	
Jinfu		0,000.		35,049,						23.80	
		00		676.20							
Beijing		5,000,		-						4,722,67	
Zhongzhong		000.0		277,32						7.82	
		0		2.18							
Sub-total	32,94	117,7		-			5,72			105,073,	
	6,576	17,73		39,867,			4,00			280.23	
	.25	7.96		033.98			0.00				
Total	32,94	117,7		-			5,72			105,073,	
	6,576	17,73		39,867,			4,00			280.23	
	.25	7.96		033.98			0.00				

18. Other equity instrument investment**(1) Other equity instrument investment**

Applicable" Not applicable"

(2) Investment in non-transactional equity instruments

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

19. Other non-current financial assets

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

20. Investment properties

Measurement model for investment-oriented real estate

(1) Investment properties measured based on the cost method

In:Yuan Currency:RMB

Items	Buildings	Land use rights	Total
I. Original book value			
1. Opening balance	185,765,336.74	74,456,169.46	260,221,506.20
2. Amount increased in the reporting period	60,263,759.97	4,553,291.88	64,817,051.85
(1) Purchased			
(2) Inventories\fixed assets/construction in process transferred in	60,263,759.97	4,553,291.88	64,817,051.85
(3) Increase of enterprise consolidation			
3. Amount decreased in the reporting period			
(1) Disposals			
(2) Other transfer out			
4. Ending balance	246,029,096.71	79,009,461.34	325,038,558.05
II. Accumulative depreciation and accumulative amortization			
1. Opening balance	31,718,011.86	4,749,549.27	36,467,561.13
2. Amount increased in the reporting period	16,083,857.91	2,298,594.74	18,382,452.65
(1) Depreciation and amortisation provided during the year	14,160,853.82	1,676,311.53	15,837,165.35
(2) Transfer-in of the fixed asset or intangible assets	1,923,004.09	622,283.21	2,545,287.30
3. Amount decreased in the reporting period			
(1) Disposal			
(2) Other transfer out			
4. Ending balance	47,801,869.77	7,048,144.01	54,850,013.78
III. Provision for impairment			
1. Opening balance			
2. Amount increased in the reporting period			
(1) Provision			
3. Amount decreased in the reporting period			
(1) Disposal			
(2) Other transfer out			
4. Ending balance			
IV. Book value			
1. Book value at the end of the reporting period	198,227,226.94	71,961,317.33	270,188,544.27
2. Book value at the beginning of the reporting period	154,047,324.88	69,706,620.19	223,753,945.07

(2) Investment property with no title certificate

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

As at December 31, 2021, the book value of investment properties leased out for operation was RMB 270,188,544.27 (December 31, 2020: RMB 223,753,945.07).

21. Fixed asset**Items Presentation**

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Fixed asset	1,964,000,630.29	1,767,169,467.93
Disposal of fixed assets	2,085,074.02	14,337,068.21
Total	1,966,085,704.31	1,781,506,536.14

Fixed asset**(1) About fixed assets**

Applicable" Not applicable"

In:Yuan Currency: RMB

Items	Buildings	Machinery and equipment	Vehicles	Office equipment	Electronic equipment	Production tools	Total
I. Original book value:							
1. Opening balance	1,768,039,850.30	412,056,293.74	34,278,128.63	24,894,753.24	32,438,750.68	152,289,639.91	2,423,997,416.50
2. Amount increased in the reporting period	201,104,063.47	127,258,977.44	7,492,659.68	12,510,123.55	12,328,705.16	95,232,540.08	455,927,069.38
(1) Purchase	7,530,400.97	44,201,243.17	7,492,659.68	10,692,376.22	10,712,956.44	13,386,186.11	94,015,822.59
(2) Transfers from construction in progress	193,573,662.50	83,057,734.27		1,817,747.33	1,615,748.72	81,846,353.97	361,911,246.79
(3) Increase of enterprise consolidation							
3. Amount decreased in	60,780,041.91	24,336,889.48	3,901,120.92	1,005,471.42	1,535,783.00	3,431,088.81	94,990,395.54

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the reporting period							
(1) Disposals or retirements	516,281.94	24,336,889.48	3,901,120.92	1,005,471.42	1,535,783.00	3,431,088.81	34,726,635.57
(2) Transferred into investment properties	60,263,759.97						60,263,759.97
4. Ending balance	1,908,363,871.86	514,978,381.70	37,869,667.39	36,399,405.37	43,231,672.84	244,091,091.18	2,784,934,090.34
II. Accumulative depreciation							
1. Opening balance	369,892,757.90	155,184,797.76	22,898,049.49	15,379,543.09	22,964,885.20	64,988,863.78	651,308,897.22
2. Amount increased in the reporting period	84,914,679.78	38,466,255.99	4,439,128.89	3,134,060.55	6,407,368.70	46,161,195.37	183,522,689.28
(1) Depreciation provided during the year	84,914,679.78	38,466,255.99	4,439,128.89	3,134,060.55	6,407,368.70	46,161,195.37	183,522,689.28
(2) Others							
3. Amount decreased in the reporting period	2,034,805.47	6,464,286.55	3,706,050.67	842,246.58	1,044,998.04	3,025,752.64	17,118,139.95
(1) Disposals or retirements	111,801.38	6,464,286.55	3,706,050.67	842,246.58	1,044,998.04	3,025,752.64	15,195,135.86
(2) Transferred into investment properties	1,923,004.09						1,923,004.09
4. Ending balance	452,772,632.21	187,186,767.20	23,631,127.71	17,671,357.06	28,327,255.86	108,124,306.51	817,713,446.55
III. Provision for impairment							
1. Opening balance		5,519,051.35					5,519,051.35
2. Amount increased in		4,929,182.19		6,374.31	20,546.55	85,113.04	5,041,216.09

the reporting period							
(1) Provision		4,929,182.19		6,374.31	20,546.55	85,113.04	5,041,216.09
3. Amount decreased in the reporting period		7,228,354.52		6,374.31	20,412.07	85,113.04	7,340,253.94
(1) Disposals or retirements		7,228,354.52		6,374.31	20,412.07	85,113.04	7,340,253.94
4. Ending balance		3,219,879.02			134.48		3,220,013.50
IV. Book value							
1. Book value at the end of the reporting period	1,455,591,239.65	324,571,735.48	14,238,539.68	18,728,048.31	14,904,282.50	135,966,784.67	1,964,000,630.29
2. Book value at the beginning of the reporting period	1,398,147,092.40	251,352,444.63	11,380,079.14	9,515,210.15	9,473,865.48	87,300,776.13	1,767,169,467.93

(2) About temporarily idle fixed assets

Applicable" Not applicable"

(3) Fixed assets rented through finance lease

Applicable" Not applicable"

(4) Fixed assets leased through operating lease

Applicable" Not applicable"

(5) About fixed assets without title certificate

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Book value	The reason why the title certificate has not been granted
Buildings	6,143,202.01	For self-built auxiliary function houses, it is unnecessary to apply for title certificate.

Other notes:

Applicable" Not applicable"

On December 31, 2021, the book value of the Group's fixed assets of houses and buildings with restricted ownership was RMB 51,854,177.47 (December 31, 2020: RMB 56,311,395.08).

Disposal of fixed assets

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Disposal of fixed assets	2,085,074.02	14,337,068.21
Total	2,085,074.02	14,337,068.21

22. Construction-in-progress**Items Presentation**

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Engineering supplies	18,007,496.51	
Construction-in-progress	96,123,598.65	47,995,478.09
Total	114,131,095.16	47,995,478.09

Other notes:

"□ Applicable" "√ Not applicable"

Construction-in-progress**(1) About construction-in-progress**

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Ending balance			Opening balance		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Aima Group Software	35,596,259.61		35,596,259.61	12,090,511.86		12,090,511.86
Aima Group Engineering Works	1,338,400.38		1,338,400.38			
Tianjin Sports moulds	1,408,406.98		1,408,406.98	369,469.04		369,469.04
Henan Aima moulds	729,606.65		729,606.65	6,621,681.44		6,621,681.44
Henan Aima machinery equipment	1,945,749.80		1,945,749.80	1,801,980.20		1,801,980.20
Henan Aima appliance tools	67,256.64		67,256.64			
Jiangsu Aima machinery equipment	936,637.18		936,637.18			

Jiangsu Aima moulds	5,026,548.70		5,026,548.70	2,986,725.69		2,986,725.69
Jiangsu Aima software	1,431,676.12		1,431,676.12	106,194.69		106,194.69
Jiangsu Aima appliance tools	53,097.35		53,097.35			
Zhejiang Aima housing and buildings	89,867.93		89,867.93			
Guangdong Aima machinery equipment	10,564,885.68		10,564,885.68			
Tianjin Vehicle machinery equipment	5,289,305.01		5,289,305.01	9,739,730.11		9,739,730.11
Tianjin Vehicle moulds	880,088.49		880,088.49	3,547,787.58		3,547,787.58
Tianjin Vehicle engineering works	2,655,991.45		2,655,991.45	6,891,351.54		6,891,351.54
Tianjin Vehicle office furniture	275,748.98		275,748.98			
Xiaopa Technology moulds	668,168.11		668,168.11			
Chongqing Vehicle office furniture	389,380.40		389,380.40			
Chongqing Vehicle housing & buildings	23,791,124.92		23,791,124.92			
Chongqing Vehicle machinery equipment	2,682,300.92		2,682,300.92			
Chongqing Vehicle appliance tools	303,097.35		303,097.35			
Guangxi Aima machinery equipment				1,415,929.28		1,415,929.28
Aima Group office furniture				143,362.84		143,362.84

Aima Group electronic equipment				1,309,734.56		1,309,734.56
Henan Aima electronic equipment				743,716.85		743,716.85
Guangdong Aima office furniture				34,823.01		34,823.01
Guangdong Aima appliance tools				55,398.23		55,398.23
Xiaoma Network moulds				79,203.54		79,203.54
Xiaoma Network machinery equipment				57,877.63		57,877.63
Total	96,123,598.65		96,123,598.65	47,995,478.09		47,995,478.09

(2) Movements of important construction-in-progress projects in the reporting period

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Project name	Budget	Opening balance	Addition	Transferred to the fixed assets	Other decreases	Ending balance	The proportion of projects investment accounted for budget (%)	Capital source
Chongqing Vehicle factory building	201,880,000.00		194,333,842.31	170,542,717.39		23,791,124.92	96%	Own fund
Tianjin Vehicle equipment	193,410,800.00	9,600,505.62	57,809,938.50	62,121,139.11		5,289,305.01	59%	Proceeds and own fund
Aima Group software system	80,720,000.00	12,090,511.86	60,216,427.77	36,710,680.02		35,596,259.61	90%	Proceeds and own fund
Total	476,010,800.00	21,691,017.48	312,360,208.58	269,374,536.52		64,676,689.54	/ /	

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

"□ Applicable" "√ Not applicable"

Other notes

 Applicable" Not applicable"**Engineering supplies****(4). About engineering supplies** Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Engineering supplies	18,007,496.51		18,007,496.51			
Total	18,007,496.51		18,007,496.51			

23. Productive biological asset**(1) Productive biological asset by using the cost measurement model** Applicable" Not applicable"**(2) Productive biological asset by using the fair value measurement model** Applicable" Not applicable"

Other notes

 Applicable" Not applicable"**24. Oil and Gas Assets** Applicable" Not applicable"**25. Right-of-use assets** Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Buildings	Total
I. Original book value:		
1. Opening balance	56,116,227.00	56,116,227.00
2. Amount increased in the reporting period	5,638,457.23	5,638,457.23
3. Amount decreased in the reporting period	12,186,841.29	12,186,841.29
(1) Disposal	12,186,841.29	12,186,841.29
4. Ending balance	49,567,842.94	49,567,842.94
II. Accumulative depreciation		
1. Opening balance		
2. Amount increased in the reporting period	13,543,970.77	13,543,970.77
(1) Depreciation provided during the year	13,543,970.77	13,543,970.77
3. Amount decreased in the reporting period	5,202,961.41	5,202,961.41

(1) Disposals	5,202,961.41	5,202,961.41
4. Ending balance	8,341,009.36	8,341,009.36
III. Provision for impairment		
1. Opening balance		
2. Amount increased in the reporting period		
(1) Provision		
3. Amount decreased in the reporting period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Book value at the end of the reporting period	41,226,833.58	41,226,833.58
2. Book value at the beginning of the reporting period	56,116,227.00	56,116,227.00

26. Intangible assets

(1) About the intangible assets

"√ Applicable" "□ Not applicable"

In: Yuan Currency: RMB

Items	Land use rights	Software	Trademarks	Total
I. Original book value:				
1. Opening balance	333,540,299.48	86,739,944.55	1,011,803.97	421,292,048.00
2. Amount increased in the reporting period		39,140,380.39		39,140,380.39
(1) Purchase		2,323,505.68		2,323,505.68
(2) Transfers from construction-in-process		36,816,874.71		36,816,874.71
3. Amount decreased in the reporting period	4,553,291.88	1,969,774.17		6,523,066.05
(1) Disposal		1,969,774.17		1,969,774.17
(2) Transferred into investment properties	4,553,291.88			4,553,291.88
4. Ending balance	328,987,007.60	123,910,550.77	1,011,803.97	453,909,362.34
II. Accumulative amortization				
1. Opening balance	50,242,850.18	54,046,280.80	787,460.84	105,076,591.82
2. Amount increased in the reporting period	6,738,808.96	12,507,071.19	43,421.25	19,289,301.40

(1) Amortisation provided during the year	6,738,808.96	12,507,071.19	43,421.25	19,289,301.40
3.Amount decreased in the reporting period	622,283.21	1,908,311.90		2,530,595.11
(1) Disposal		1,908,311.90		1,908,311.90
(2) Transferred into investment properties	622,283.21			622,283.21
4. Ending balance	56,359,375.93	64,645,040.09	830,882.09	121,835,298.11
III. Provision for impairment				
1. Opening balance				
2. Amount increased in the reporting period				
(1) Provision				
3.Amount decreased in the reporting period				
(1) Disposal				
4. Ending balance				
IV. Book value				
1.Book value at the end of the reporting period	272,627,631.67	59,265,510.68	180,921.88	332,074,064.23
2.Book value at the beginning of the reporting period	283,297,449.30	32,693,663.75	224,343.13	316,215,456.18

(2) About the land use rights without title certificate

Applicable" Not applicable"

Other notes:

As at December 31, 2021, the net book value of the land use rights with restricted ownership was RMB 30,632,651.23 (December 31, 2020: RMB 31,385,913.15).

27. Development expenses

Applicable" Not applicable"

28. Goodwill**(1). Original book value of the goodwill**

Applicable" Not applicable"

(2). Provision for impairment of the goodwill

Applicable" Not applicable"

(3). Relevant information of the assets group or portfolio of the assets groups where the goodwill is located

Applicable" Not applicable"

- (4). Explain the confirmation method of goodwill impairment test process, key parameters (such as predicted period growth rate, stable period growth rate, profit margin, discount rate, predicted period, etc., if applicable) and goodwill impairment loss.

Applicable" Not applicable"

- (5). Influence of goodwill impairment test

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

29. Long-term prepaid expenses

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Opening balance	Amount increased in the reporting period	Amount amortized in the reporting period	Other decrease	Ending balance
Refurbishment payment	2,049,861.61	13,100,727.52	1,898,421.12		13,252,168.01
Payment for the improvement of the rented fixed assets	3,504,970.99	6,148,397.91	2,940,498.81		6,712,870.09
Others	6,247,250.64	6,593,714.77	3,411,684.88		9,429,280.53
Total	11,802,083.24	25,842,840.20	8,250,604.81		29,394,318.63

30. Deferred tax assets/liabilities

- (1) Deferred tax asset before being offset

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax Assets
Deductible loss	251,596,721.32	62,899,180.33	25,069,318.56	6,267,329.64
Deferred income	118,883,340.46	23,421,534.15	95,775,195.25	23,943,798.81
Bad debt provision	28,343,735.63	4,322,808.35	34,304,685.11	8,577,078.83
Provision of inventories	4,730,148.62	810,887.28	634,297.86	158,574.46
Depreciation book-tax difference of fixed assets	23,503,828.28	5,875,957.07	17,266,262.52	4,316,565.63
Provision for impairment of fixed assets	3,220,013.50	483,002.03	5,519,051.35	1,379,762.84

Investment losses of associates	29,920,457.76	7,480,114.44		
Sales rebates and rewards	186,926,832.16	39,381,257.94	212,115,931.21	53,073,246.12
Accrued expenses	7,155,963.27	1,073,394.49	7,170,508.20	1,792,627.05
book-tax difference based on the new leases standard	2,275,394.88	568,848.72		
Total	656,556,435.88	146,316,984.80	397,855,250.06	99,508,983.38

(2) Deferred tax liabilities before being offset

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Ending balance		Opening balance	
	Taxable temporary differences	Deferred tax Liabilities	Taxable temporary differences	Deferred tax Liabilities
Accrued investment income from financial products	234,362,931.94	57,782,106.18	162,218,448.75	40,515,420.96
Accrued fund possession fee of deferred payment	642,997.45	122,469.75	599,354.95	149,838.74
Investment profit or loss of associates			9,946,576.25	2,486,644.06
Total	235,005,929.39	57,904,575.93	172,764,379.95	43,151,903.76

(3) Net amount of deferred tax assets/liabilities after being offset

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Offset amount at the end of the reporting period	Net amount at the end of the reporting period	Offset amount at the beginning of the reporting period	Net amount at the beginning of the reporting period
Deferred tax assets	57,473,351.49	88,843,633.31	43,143,163.50	56,365,819.88
Deferred tax liability	57,473,351.49	431,224.44	43,143,163.50	8,740.26

(4) Statement of deferred tax assets not recognized

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Deductible temporary differences	12,860.00	
Deductible tax losses	16,775,342.31	

Total	16,788,202.31	
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(5) Unrecognised deferred tax assets arising from deductible tax losses will expire in the following years

Applicable" Not applicable"

In:Yuan Currency:RMB

Year	Amount at the end of the reporting period	Amount at the year beginning	Remarks
To expire in 2026	16,788,202.31		
Total	16,788,202.31		/

Other notes:

Applicable" Not applicable"

31. Other non-current assets

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance		Opening balance	
	Book balance	Book value	Book balance	Book value
Prepayment o equipment& engineering projects	22,982,955.66	22,982,955.66	10,177,347.51	10,177,347.51
Prepayment of equity investment			100,000,000.00	100,000,000.00
Prepayment of properties			18,944,601.00	18,944,601.00
3-year fixed deposit receipt	4,919,789,013.47	4,919,789,013.47	3,273,348,328.77	3,273,348,328.77
Total	4,942,771,969.13	4,942,771,969.13	3,402,470,277.28	3,402,470,277.28

Other notes:

On December 31, 2021, the Group issued bank acceptance notes with three-year fixed deposit certificates of RMB 4,700,000,000.00 as the pledge (December 31, 2020: RMB 4,000,000,000.00).

32. Short-term borrowings

(1) Classification of short-term borrowings

Applicable" Not applicable"

(2) Short-term borrowings overdue but still remaining outstanding

Applicable" Not applicable"

Short-term borrowings overdue but still remaining outstanding

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

33. Transactional financial liabilities

Applicable" Not applicable"

34. Derivative financial liabilities

Applicable" Not applicable"

35. Notes payable

(1) Presentation of notes payable

Applicable Not applicable

In:Yuan Currency:RMB

Categories	Ending balance	Opening balance
Bank acceptance notes	4,926,337,711.40	4,555,247,953.70
Total	4,926,337,711.40	4,555,247,953.70

36. Accounts payable

(1) Presentation of accounts payable

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Within 1 year (with 1 year inclusive)	2,125,159,471.49	1,370,223,440.28
1 to 2 years (with 2 years inclusive)	2,405,817.77	7,991,541.59
2 to 3 years (with 3 years inclusive)	2,807,664.09	2,039,922.64
Over 3 years	1,740,418.19	1,758,568.32
Total	2,132,113,371.54	1,382,013,472.83

(2) Significant accounts payable with age exceeding 1 year

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

37. Receipts in advance

(1) Presentation of receipts in advance

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Factory building rent	13,125,994.89	
Total	13,125,994.89	

(2) Significant receipts in advance with age exceeding 1 year

Applicable" Not applicable"

Other notes

Applicable" Not applicable"

38. Contract liabilities

(1) About contract liabilities

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Advances from sales of goods	286,324,441.22	73,560,114.88
Sales rebates	186,926,832.16	212,115,931.21
Advances from service	10,284,351.19	32,794,963.80
Total	483,535,624.57	318,471,009.89

(2)The amount involved in the significant change of the book value and the cause during the reporting period

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

On December 31, 2021, the balance of sales rebates payable that belonging to the parent company was RMB 101,065,324.67 (December 31, 2020: RMB 206,201,090.24)

39. Employee benefits payable

(1) Employee benefits payable

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Opening balance	Increase in the reporting period	Decrease in the reporting period	Ending balance
I. Short-term employee benefits	89,154,510.59	959,578,506.59	935,510,336.39	113,222,680.79
II. Post-employment benefits-defined contribution plans		58,819,118.02	58,457,176.11	361,941.91
III. Dismissal compensation				
IV. Other benefit due within a year				
Total	89,154,510.59	1,018,397,624.61	993,967,512.50	113,584,622.70

(2) Presentation of short term remuneration

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Opening balance	Increase in the reporting period	Decrease in the reporting period	Ending balance
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I. Wages or salaries, bonuses, allowances and subsidies	85,152,018.23	833,070,996.84	809,255,551.34	108,967,463.73
II. Staff welfare	3,270,388.21	74,038,140.06	73,738,055.08	3,570,473.19
III. Social security contributions	460,721.07	33,281,180.36	33,559,789.88	182,111.55
Including: Medical insurance	460,721.07	29,287,253.70	29,589,817.93	158,156.84
Work injury insurance		2,133,966.58	2,111,611.47	22,355.11
Maternity insurance		1,859,960.08	1,858,360.48	1,599.60
IV. Housing fund	233,279.00	18,516,710.22	18,368,649.22	381,340.00
V. Union running costs and employee education costs	38,104.08	671,479.11	588,290.87	121,292.32
Total	89,154,510.59	959,578,506.59	935,510,336.39	113,222,680.79

(3) Presentation of the defined contribution plan

Applicable Not applicable

In: Yuan Currency: RMB

Items	Opening balance	Increase in the reporting period	Decrease in the reporting period	Ending balance
1. Pension insurance		57,022,942.01	56,673,119.73	349,822.28
2. Unemployment insurance		1,796,176.01	1,784,056.38	12,119.63
Total		58,819,118.02	58,457,176.11	361,941.91

Other notes:

Applicable Not applicable

40. Payable taxes

Applicable Not applicable

In: Yuan Currency: RMB

Items	Ending balance	Opening balance
Value-added tax	3,743,717.32	1,144,240.40
Corporate income tax	47,385,304.15	19,957,439.86
Personal income tax	2,287,395.24	1,626,471.67
Urban maintenance and construction tax	512,943.01	87,633.27
Land appreciation tax	631,354.38	527,983.81
Stamp duty	1,114,037.62	313,191.88
Education Surcharge	389,398.48	62,595.15
Others	2,237,337.37	2,258,364.69
Total	58,301,487.57	25,977,920.73

41. Other payables**Items Presentation**

Applicable Not applicable

In: Yuan Currency: RMB

Items	Ending balance	Opening balance
Interest payable		
Dividends payable		
Other payables	478,360,431.77	446,629,221.36
Total	478,360,431.77	446,629,221.36

Other notes:

Applicable" Not applicable"

Interest payable

(1) Presentation of classification

Applicable" Not applicable"

Dividends payable

(2) Presentation of classification

Applicable" Not applicable"

Other payables

(1) Other payables stated based on nature of fund

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Deposits	290,556,463.25	276,485,952.86
Payable of equipment & engineering projects	12,069,100.76	15,236,343.47
Expenses accrued	45,047,280.28	114,024,247.76
Daily expenses	17,804,187.48	18,882,677.27
Government subsidy to be refunded		22,000,000.00
Money for subscription of restricted shares	112,883,400.00	
Total	478,360,431.77	446,629,221.36

(2) Significant other payables with age exceeding 1 year

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Cause of failure in repayment or carry-over
Security deposit of suppliers	145,402,393.02	The cash pledge has not been refunded as the cooperation is going on
Security deposit of distributors	47,411,457.50	The cash pledge has not been refunded as the cooperation is going on
Total	192,813,850.52	/

Other notes:

Applicable" Not applicable"

42. Held-for-sale liabilities

Applicable Not applicable

43. Non-current liabilities due within a year

Applicable Not applicable

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Lease liabilities due within one year	5,923,801.00	9,424,674.23
Total	5,923,801.00	9,424,674.23

44. Other current liabilities

About other current liabilities

Applicable Not applicable

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Pending output VAT	39,990,259.74	12,219,830.60
Total	39,990,259.74	12,219,830.60

Increase/decrease of the short term bonds payable:

Applicable Not applicable

Other notes:

Applicable Not applicable

45. Long-term borrowings**(1) Classification of long-term borrowings**

Applicable Not applicable

Other notes, including the interest rate interval:

Applicable Not applicable

46. Bonds payable**(1) Bonds payable**

Applicable Not applicable

(2) Increase/Decrease of bonds payable (excluding other financial instruments classified as financial liabilities, such as preferred shares, perpetual bonds, etc.)

Applicable Not applicable

(3) Note to the conditions and time of share conversion of convertible company bonds

Applicable Not applicable

(4) Note to other financial instruments classified as financial liabilities

Basic information on the outstanding other financial instruments, including preferred shares, perpetual bonds, etc. at the end of the reporting period

Applicable Not applicable

Statement of movement of the outstanding other financial instruments, including preferred shares, perpetual bonds, etc. at the end of the reporting period

Applicable Not applicable

Note to the basis of other financial instruments classified as financial liabilities

Applicable Not applicable

Other notes:

Applicable" Not applicable"

47. Lease liabilities

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Lease liabilities	46,589,311.07	51,927,894.44
Total	46,589,311.07	51,927,894.44

48. Long-term accounts payable

Items Presentation

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Long-term accounts payable

(1) Long term accounts payable stated based on the nature

Applicable" Not applicable"

Special accounts payable

(2) Special accounts payable stated based on the nature

Applicable" Not applicable"

49. Long term payroll payable to the employees

Applicable" Not applicable"

50. Predicted liabilities

Applicable" Not applicable"

51. Deferred income

About deferred income

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Opening balance	Increase in the reporting period	Decrease in the reporting period	Ending balance	Cause of formation
Government subsidies	73,775,195.25	50,960,200.08	5,852,054.87	118,883,340.46	Related with assets
Total	73,775,195.25	50,960,200.08	5,852,054.87	118,883,340.46	/

Items involving government subsidies:

Applicable" Not applicable"

In:Yuan Currency:RMB

Liabilities	Opening balance	Amount of newly added subsidy in the	Amount counted to the non-	Amount counted to the other income in	Other changes	Ending balance	Related with assets/related with income
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		reporting period	operating income in the reporting period	the reporting period			
Subsidy of infrastructure construction to Henan Aima	17,488,570.58			410,542.44		17,078,028.14	Related with assets
Subsidy for asset purchase by Jiangsu Aima	1,333,333.32			111,111.12		1,222,222.20	Related with assets
Subsidy for technology improvement to Jiangsu Aima	1,463,855.09	246,000.00		724,592.16		985,262.93	Related with assets
Subsidy for construction of high standard factory buildings to Jiangsu Aima	394,736.91			26,315.76		368,421.15	Related with assets
Subsidy of equipment and production line to Aima Technology	733,333.42			399,999.96		333,333.46	Related with assets
Subsidy for technology improvement to Aima Technology	60,352.78	1,500,000.00		86,049.70		1,474,303.08	Related with assets
Subsidy of environmental protection equipment for treatment of baking varnish waste gas to Aima Technology	6,253,333.51			1,119,999.96		5,133,333.55	Related with assets
Subsidy of infrastructure	29,210,576.59			743,568.96		28,467,007.63	Related with assets

construction to Aima Technology							
Subsidy of infrastructure construction to Tianjin Aima	13,164,341.37			288,270.24		12,876,071.13	Related with assets
Subsidy of transformer substation cables to Tianjin Aima	889,994.40			96,215.64		793,778.76	Related with assets
Special subsidy for intelligent manufacturing to Tianjin Aima	1,960,000.00	840,000.00		318,735.88		2,481,264.12	Related with assets
Subsidy for technology improvement to Henan Aima	486,265.49	189,542.24		130,565.49		545,242.24	Related with assets
Subsidy for technology improvement to Zhejiang Aima	336,501.79			53,325.00		283,176.79	Related with assets
Subsidy of equipment and production line to Guangxi Aima		22,000,000.00		1,342,762.56		20,657,237.44	Related with assets
Subsidy of infrastructure construction to Chongqing Vehicle		21,000,000.00				21,000,000.00	Related with assets
Financial preference policy fund to Chongqing Vehicle		5,184,657.84				5,184,657.84	Related with assets

Other notes:

Applicable Not applicable

52. Other non-current liabilities

Applicable" Not applicable"

53. Share capital

Applicable" Not applicable"

In:Yuan Currency:RMB

	Opening balance	Increase/Decrease (+/-)					Ending balance
		Shares issued	Bonus shares	Capital reserves\ surplus reserves turned to shares	Others	Sub-total	
Total Shares	338,660,003	65,000,000				65,000,000	403,660,003

Other notes:

On May 20, 2021, with the approval of the China Securities Regulatory Commission by the "Official Reply on Approving the Initial Public Offering of AIMA Technology Group Co., LTD." (Zheng Jian Xu Ke [2021] No. 1775), the Company approved the public issuance of RMB common shares no more than 65,000,000 shares. The Company raised total proceeds amounting to RMB 1,810,900,000.00 from this public offering; after deduction of the issuance expenses (with taxes and duties exclusive), the net proceeds amounted to RMB 1,680,863,800.00, of which RMB 65,000,000.00 was included in the share capital and RMB 1,615,863,800.00 was included in the capital reserves.

54. Other equity instruments**(1) Basic information on the outstanding other financial instruments, including preferred shares, perpetual bonds, etc. at the end of the reporting period**

Applicable" Not applicable"

(2) Statement of movement of the outstanding other financial instruments, including preferred shares, perpetual bonds, etc. at the end of the reporting period

Applicable" Not applicable"

Note to their increase/decrease and the cause(s) of their movement of other equity instruments in the reporting period and the basis for the corresponding accounting treatment:

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

55. Capital reserves

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Opening balance	Increase in the reporting period	Decrease in the reporting period	Ending balance
Capital premium (capital stock premium)	183,060,484.43	1,615,863,800.00		1,798,924,284.43
Change of the shareholders' equity shares	-1,085,051.73	204,145.67		-880,906.06
Share-based payment	137,643,460.94			137,643,460.94
Total	319,618,893.64	1,616,067,945.67		1,935,686,839.31

56. Treasury shares

Applicable" Not applicable"

57. Other comprehensive income

Applicable" Not applicable"

58. Special reserves

Applicable" Not applicable"

59. Surplus reserves

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Opening balance	Increase in the reporting period	Decrease in the reporting period	Ending balance
Statutory surplus reserve	189,936,412.55	11,893,588.95		201,830,001.50
Total	189,936,412.55	11,893,588.95		201,830,001.50

60. Retained earnings

Applicable Not applicable

In:Yuan Currency:RMB

Items	Reporting period	Previous period
Retained earnings at the end of the previous period before the adjustment	1,781,546,043.16	1,183,021,458.81
Total retained earnings under adjustment at the beginning of the reporting year (adjustment up +, adjustment down -)		
After adjustment: Retained earnings at the beginning of the reporting period	1,781,546,043.16	1,183,021,458.81
Plus: Net profit attributable to owners of the parent	663,998,092.90	598,524,584.35
Less: Appropriation to statutory surplus reserves	11,893,588.95	
Appropriation to discretionary surplus reserves		
Appropriation to general risks reserves		
Cash dividends declared		
Dividends converted to capital		
Retained earnings at the end of the reporting period	2,433,650,547.11	1,781,546,043.16

Statement of adjustment of retained earnings at the beginning of the reporting period:

1. The amount involved in the retroactive adjustment according to the ASBEs and the relevant new provisions influencing the retained earnings at the beginning of the reporting period was RMB 0.00.

2. The amount involved in change of the accounting policy influencing the retained earnings at the beginning of the reporting period was RMB 0.00.

3. The amount involved in correction of the significant accounting errors influencing the retained earnings at the beginning of the reporting period was RMB0.00.

4. The amount involved in change of the consolidation scope caused by the common control influencing the retained earnings at the beginning of the reporting period was RMB0.00.

5. The total amount involved in other adjustments influencing the retained earnings at the beginning of the reporting period was RMB0.00 .

61. Operating revenue and cost of sales

(1) Operating revenue and costs of sales

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business	15,264,913,767.38	13,491,387,679.85	12,788,815,457.84	11,337,825,139.93
Other businesses	133,797,103.34	102,218,349.71	115,770,641.27	93,396,842.34
Total	15,398,710,870.72	13,593,606,029.56	12,904,586,099.11	11,431,221,982.27

(2) Revenue arising from contracts

Applicable" Not applicable"

In:Yuan Currency: RMB

Classification of Contracts	Total
Types of commodities	
Revenue from electric bicycles, electric Tricycle, bicycles and accessories	15,264,913,767.38
Other revenue	94,963,766.47
Classification based on the operation regions	
Domestic	15,186,584,619.80
Overseas	173,292,914.05
Time classification based on transfer of commodities	
Sales of goods	15,264,913,767.38
Revenue from materials	68,885,569.41
Others	6,634,992.65
After-sale service revenue	19,443,204.41
Total	15,359,877,533.85

Description of revenue arising from contracts

Applicable" Not applicable"

(3) Information about the Group's performance obligations

Applicable" Not applicable"

1) Sales of goods

The performance obligation is satisfied upon delivery of the products to customers. For sales by distributors, most customers need to prepay the price, and the contract price for some customers usually expires within 1 year after delivery of the product.

2) After-sale service

The performance obligation is satisfied over time as services are rendered. The duration of the after-sales service contract is 1 year, and the settlement is based on the time of occurrence, and customers usually need to pay in advance before the after-sales service is provided.

(4) Information about apportioning to the residual performance obligations

Applicable Not applicable

At the end of the reporting period, the amount of revenue corresponding to the performance obligations of the contracts which have been signed, but not yet performed or not yet completed is RMB 296,608,792.41.

Other notes:

The revenue recognized in the current year included in the book value of contract liabilities at the beginning of the year is as follows:

In: Yuan Currency: RMB

Items	2021	2020
Sales of goods	106,355,078.68	171,836,397.15

62. Taxes and surcharges

Applicable Not applicable

In: Yuan Currency: RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Urban maintenance and construction tax	13,946,140.59	14,707,842.02
Education Surcharge	6,192,599.61	6,398,032.22
Local education Surcharge	4,128,399.74	4,265,354.81
Real estate tax	17,876,192.00	15,787,632.66
Land use tax	3,534,624.49	3,142,517.23
Tax on using vehicle and boat	53,600.04	56,250.77
Stamp duty	9,890,360.61	8,077,288.71
Others	526,668.97	191,048.40
Total	56,148,586.05	52,625,966.82

63. Selling expenses

Applicable Not applicable

In: Yuan Currency: RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Employee benefits	257,554,844.33	138,866,037.03
Advertisement and propaganda expenses	111,889,907.42	103,467,658.68
Business travel expenses	35,916,040.16	49,683,131.11
Transportation expenses	41,223,042.77	35,406,642.89
Consulting service	41,336,729.66	25,175,036.70
Others	62,684,726.64	46,186,351.83
Total	550,605,290.98	398,784,858.24

64. Administrative expenses

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Employee benefits	150,147,109.18	146,810,988.81
Depreciation and amortization	58,312,277.30	47,262,407.94
Consulting services	37,096,614.25	13,434,863.34
Others	71,038,597.63	58,042,864.56
Total	316,594,598.36	265,551,124.65

65. Research and development expenses

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Employee benefits	154,206,183.20	86,391,463.83
Depreciation and amortization	52,553,979.40	36,445,717.09
Professional service fees	179,006,416.22	103,844,878.60
Others	18,317,549.09	12,758,103.00
Total	404,084,127.91	239,440,162.52

66. Financial expenses

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Interest income	-264,701,993.37	-150,694,536.85
Interest expenses	1,869,959.31	10,954,710.98
Service charge expenses	1,164,295.65	2,305,591.69
Foreign exchange differences	534,069.84	2,338,295.06
Total	-261,133,668.57	-135,095,939.12

67. Other income

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Government subsidies related to the ordinary course of business	20,852,054.87	28,975,492.28
Fees refunded for individual income tax withheld	1,295,995.29	
Others	524,226.45	160,854.63
Total	22,672,276.61	29,136,346.91

Other notes:

Government subsidies related to daily activities included in other income

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Related with assets/income
Subsidy of infrastructure construction to Aima Technology	743,568.96	743,568.96	Related with assets
Subsidy of environmental protection equipment for treatment of baking varnish waste gas to Aima Technology	1,119,999.96	1,119,999.96	Related with assets
Subsidy of equipment and production line to Aima Technology	399,999.96	399,999.96	Related with assets
Subsidy for technology improvement to Aima Technology	86,049.70	24,141.48	Related with assets
Subsidy of infrastructure construction to Tianjin Vehicle	288,270.24	288,270.24	Related with assets
Subsidy of transformer substation cables to Tianjin Aima	96,215.64		Related with assets
Subsidy for intelligent manufacturing to Tianjin Aima	318,735.88	8,017.97	Related with assets
Subsidy of infrastructure construction to Henan Aima	410,542.44	410,542.44	Related with assets
Subsidy for technology improvement to Henan Aima	130,565.49	115,718.04	Related with assets
Subsidy for asset purchase by Jiangsu Aima	111,111.12	111,111.12	Related with assets
Subsidy for technology improvement to Jiangsu Aima	724,592.16	589,042.10	Related with assets
Subsidy for construction of high standard factory buildings to Jiangsu Aima	26,315.76	26,315.76	Related with assets
Subsidy for technology improvement to Zhejiang Aima	53,325.00	79,764.25	Related with assets
Logistics subsidy to Guangxi Aima	15,000,000.00		Related with income
Investment construction subsidy to Guangxi Aima	1,342,762.56		Related with assets
Intelligent manufacture subsidy to Aima Technology		2,200,000.00	Related with income
Industrial development economy subsidy to Jiangsu Aima		8,450,000.00	Related with income
Subsidy of infrastructure construction to Zhejiang Aima		14,409,000.00	Related with income
Total	20,852,054.87	28,975,492.28	

68. Investment income

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Long-term equity investment income under the equity method	-39,867,033.98	10,372,839.35
Gains from disposal of long-term equity investment	395,864.38	
Return on investment during the holding of financial assets held for trading	1,200,000.00	
Return on investment from financial products	21,896,185.97	61,478,357.15
Total	-16,374,983.63	71,851,196.50

69. Net exposure hedge income

"□ Applicable" "√ Not applicable"

70. Fair value gains or losses

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Source of income arising from change in fair value	Amount incurred in the reporting period	Amount incurred in the previous period
Financial assets held for trading	9,978,187.68	12,219,498.91
Total	9,978,187.68	12,219,498.91

71. Credit impairment losses

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Impairment loss for accounts receivable	7,759,504.13	-4,130,673.81
Impairment loss for other receivables	-1,798,647.87	8,096,605.49
Total	5,960,856.26	3,965,931.68

72. Impairment losses of assets

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Loss from impairment of assets		
II. Loss for write-down of inventories and Impairment loss for contract assets	-6,516,185.89	-679,328.75
III. Impairment loss for long-term equity investments		

IV. Impairment loss for investment properties		
V. Impairment loss for fixed assets	-5,041,216.09	
VI. Impairment loss for engineering supplies		
VII. Impairment loss for construction in progress		
VIII. Impairment loss for productive biological asset		
IX. Impairment loss for oil and gas assets		
X. Impairment loss for intangible assets		
XI. Impairment loss for goodwill		
XII. Others		
Total	-11,557,401.98	-679,328.75

73. Gains or losses on disposal of non-current assets

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Loss on disposal of fixed assets	-10,592,015.11	-4,371,284.89
Total	-10,592,015.11	-4,371,284.89

74. Non-operating income

About non-operating income

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Amount counted to the current non-operating profit or loss
Government subsidies	11,622,656.94	12,688,689.53	11,622,656.94
Liquidated damage income	8,483,131.36	4,474,161.12	8,483,131.36
Others	10,581,706.10	8,972,908.02	10,581,706.10
Total	30,687,494.40	26,135,758.67	30,687,494.40

Government subsidy counted to the profit or loss.

Applicable" Not applicable"

In:Yuan Currency:RMB

Subsidy items	Amount incurred in the reporting period	Amount incurred in the previous period	Related with assets/related with income
Subsidy for stabilizing employment	4,975,484.71	6,319,781.27	Related with income

Fund for air pollution prevention and control		1,810,000.00	Related with income
Well-known trademark award to Aima Group		1,000,000.00	Related with income
Guangdong special technology improvement fund		979,300.00	Related with income
Tianjin Vehicle R&D Award		848,400.00	Related with income
Jiangsu Party Construction engineering subsidy		500,000.00	Related with income
Zhejiang Aima Quality Award		300,000.00	Related with income
Tianjin Vehicle "One Belt One Road" Special Subsidy		300,000.00	Related with income
Guangxi Work and Production Resumption Financial Subsidy		145,395.26	Related with income
Foreign trade special fund		120,000.00	Related with income
Vocational skill training subsidy	505,000.00		Related with income
Special subsidy for listing to Aima Group	3,000,000.00		Related with income
Special technology improvement fund for economic high quality development to Guangdong Aima	738,000.00		Related with income
Subsidy from the Science and Technology Department of Guangxi Zhuang Autonomous Region	500,000.00		Related with income
Jiangsu Industry Transformation and Upgrading Fund	500,000.00		Related with income
Guangdong Key Industry Enterprise Market Development and Support Project Fund	386,100.00		Related with income
Jiangsu Financial Talents Subsidy	170,000.00		Related with income
Award fund for supporting enterprises to strengthen income scale granted by the Commerce Bureau of Taizhou City, Jiangsu Province	169,700.00		Related with income
Modern Industry Development Fund Subsidy granted by the Industry and Information Bureau of Xishan District	150,000.00		Related with income
Other government subsidies	528,372.23	365,813.00	Related with income
Total	11,622,656.94	12,688,689.53	

Other notes:

 Applicable" Not applicable"**75. Non-operating expenses** Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Amount counted to the current non-operating profit or loss
Total losses on damage and retirement of non-current assets	2,121,076.58	4,570,090.57	2,121,076.58
Where: Loss on disposal of fixed assets			
Loss on disposal of intangible assets			
Product responsibility expenditures		3,465,694.43	
Donation expenditures for public interest	3,987,935.98	571,200.00	3,987,935.98
Others	5,217,685.30	2,629,673.62	5,217,685.30
Total	11,326,697.86	11,236,658.62	11,326,697.86

76. Income tax expenses**(1) Statement of income tax expenses** Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Current tax	122,717,324.96	169,034,882.19
Deferred tax	-32,184,981.35	203,731.89
Total	90,532,343.61	169,238,614.08

(2) Process of adjustment of accounting profit and income tax expenses Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period
Total profit	758,253,622.80
Tax at the statutory or applicable tax rate	189,563,405.70
Effect of different tax rates for some subsidiaries	-49,706,425.11
Adjustments in respect of current tax of previous periods	-2,268,976.88
Income not subject to tax	

Expenses not deductible for tax	410,123.73
The effect of using deductible losses of deferred income tax assets that have not been recognized in the previous period	
Influence from the offsetable provisional difference or offsetable loss of the unrecognized deferred income tax asset at the end of the reporting period	1,038,073.64
Effect on opening deferred tax of change in the tax rate	6,025,294.75
Tax preferences such as additional deduction for R&D expenses	-54,529,152.22
Income tax expenses	90,532,343.61

Other notes:

Applicable" Not applicable"

77. Other comprehensive income

Applicable" Not applicable"

78. Cash Flow Statement Items

(1) Other cash received relating to operating activities

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Government subsidy and money in connection with government subsidy	57,403,078.76	31,784,756.53
Liquidated damage income	8,483,131.36	4,474,161.12
Collection of security deposit and advance payment	13,500,510.39	21,045,105.85
Bank deposit interest	69,232,716.23	19,490,130.78
Others	3,096,032.13	26,357,530.06
Total	151,715,468.87	103,151,684.34

(2) Other cash paid relating to operating activities

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Selling expense paid in cash	250,325,799.04	220,637,469.28
Administrative expenses and R&D expenses paid in cash	272,875,287.80	180,473,781.64
Bank service charge paid	1,164,295.68	4,155,143.01
Others	19,577,211.88	6,095,368.05
Total	543,942,594.40	411,361,761.98

(3) Other cash received relating to investment activities

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Recovery of the prepayment for strategic equity placement	16,002,100.00	
Total	16,002,100.00	

(4) Other cash paid relating to investment activities

Applicable" Not applicable"

(5) Other cash received relating to financing activities

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Bank acceptance notes discounting		466,996,028.88
Total		466,996,028.88

(6) Other cash paid relating to financing activities

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Note margin		89,676,583.08
Listing expenses	4,171,533.23	
Cash flow out relating to long term rented assets	9,427,106.51	
Purchase of the non-controlling interests	3,694,101.00	2,505,000.00
Total	17,292,740.74	92,181,583.08

79. Notes to the statement of cash flows**(1) Notes to the statement of cash flows**

Applicable" Not applicable"

In:Yuan Currency:RMB

Supplementary information	Amount in the reporting period	Amount in the previous period
1. Reconciliation of profit to net cash flows from operating activities:		
Net profit	667,721,279.19	609,840,790.06
Plus: Provisions for asset impairment	11,557,401.98	679,328.75
Loss from impairment of credit	-5,960,856.26	-3,965,931.68
Depreciation of fixed assets, depletion of oil and gas asset, depreciation of productive biological asset	183,522,689.28	159,287,836.12
Amortization of right-of-use assets	13,543,970.77	

Amortization of intangible assets	19,289,301.40	15,323,888.80
Depreciation and amortization of investment property	15,837,165.34	8,062,151.75
Amortization of long-term prepaid expenses	8,250,604.81	5,175,941.07
Loss (income is stated in "-") from disposal of fixed assets, intangible assets and other long-term assets	12,713,091.69	8,941,375.46
Loss on retirements of fixed assets (profit is stated with "-")		
Loss from change of fair value (profit is stated with "-")	-9,978,187.68	-12,219,498.91
Financial expenses (income is stated with "-")	-168,283,587.71	-104,172,960.08
Investment loss (income is stated with "-")	16,374,983.63	-71,851,196.50
Decrease of the deferred tax asset (increase is stated with "-")	-32,477,813.43	207,165.26
Increase of deferred tax liability (decrease is stated with "-")	422,484.18	-3,433.37
Decrease of inventories (Increase is stated with "-")	-307,454,125.14	47,999,404.48
Decrease in receivables from operating activities (Increase is stated with "-")	241,903,721.53	-722,391,606.16
Increase in payables from operating activities (Decrease is stated with "-")	1,427,205,250.39	1,213,666,589.72
Others		
Net cash flows arising from operating activities	2,094,187,373.97	1,154,579,844.77
2. Significant investment and financing activities with no cash income and expenses involved:		
Capital converted from liabilities		
Convertible company bonds due within a year		
Fixed assets under finance lease		
3. Net change in cash and cash equivalents:		
Ending cash balance	2,846,143,310.70	978,700,802.48
Less: Opening balance of cash	978,700,802.48	16,448,532.31
Plus: Ending balance of cash equivalent		
Less: Opening balance of cash equivalent		
Net increase of cash and cash equivalents	1,867,442,508.22	962,252,270.17

(2) Net cash paid for acquisition of subsidiary in the reporting period

Applicable Not applicable

(3) Net cash received from disposal of subsidiary in the reporting period

Applicable Not applicable

(4) Composition of cash and cash equivalents

Applicable Not applicable

In: Yuan Currency: RMB

Items	Ending balance	Opening balance
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I. Cash	2,846,143,310.70	978,700,802.48
Including: Cash in stock		
Bank deposit available for payment at any time	2,846,143,310.70	978,700,802.48
Other monetary fund used for payment at any time		
Due from central bank available for payment		
Due from banks		
Call loan to banks		
II. Cash equivalents		
Including: bond investment due within three months		
III. Ending balance of cash and cash equivalents	2,846,143,310.70	978,700,802.48

Other notes:

Applicable" Not applicable"

80. Notes to items of statement of change in owner's equity

Note to the description of item "Others" and adjusted amounts for adjusting the closing balance of the previous year:

Applicable" Not applicable"

81. Assets restricted in ownership or use right

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Book value at the end of the reporting period	Cause of restriction
Fixed asset	51,854,177.47	Collateral used for bank credit
Intangible assets	30,632,651.23	Collateral used for bank credit
Transactional financial assets	390,000,000.00	Pledge for issuing bank acceptance draft
Other non-current assets	4,700,000,000.00	Pledge for issuing bank acceptance draft
Total	5,172,486,828.70	/

Other notes:

(1) As of December 31, 2021, the Company had no deposit for bank acceptance notes (December 31, 2020: RMB 269,196,678.00)

On December 31, 2021, the Company issued bank acceptance notes with financial products amounting to RMB 390,000,000.00 as the pledge (December 31, 2020: RMB 280,000,000.00).

(3) As of December 31, 2021, the Company acquired bank credit line amounting to RMB 300,000,000.00 from Bank of Communications Co., Ltd. Wuxi Xidong Sub-branch for Jiangsu Aima by pledging the housing and building of Henan Aima Vehicle Co.,Ltd. with net book value of RMB 51,854,177.47 (December 31, 2020: RMB 56,311,395.08) and its land use rights with value of RMB 30,632,651.23 (December 31, 2020: RMB 31,385,913.15) and guarantee by the Company.

(4) As of December 31, 2021, the Company issued bank acceptance notes with a three-year fixed deposit certificate of RMB 4,700,000,000.00 as the pledge (December 31, 2020: RMB 3,200,000,000.00).

(5) As of December 31, 2021, the Company have not issued bank acceptance notes with a three-year fixed deposit certificate as the pledge(December 31, 2020: RMB 800,000,000.00).

82. Foreign currency monetary items

(1) Foreign currency monetary items

 Applicable Not applicable

(2) Note to overseas operating entities, including important overseas operating entities, which should be disclosed about its principal business place, function currency for bookkeeping and basis for the choice. In case of any change in function currency, the cause should be disclosed.

 Applicable Not applicable**83. Hedging** Applicable Not applicable**84. Government subsidies****(1) Basic information of government subsidies** Applicable Not applicable

In:Yuan Currency:RMB

Categories	Amount	Items presented	Amount counted to the profit or loss
Subsidy for stabilizing employment	4,975,484.71	Non-operating income	4,975,484.71
Vocational skill training subsidy	505,000.00	Non-operating income	505,000.00
Special subsidy for listing to Aima Group	3,000,000.00	Non-operating income	3,000,000.00
Special technology improvement for economic high-quality development to Guangdong Aima	738,000.00	Non-operating income	738,000.00
Subsidy from the Science and Technology Department of Guangxi Zhuang Autonomous Region	500,000.00	Non-operating income	500,000.00
Jiangsu Industry Transformation and Upgrading Fund	500,000.00	Non-operating income	500,000.00
Guangdong Key Industry Enterprise Market Development and Support Project	386,100.00	Non-operating income	386,100.00
Jiangsu Financial Talents Subsidy	170,000.00	Non-operating income	170,000.00
Award fund for supporting enterprises to strengthen income scale granted by the Commerce Bureau of Taizhou City, Jiangsu Province	169,700.00	Non-operating income	169,700.00

Modern Industry Development Fund Subsidy granted by the Industry and Information Bureau of Xishan District	150,000.00	Non-operating income	150,000.00
Other government subsidies	528,372.23	Non-operating income	528,372.23
Subsidy of infrastructure construction to Aima Technology	743,568.96	Other income	743,568.96
Subsidy of environmental protection equipment for treatment of baking varnish waste gas to Aima Technology	1,119,999.96	Other income	1,119,999.96
Subsidy of equipment and production line to Aima Technology	399,999.96	Other income	399,999.96
Subsidy for technology improvement to Aima Technology	86,049.70	Other income	86,049.70
Subsidy of infrastructure construction to Tianjin Vehicle	288,270.24	Other income	288,270.24
Subsidy of transformer substation cables to Tianjin Aima	96,215.64	Other income	96,215.64
Subsidy for intelligent manufacturing to Tianjin Aima	318,735.88	Other income	318,735.88
Subsidy of infrastructure construction to Henan Aima	410,542.44	Other income	410,542.44
Subsidy for technology improvement to Henan Aima	130,565.49	Other income	130,565.49
Subsidy for asset purchase by Jiangsu Aima	111,111.12	Other income	111,111.12
Subsidy for technology improvement to Jiangsu Aima	724,592.16	Other income	724,592.16
Subsidy for construction of high standard factory buildings to Jiangsu Aima	26,315.76	Other income	26,315.76
Subsidy for technology improvement to Zhejiang Aima	53,325.00	Other income	53,325.00
Logistics subsidy to Guangxi Aima	15,000,000.00	Other income	15,000,000.00
Investment construction subsidy to Guangxi Aima	1,342,762.56	Other income	1,342,762.56
Total	32,474,711.81		32,474,711.81

(2). Refunding of the government subsidies

Applicable" Not applicable"

85. Others

Applicable" Not applicable"

VIII. Change in The Consolidation Scope**1. Applicable or not: Business consolidation not under the same control**

Applicable" Not applicable"

2. Business consolidation under the same control

Applicable" Not applicable"

3. Counter purchase

Applicable" Not applicable"

4. Disposal of subsidiaries

Does there exist any such situation that a single disposal may cause the control power over the investment in a subsidiary lost?

Applicable" Not applicable"

In:Yuan Currency:RMB

Names of subsidiaries	Sh	Equity disposal proportion (%)	Way of equity disposal	Time-point of loss of control power	Difference between the disposal price and the share of the subsidiary's net assets at the consolidated financial statement level corresponding to the disposal investment	Percentage of the remaining equity at the date of loss of control (%)	Book value of the remaining equity at the date of loss of control	Fair value of the remaining equity at the date of loss of control
Wuxi Zhuoyue	0	60%	Assignment	October 31, 2021	395,864.38			

Other notes:

Applicable" Not applicable"

AIMA Technology Group Co., LTD., a subsidiary of the Company and Huang Shuaiqiao, one of the minority shareholders signed an equity transfer agreement on September 25, 2021 according to which 60% equity in Wuxi Zhuoyue was transferred at zero consideration. The disposal date was October 31, 2021. Therefore, commencing from October 31, 2021, the Company no longer put Wuxi Zhuoyue in the consolidation scope.

5. Change of the consolidation scope due to other reasons

Note to the change in the scope of consolidation caused by other reasons (such as newly established subsidiaries, liquidation subsidiaries, etc.) and related conditions:

Applicable" Not applicable"

Names of subsidiaries	Place of registration	Nature of business	Proportion of the total shareholding by	Proportion of the total votes enjoyed by the Group (%)	Cause of increase of new
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			the Group (%)		subsidiaries
Chongqing Aima	Chongqing	Wholesale and retail	100	100	Newly established
Hainan Aima	Hainan	Wholesale and retail	100	100	Newly established
Chongqing Vehicle	Chongqing	Manufacture	100	100	Newly established
Zhejiang Technology	Zhejiang	Wholesale and retail	100	100	Newly established
Taizhou Aima	Zhejiang	Manufacture	100	100	Newly established
Ningbo Venture Capital	Zhejiang	Capital market service	100	100	Newly established
Shenzhen Zhixing	Guangdong	Software and information technology service	100	100	Newly established
Zhejiang Beisite	Zhejiang	Wholesale and retail	100	100	Newly established
Lishui Vehicle	Zhejiang	Manufacture	100	100	Newly established
Suoteng Technology	Hong Kong	Capital market service	100	100	Newly established

6. Others

Applicable" Not applicable"

IX. Equity in Other Entities

1. Equity in subsidiaries

(1) Composition of enterprise group

Applicable" Not applicable"

Names of subsidiaries	Main business location	Place of registration	Nature of business	Shareholding proportion (%)		Way of acquisition
				Direct	Indirect	
Tianjin Vehicle	Tianjin	Tianjin	Manufacture		100	Established
Henan Aima	Henan	Henan	Manufacture		100	Established
Jiangsu Aima	Jiangsu	Jiangsu	Manufacture	100		Established
Guangdong Aima	Guangdong	Guangdong	Manufacture		100	Established
Zhejiang Aima	Zhejiang	Zhejiang	Manufacture		100	Established
Aima Nanfang	Jiangsu	Jiangsu	Manufacture	100		Established
Sichuan Aima	Sichuan	Sichuan	Wholesale and retail	100		Established

Xiaopa Technology	Shanghai	Shanghai	Service industry	62		Established
Tianjin Sports	Tianjin	Tianjin	Manufacture	100		Established
Xiaoma Network	Tianjin	Tianjin	Manufacture	100		Established
Aima Share	Tianjin	Tianjin	Manufacture	73		Established
Guangxi Aima	Guangxi	Guangxi	Manufacture		100	Established
Tianjin Tianli	Tianjin	Tianjin	Manufacture	100		Established
Chongqing Aima	Chongqing	Chongqing	Wholesale and retail		100	Established
Hainan Aima	Hainan	Hainan	Wholesale and retail		100	Established
Chongqing Vehicle	Chongqing	Chongqing	Manufacture	100		Established
Zhejiang Technology	Zhejiang	Zhejiang	Wholesale and retail	100		Established
Taizhou Aima	Zhejiang	Zhejiang	Manufacture	100		Established
Ningbo Venture Capital	Zhejiang	Zhejiang	Capital market service	100		Established
Shenzhen Zhixing	Guangdong	Guangdong	Software and information technology service		100	Established
Zhejiang Beisite	Zhejiang	Zhejiang	Wholesale and retail	100		Established
Lishui Vehicle	Zhejiang	Zhejiang	Manufacture		100	Established
Suoteng Technology	Hong Kong	Hong Kong	Capital market service	100		Established
Tianjin Jinge	Tianjin	Tianjin	Service industry	76		Consolidation under the same control
Tianjin Suiwanwan	Tianjin	Tianjin	Service industry	100		Consolidation under the same control

Other notes:

Chongqing Aima, Hainan Aima, Chongqing Vehicle, Zhejiang Technology, Taizhou Aima, Ningbo Venture Capital, Shenzhen Zhixing, Zhejiang Beisite, Lishui Vehicle and Suoteng Technology were newly established in year 2021.

(2) Important non-wholly-owned subsidiaries

Applicable" Not applicable"

(3) Key financial information of important non-wholly-owned subsidiaries

Applicable" Not applicable"

(4) Significant restriction on use of enterprise group's assets and paying off the enterprise group's liabilities

Applicable" Not applicable"

(5) Financial support or other support provided to the structured entities incorporated in the scope of consolidated financial statements

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

2. Transaction with a subsidiary with the share of the owner's equity changed but still under control

Applicable" Not applicable"

(1) Note to the change in the share of the owner's equity in subsidiaries

Applicable" Not applicable"

In October 2021, the Company acquired the 6% equity in Tianjin Jinge held by Chen Feilin, a minority shareholder, at a consideration of RMB 208,000.00. Upon completion of the acquisition, the Group is holding 76% equity in Tianjin Jinge. This transaction resulted in a decrease of RMB 209,518.65 in non-controlling interests and an increase of RMB 1,518.65 in capital reserves in the consolidated financial statements reserve.

In October 2021, the Company acquired the 10% equity in Tianjin Tianli held by Xie Zhijun, a minority shareholder, at a consideration of RMB 1.00. Upon completion of the acquisition, the Group is holding 100% equity in Tianjin Tianli. This transaction resulted in a decrease of RMB 162,684.38 in non-controlling interests and an increase of RMB 162,683.38 in capital reserves in the consolidated financial statements reserve.

In November 2021, the Company acquired 22% equity in Aima Share held by Li, a minority shareholder, at a consideration of RMB 3,486,100.00. Upon completion of the acquisition, the Group is holding 73% equity in Aima Share. This transaction resulted in a decrease of RMB 3,526,043.64 in non-controlling interests and an increase of RMB 39,943.64 in capital reserves in the consolidated financial statements.

(2) Effect of the transaction on the non-controlling interests and owner's equity attributable to the parent company

Applicable" Not applicable"

In:Yuan Currency:RMB

	Tianjin Jinge
Purchase cost/Disposal consideration	
-- Cash	208,000.00
-- Fair value of non-cash assets	
Purchase cost/Total disposal consideration	208,000.00
Less: Subsidiary's net asset share calculated based on the proportion of equity acquired/disposed	209,518.65
Balance	-1,518.65
Where: Adjustment of capital reserves	-1,518.65
Adjustment of surplus reserves	
Adjustment of retained earnings	

	Tianjin Tianli
Purchase cost/Disposal consideration	
-- Cash	1.00
-- Fair value of non-cash assets	
Purchase cost/Total disposal consideration	1.00

Less: Subsidiary's net asset share calculated based on the proportion of equity acquired/disposed	162,684.38
Balance	-162,683.38
Where: Adjustment of capital reserves	-162,683.38
Adjustment of surplus reserves	
Adjustment of retained earnings	

	Aima Share
Purchase cost/Disposal consideration	
-- Cash	3,486,100.00
-- Fair value of non-cash assets	
Purchase cost/Total disposal consideration	3,486,100.00
Less: Subsidiary's net asset share calculated based on the proportion of equity acquired/disposed	3,526,043.64
Balance	-39,943.64
Where: Adjustment of capital reserves	-39,943.64
Adjustment of surplus reserves	
Adjustment of retained earnings	

Other notes:

Applicable" Not applicable"

3. Equity in joint ventures or associates

Applicable" Not applicable"

(1) Important joint ventures or associates

Applicable" Not applicable"

(2) Key financial information of important joint ventures

Applicable" Not applicable"

(3) Key financial information of important associates

Applicable" Not applicable"

(4) Financial information summary of unimportant joint ventures and associates

Applicable" Not applicable"

In:Yuan Currency:RMB

	Ending balance/amount incurred in the reporting period	Opening balance/amount incurred in the previous period
Associates:		
Total book value of investment	105,073,280.23	32,946,576.25
Total of the following items calculated based on shareholding proportion		
-- Net profit	-39,867,033.98	10,372,839.35
-- Other comprehensive income		
-- Total comprehensive income	-39,867,033.98	10,372,839.35

Other notes:

Name of joint venture or associate	Main business location	Place of registration	Nature of business	Shareholding proportion (%)		Accounting treatment method for investment in joint ventures or associates
				Direct	Indirect	
TODAY SUNSHINE	Zhejiang	Zhejiang	Manufacture	10.42		Equity method
Tianjin Gamma	Tianjin	Tianjin	Manufacture	40.00		Equity method
Taizhou Jinfu	Zhejiang	Zhejiang	Venture capital investment	55.90		Equity method
Shandong Grand	Shandong	Shandong	Manufacture	49.01		Equity method
Beijing Zhongzhong	Beijing	Beijing	Service industry		25.00	Equity method

(1) According to the articles of association of Sunshine Today, the Company is entitled to appoint directors to its board of directors, and accordingly has the right to participate in the decision-making on its financial and business operations, thereby exert significant influence on it.

(2) Taizhou Jinfu, Shandong Grand and Beijing Zhongzhong were associates with foreign investment newly increased in 2021 and the Company holds 55.90%, 49.01% and 25% of the shares respectively in them.

(3) According to the Partnership Agreement with Taizhou Jinfu, the Company, as one of the limited partners, does not have the right to unilaterally decide the relevant activities of the partnership enterprise, so the Company does not control the partnership enterprise, but has a significant influence on it.

(5) Note to significant restriction on the competence of a joint venture or an associate in transferring funds to the Company

Applicable Not applicable

(6) Excessive loss incurred to a joint venture or an associate

Applicable Not applicable

(7) Unrecognized commitment in connection with investment in a joint venture

Applicable Not applicable

(8) Contingent liabilities in connection with investment in joint ventures or associates

Applicable Not applicable

4. Important joint operation

Applicable Not applicable

5. Equity in the structured entities not incorporated in the consolidated financial statements

Relevant note to the structured entities not incorporated in the consolidated financial statements

Applicable Not applicable

6. Others

Applicable Not applicable

X. Risk Relating to Financial Instruments

Applicable Not applicable

The Company faces various risks of financial instruments in its daily activities, mainly including credit risk, liquidity risk, market risk and exchange rate risk. The Group's financial instruments mainly include

monetary capital, notes receivable, accounts receivable, accounts receivable financing, notes payable and accounts payable. The risks involved in these financial instruments and the Group's risk control tactics aiming at reducing these risks are stated as follows.

(1) Credit risk

The Company carries out transactions only with accredited and reputable third parties. In accordance with the Group's policy, all customers requiring credit transactions are subject to credit checks. In addition, the Group continuously monitors the balance of accounts receivable to ensure that the Group shall not access to significant bad debt risks. For transactions that are not settled in the functional currency of the relevant operating unit, the Group shall not provide credit transaction conditions unless specifically approved by the Group's credit control department.

Since the counterparties of monetary funds, transactional financial assets and bank acceptance drafts receivable are banks with good reputation and high credit rating, these financial instruments have low credit risk.

The Company's other financial assets include accounts receivable and other receivables. The credit risk of these financial assets is derived from the default of the counterparty, and the maximum risk exposure is equal to the book value of these instruments.

As the Company carries out transactions only with accredited and reputable third parties, no collateral is necessary. The credit risks are managed centrally based on customers/counterparties, geographic locations and industries. As the Group's accounts receivable are widely dispersed among the customers bases, there exists no significant concentration of credit risks within the Company.

For the quantitative data of the Company's credit risk exposure arising from notes receivable, accounts receivable and other receivables, please refer to "Section 10 VII. 5 Accounts Receivable" and "Section 10 VII. 8 Other Receivables".

(2) Liquidity risks

The Company's goal is to maintain a balance between continuity and flexibility of financing by using various financing means such as notes payable and accounts payable.

(3) Exchange rate risk

The Company faces transactional exchange rate risk. Such risks arise from sales or purchases by operating units in currencies other than their functional currency. Approximately 1.13% (2020: 0.80%) of the Group's sales was denominated in currencies other than the functional currency of the operating unit in which the sales occurred. As the amount of the Group's foreign currency business is not significant, the Group believes that changes in foreign exchange rates will not have a significant impact on the Company's financial statements.

XI. Disclosure of Fair Value

1. Fair value at the end of the reporting period of the assets and liabilities measured based on the fair value

Applicable Not applicable

In: Yuan Currency: RMB

Items	Fair value at the end of the reporting period			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Financial assets held for trading	1,265,981,818.24			1,265,981,818.24
1. Financial assets at fair value through profit or loss	1,265,981,818.24			1,265,981,818.24
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Debt instrument investment				

(2) Equity instrument investment				
(II) Other debt investment				
(III) Other equity instrument investment				
(IV) Investment properties				
1. Land use right for lease purpose				
2. Leased buildings				
3. The land use right held and to be assigned after appreciation.				
(V) Biological assets				
1. Consumable biological asset				
2. Productive biological asset				
(VI) Receivables financing		49,295,422.59		49,295,422.59
Total assets measured based on fair value	1,265,981,818.24	49,295,422.59		1,315,277,240.83
(VII) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss				
Where: Issued transactional bonds				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities continuously measured based on fair value				
II. Non-continuous fair value measurement				
(I) Held-for-sale assets				
Total assets non-continuously measured based on fair value				
Total liabilities non-continuously measured based on fair value				

2. Basis for determining the market price of the items measured based on the continuous and non-continuous first level fair value

Applicable" Not applicable"

3. Items measured based on the continuous or non-continuous 2nd level fair value, valuation technique as used, nature of important parameters and quantitative information

Applicable" Not applicable"

4. Items measured based on the continuous or non-continuous 3rd level fair value, valuation technique as used, nature of important parameters and quantitative information

Applicable" Not applicable"

5. Items measured based on the continuous 3rd level fair value, sensitivity analysis on adjusted information and unobservable parameters between the book value at beginning and end of the period

Applicable" Not applicable"

6. In case items measured based on fair value are converted between different levels incurred in the reporting period, state the cause of conversion and determine conversion time point

Applicable" Not applicable"

7. Change of valuation technique incurred in the reporting period and cause of such change

Applicable" Not applicable"

8. Fair value of financial assets and financial liabilities not measured at fair value

Applicable" Not applicable"

9. Others

Applicable" Not applicable"

XII. Related Parties and Transactions

1. About the parent company

Applicable" Not applicable"

2. The Company's subsidiaries

Applicable" Not applicable"

For details of the Company's subsidiaries, please refer to "Section X IX. 1. Equity in Subsidiaries".

3. Joint ventures and associates of the Company

Refer to the Notes for details of the Company's major joint ventures or associates

Applicable" Not applicable"

Please refer to Section X "VII. 17 Long-term Equity Investments" and "IX. 3 Equity in Joint Ventures or Associates" for the important joint ventures or associates of the Company.

Other joint ventures or associates that had related transactions with the Company in the reporting period, or had related transactions with the Company in the previous period and formed a balance are as follows

Applicable" Not applicable"

Name of joint venture or associate	Relationship with the Company
Tianjin Jiema Electric Technology Co., Ltd.	An associate in which the controlling shareholder acts as a director

Other notes

Applicable" Not applicable"

4. Other related parties

Applicable" Not applicable"

Names of other related parties	Relationship between other related parties and the Company
Duan Hua	Director, the controlling shareholder's spouse

Shandong Aidebang Intelligent Technology Co., Ltd.	A joint stock company of an associate
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On August 15, 2021, Taizhou Huangyan Technology Innovation Investment Co., Ltd., Suzhou Jinshajiang United Phase III Equity Investment Partnership (Limited Partnership), Suzhou Zhongxin Botong Jinshi Venture Capital Partnership(L.P.) and Suzhou Jinsha Lake Venture Capital Management Co., Ltd. jointly funded the establishment of Taizhou Jinfu. On September 27, 2021, Taizhou Jinfu signed the "Shareholders Agreement" and "Capital Increase Agreement" with the original shareholder of Aidebang, according to which they would invest RMB 160 million in Aidebang, with a shareholding ratio of 21.05%. Aidebang became a related party of the Company on September 27, 2021, and the said related transaction was disclosed as a related transaction. According to the relevant provisions of the "Listing Rules of Shanghai Stock Exchange", Shandong Aidebang Intelligent Technology Co., Ltd. is not a related party based on the Company's information disclosure standard.

5. Related transactions

(1) Related transactions of purchase and sale of commodities and supply and acceptance of labor services

Statement of purchase of commodities and acceptance of labor services

Applicable" Not applicable"

In:Yuan Currency:RMB

Related party	Description of Related Transactions	Amount incurred in the reporting period	Amount incurred in the previous period
Tianjin Jiema Electric Technology Co., Ltd.	Purchase of accessories and semi-finished products, etc.	11,095,671.78	4,001,019.21
Shandong Aidebang Intelligent Technology Co., Ltd.	Purchase of raw materials	69,726,294.77	13,546,179.20

Statement of sales of goods/supply of services

Applicable" Not applicable"

In:Yuan Currency:RMB

Related party	Description of Related Transactions	Amount incurred in the reporting period	Amount incurred in the previous period
Tianjin Jiema Electric Technology Co., Ltd.	Supply of services	223,442.56	1,481,979.55

Note to related transactions of purchase and sale of commodities and supply and acceptance of labor services

Applicable" Not applicable"

1. In 2021, the Company purchased accessories, semi-finished products and obtained labor services from Tianjin Jiema Electric Technology Co., Ltd. in total of RMB 11,095,671.78 (2020: RMB 4,001,019.21).

2. In 2021, the Company purchased raw materials from Shandong Aidebang Intelligent Technology Co., Ltd. in total of RMB 69,726,294.77 (2020: RMB 13,546,179.20).

3. In 2021, the Company provided a total of RMB 223,442.56 (2020: RMB 1,481,979.55) of mold processing services to Tianjin Jiema Electric Technology Co., Ltd.

(2) Related entrusted management/contracted and mandatory management/contracting

Statement of the Company's entrusted management/contracting:

Applicable" Not applicable"

Related entrusted management/contracting

Applicable" Not applicable"

Statement of the Company's entrusted management/outsourcing

Applicable" Not applicable"

Related management/outsourcing

Applicable" Not applicable"

(3) Related lease

The Company as lessor:

Applicable" Not applicable"

In:Yuan Currency:RMB

Names of lessee	Categories of leasehold properties	Rental income recognized in the reporting period	Rental income recognized in the previous period
Tianjin Jiema Electric Technology Co., Ltd.	Property lease	6,333,512.82	8,592,569.25

The Company as lessee:

Applicable" Not applicable"

In:Yuan Currency:RMB

Names of lessor	Categories of leasehold properties	Rental fee recognized in the reporting period	Rental fee recognized in the previous period
Tianjin Jiema Electric Technology Co., Ltd.	Equipment hiring	26,548.68	
Duan Hua	Property lease	4,761,904.76	4,761,904.76

Related lease

Applicable" Not applicable"

1. In 2021, the Company leased houses to Tianjin Jiema Electric Technology Co., Ltd., and obtained rent income and supporting water and electricity cost income amounting to RMB 6,333,512.82. In 2020, the Company leased houses to Tianjin Jiema Electric Technology Co., Ltd., and confirmed rent income and supporting water and electricity cost income amounting to RMB 8,592,569.25.

2. In 2021, the Company hired equipment from Tianjin Jiema Electric Technology Co., Ltd., and the rent expenses incurred amounted to RMB 26,548.68.

3. In July 2019, the Company hired the Jinta office from Duan Hua for daily operations with the lease term from July 10, 2019 to July 9, 2024 at annual rent rate of RMB 4,761,904.76. The rent is paid on a quarterly basis. The Company paid a total of RMB 4,761,904.76 of rent in 2021 (2020: RMB 4,761,904.76). From January 1, 2021, the Company has applied the new lease standards, and therefore, the rents are accounted for in right-of-use assets and lease liabilities.

(4) Related guarantee

The Company as a guarantor

Applicable" Not applicable"

The Company as a guarantee

Applicable" Not applicable"

Note to related guarantee

Applicable" Not applicable"

(5) Borrowings and lendings among related parties

Applicable" Not applicable"

(6) Assets assignment and liabilities reorganization of related parties

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Related party	Description of Related Transactions	Amount incurred in the reporting period	Amount incurred in the previous period
Tianjin Jiema Electric Technology Co., Ltd.	Sales of assets		884,955.80

(7) Remuneration to senior executives

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Remuneration to senior executives	13,086,510.11	20,514,782.71

(8) Other related transactions

"√ Applicable" "□ Not applicable"

In 2021, the total amount of dividends received by the Group from Tianjin Jiema Electric Technology Co., Ltd. was RMB 5,724,000.00.

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

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Description	Related party	Ending balance		Opening balance	
		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Accounts receivable	Tianjin Jiema Electric Technology Co., Ltd.	87,750.00	938.93		
Prepayment	Tianjin Jiema Electric Technology Co., Ltd.	2,593,313.53			
Prepayment	Duan Hua			1,250,000.00	
Other receivables	Tianjin Jiema Electric Technology Co., Ltd.	2,685,921.37	1,125,000.00	6,998,870.21	
Other receivables	Shandong Aidebang Intelligent Technology Co., Ltd.	107,506,442.86			
Other receivables	Duan Hua	450,000.00		450,000.00	

(2) Payables

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Description	Related party	Ending book balance	Opening book balance
Accounts payable	Tianjin Jiema Electric Technology Co., Ltd.	2,232,360.55	663.72
Accounts payable	Shandong Aidebang Intelligent Technology Co., Ltd.	445,120.13	
Notes payable	Shandong Aidebang Intelligent Technology Co., Ltd.	24,796,814.74	65,104.03
Receipts in advance	Tianjin Jiema Electric Technology Co., Ltd.	2,910,301.01	
Other payables	Tianjin Jiema Electric Technology Co., Ltd.	228,242.60	2,487,736.93
Other payables	Shandong Aidebang Intelligent Technology Co., Ltd.	1,007,368.00	
Lease liabilities	Duan Hua	6,909,182.17	

7. Related parties' commitments

"□ Applicable" "√ Not applicable"

8. Others

"□ Applicable" "√ Not applicable"

XIII. Share-based Payment**1. General of share-based payment**

"√ Applicable" "□ Not applicable"

In: share Currency:RMB

Total amount of various equity instruments granted by the Company during the reporting period	137,159,400.00
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Other notes

	2021	2020
Price of the restricted shares granted	RMB 20.23/share	
Total restricted shares issued during the reporting period	6.78 million shares	
Total employee services in exchange for share-based payments		

On December 27, 2021, 2021 3rd Extraordinary General Meeting of Aima Group reviewed and approved the proposal on the "2021 Restricted Stock Incentive Plan of AIMA Technology Group Co., LTD. (Draft)" and its summary. A total of 7.06 million restricted shares were granted, accounting for about 1.75% of the total share capital of 403,660,003 shares, of which 6,860,000 shares were granted for the first time and 200,000 shares were reserved; the number of incentive objects granted for the first time by this plan was 112 persons, including senior executives, medium and senior management personnel, and core technical (business) personnel; the grant price of some restricted shares granted for the first time in this plan is RMB 20.23 per share.

On December 27, 2021, the 24th session of the Fourth Board of Directors of Aima Group reviewed and approved the "Proposal on Adjusting the List of Incentive Objects and the Number of Equity Granted for the First Time in 2021 Restricted Stock Incentive Plan". After the adjustment, the number of incentive objects granted for the first time by this plan was changed from 112 to 106, and the total amount of restricted shares granted for the first time was adjusted from 6.86 million shares to 6.79 million shares. Later, because some incentive objects voluntarily gave up the subscription of 10,000 restricted shares granted in part, a total of 6,780,000 restricted shares were actually granted to 105 incentive objects, and on December 31, 2021, a total of employee stock subscriptions amounting to RMB 112,883,400.00 were received.

The lock-up periods for restricted shares granted based on this incentive plan are 15 months, 27 months and 39 months from the date when the registration of the grant of restricted shares granted to the incentive objects is completed.

On January 24, 2022, the Company completed the registration of the first grant of the 2021 Restricted Shares Incentive Plan with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited; and the Company's total capital stock increased to 410,440,003 shares.

Equity-settled share-based payment is as follows:

	2021	2020
Equity-settled share-based payment		
Accumulated amount counted to the capital reserves		
Total expenses recognized in the equity-settled share-based payment		
Method for determining the fair value of equity instruments granted	Closing price of the Company's stock less the issuing price of the restricted shares on the grant date	
Basis for determining the quantity of exercisable equity instruments	The Company's financial performance indicators and personal performance indicators are assessed on an annual basis, and the number of incentive objects that have achieved the assessment target is the basis for determination.	

2. About the equity-settled share-based payment

Applicable" Not applicable"

3. Cash-settled share-based payment

Applicable" Not applicable"

4. Correction and termination of share-based payment

Applicable" Not applicable"

5. Others

Applicable" Not applicable"

XIV. Commitments and Contingencies

1. Important commitments

Applicable" Not applicable"

Important external commitments, the nature and the amount existing as at the balance sheet date

Items	December 31, 2021	December 31, 2020
Capital commitments with contract signed but not yet provided	50,470,332.66	52,386,670.02

2. Contingencies

(1) Significant contingencies existing as at the balance sheet date

Applicable" Not applicable"

Pending litigation arising from patent dispute at the end of 2020 Liu Gang, as the plaintiff, filed a lawsuit with the Beijing Intellectual Property Court with the Company and Beijing JD Century Information Technology Co., Ltd. as the co-defendants, claiming that the defendants must immediately stop infringing intellectual property rights by manufacturing, selling, and promising to sell, including the invention patent with the patent No. ZL201110245887.7; claiming for paying the plaintiff all rights protection fees, attorney fees or legal consultation fees for stopping the infringement and reasonable expenses for investigating and stopping the infringement in a total of RMB 17,500.00; ordering the defendants to submit the relevant data

information of infringement and the relevant data information of the infringer of the online stores, so as to facilitate the plaintiff to change the litigation request after the establishment of the allegation of infringement or to further safeguard the rights for a second prosecution, so as to determine the amount of the claim; ordering the defendants to pay punitive damages to the plaintiff. As of the date when the financial statements are approved for publication, the first instance of the case had not yet been heard.

(2) The Company had no important contingencies unnecessary to be disclosed but necessary to be explained

Applicable" Not applicable"

3. Others

Applicable" Not applicable"

XV. Events after The Balance Sheet Date

1. Module: Significant non-adjustment events

Applicable" Not applicable"

2. Profit distribution

Applicable" Not applicable"

In:Yuan Currency:RMB

Profit or dividend to be distributed	205,220,001.50
Profit or dividend announced to be distributed after review and approval	205,220,001.50

On April 14, 2022, the Company held 25th session of the Fourth Board of Directors at which a preplan for profit distribution and capital reserves capitalization in 2021 was proposed. According to the preplan, the Company was to distribute cash dividend amounting to RMB 205,220,001.50 (or at the rate of RMB 0.5 per share). At the same time, the Company was to capitalize its capital reserves to whole shareholders at the rate of 4 shares for every 10 shares. Calculated based on the Company's total capital stock of 410,440,003 shares as of April 14, 2022, after the capitalization, the Company's total capital stock would increase to 574,616,004 shares (The total number of the Company's shares was subject to the final registration result with China Securities Depository and Clearing Corporation Limited Shanghai Branch. If there was any difference, it was due to rounding up).

3. Sales return

Applicable" Not applicable"

4. Note other post balance sheet events

Applicable" Not applicable"

XVI. Other significant events

1. Correction of the accounting errors in the previous period

(1) Retroactive restatement

Applicable" Not applicable"

(2) Prospective application method

Applicable" Not applicable"

2. Liabilities restructuring

Applicable" Not applicable"

3. Replacement of assets

(1) Non-monetary assets exchange

Applicable" Not applicable"

(2)Other assets exchange

Applicable" Not applicable"

4. Annuity plan

Applicable" Not applicable"

5. Operation termination

Applicable" Not applicable"

6. Segment information**(1)Basis for determining the reporting segments and accounting policy**

Applicable" Not applicable"

(2) Financial information of the reporting segments

Applicable" Not applicable"

(3)In case there is no reporting segment or the total assets and liabilities of the reporting segments cannot be disclosed, explain the reason

Applicable" Not applicable"

The Company is mainly engaged in the electric two-wheeled vehicle business, and the assets related to the services supply are located in China. In terms of internal organizational structure and management requirements, the Company takes the Company's businesses as a whole to review internal reports, allocate resources and performance assessment. Therefore, except the information already presented in the financial statements, there is no other segment information necessary to be presented.

(4)Other notes

Applicable" Not applicable"

Geographical information: The vast majority of the Company's foreign transaction revenue comes from domestic sources. The Company's non-current assets (excluding financial assets and deferred income tax assets) are all located in China.

7. Other significant transactions and matters that may affect investors' decision making

Applicable" Not applicable"

8. Others

Applicable" Not applicable"

In 2021, no more than 10% of the Company's operating revenue came from the Group's operating revenue from a single customer.

XVII. Notes to The Parent Company's Financial Statements**1. Accounts receivable****(1)Disclosed based on aging**

Applicable" Not applicable"

In:Yuan Currency:RMB

Aging	Ending book balance
Within 1 year	
Where: Itemized within 1 year	
Within 1 year	90,715,260.50
Sub-total within 1 year	90,715,260.50
1 to 2 years	419,452.53
2 to 3 years	
Over 3 years	

Total	91,134,713.03
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(2) Classified disclosure based on the method of provision for bad debt

Applicable" Not applicable"

In:Yuan Currency:RMB

Categories	Ending balance					Opening balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Assessed bad debt provision individually	10,964,633.94	12.03			10,964,633.94	29,142,824.28	14.81			29,142,824.28
Where:										
Individual provision for bad debts	10,964,633.94	12.03			10,964,633.94	29,142,824.28	14.81			29,142,824.28
Assessed bad debt provision in portfolio	80,170,079.09	87.97	938,600.94	1.18	79,231,478.15	167,604,875.33	85.19	8,773,700.51	5.23	158,831,174.82
Where:										
Portfolios based on credit risk characteristics	80,170,079.09	87.97	938,600.94	1.18	79,231,478.15	167,604,875.33	85.19	8,773,700.51	5.23	158,831,174.82
Total	91,134,713.03	/	938,600.94	/	90,196,112.09	196,747,699.61	/	8,773,700.51	/	187,973,999.10

Individual provision for bad debts:

Applicable" Not applicable"

Provision for bad and doubtful debts based on portfolio:

Applicable Not applicable

Provision items on portfolio:Provision for bad debts recognized based on the portfolio of credit risk characteristics

In:Yuan Currency:RMB

Name	Ending balance		
	Accounts receivable	Bad debt provision	Provision proportion (%)
Within 1 year	79,750,626.59	845,356.65	1.06
1 to 2 years	419,452.50	93,244.29	22.23
Total	80,170,079.09	938,600.94	1.17

Criteria of and note to recognition of provision for bad debts based on portfolio:

Applicable" Not applicable"

If the provision for bad debt is accrued in accordance with the general model of expected credit loss, please refer to the disclosure of other receivables

Applicable" Not applicable"

(3) Provision for bad debts

Applicable" Not applicable"

In:Yuan Currency:RMB

Categories	Opening balance	Amount of movement during the reporting period			Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	
Assessed bad debt provision in portfolio	8,773,700.51	1,455,630.15	9,290,729.72		938,600.94
Total	8,773,700.51	1,455,630.15	9,290,729.72		938,600.94

Where the significant amount of the reserve for bad debt recovered or reversed:

Applicable" Not applicable"

(4)Accounts receivable actually written off in the reporting period

Applicable" Not applicable"

Where, the important accounts receivable written-off

Applicable" Not applicable"

(5)Accounts receivable owed by the top five debtors based on the ending balance

Applicable" Not applicable"

In:Yuan Currency:RMB

Organization name	Ending balance	Proportion in total ending balance of accounts receivable (%)	Ending balance of the provision for bad debts
Customer 1	9,414,533.53	10.33	99,794.06
Customer 2	6,400,610.04	7.02	67,846.47
Customer 3	5,405,316.32	5.93	57,296.35
Customer 4	5,400,297.20	5.93	57,243.15
Customer 5	4,818,993.85	5.29	51,081.33
Total	31,439,750.94	34.50	333,261.36

(6)Account receivable with recognition terminated due to transfer of financial assets

Applicable" Not applicable"

(7)Amount of assets and liabilities formed through transfer of account receivable and continuing to be involved

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

2. Other receivables**Items Presentation**

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Interest receivables	255,452.31	928,998.18
Dividends receivable		
Other receivables	226,578,880.94	53,414,685.27
Total	226,834,333.25	54,343,683.45

Other notes:

Applicable" Not applicable"

Interest receivables**(1)Classification of interest receivable**

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Ending balance	Opening balance
Interest of accounts receivable	255,452.31	928,998.18
Total	255,452.31	928,998.18

(2)Significant overdue interest

Applicable" Not applicable"

(3)Provision for bad debts

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

(4)Dividend receivable

Applicable" Not applicable"

(5)Significant dividends receivable with age exceeding 1 year

Applicable" Not applicable"

(6)Provision for bad debts

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

Other receivables**(1)Disclosed based on aging**

Applicable" Not applicable"

In:Yuan Currency:RMB

Aging	Ending book balance
Within 1 year	
Where: Itemized within 1 year	

Within 1 year	225,965,632.81
Sub-total within 1 year	225,965,632.81
1 to 2 years	48,200.33
2 to 3 years	480,000.00
Over 3 years	99,394.50
Total	226,593,227.64

(2) Classification based on the nature of fund

Applicable" Not applicable"

(3) Provision for bad debts

Applicable" Not applicable"

In:Yuan Currency:RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (no credit impairment incurred)	Lifetime expected credit losses (credit impairment already incurred)	
Balance as at January 1, 2021	25,242.08	7,697.25		32,939.33
Balance as at January 1, 2021 in the reporting period	25,242.08	7,697.25		32,939.33
-- transferred into Stage 2				
-- transferred into Stage 3				
-- reversed to Stage 2				
-- reversed to Stage 1				
Accrual	14,346.70			14,346.70
Reversal	25,242.08	7,697.25		32,939.33
Transfer out				
Write-off				
Other changes				
Balance as at December 31, 2021	14,346.70			14,346.70

Note to the significant changes in the book balance of other receivables with changes in provision for loss in the reporting period:

Applicable" Not applicable"

The amount of provision for bad debts in the reporting period and the basis for assessing whether the credit risk of financial instruments has increased significantly

Applicable" Not applicable"

(4) Provision for bad debts

Applicable" Not applicable"

In:Yuan Currency:RMB

Categories	Amount of movement during the reporting period
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	Opening balance	Provision	Recovery or reversal	Charge-off or write-off	Other changes	Ending balance
Bad debt provision	32,939.33	14,346.70	32,939.33			14,346.70
Total	32,939.33	14,346.70	32,939.33			14,346.70

Where a significant amount of the reserve for bad debt recovered or reversed during the reporting period:

Applicable" Not applicable"

(5) Other receivables actually written off in the reporting period

Applicable" Not applicable"

(6) Other receivables owed by the top five debtors based on the ending balance

Applicable" Not applicable"

In:Yuan Currency:RMB

Organization name	Nature of Payment	Ending balance	Aging	Proportion in total ending balance of other receivables
Customer 1	Inter company accounts	160,000,000.00	Within 1 year	70.61
Customer 2	Inter company accounts	28,032,897.30	Within 1 year	12.37
Customer 3	Inter company accounts	25,000,000.00	Within 1 year	11.03
Customer 4	Inter company accounts	4,400,360.00	Within 1 year	1.94
Customer 5	Inter company accounts	3,937,340.11	Within 1 year	1.74
Total	/	221,370,597.41	/	97.69

(7) Accounts receivable involving government subsidy

Applicable" Not applicable"

(8) Other receivables with recognition terminated due to transfer of financial assets

Applicable" Not applicable"

(9) Amount of assets and liabilities formed through transfer of other receivables and continuing to be involved

Applicable" Not applicable"

Other notes:

Applicable" Not applicable"

3. Long-term equity investments

Applicable Not applicable

In:Yuan Currency:RMB

Items	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	774,596,113.08		774,596,113.08	660,502,012.08		660,502,012.08

Investment in associates and joint ventures	100,350,602.4 1		100,350,602.4 1	32,946,576.25		32,946,576.25
Total	874,946,715.4 9		874,946,715.4 9	693,448,588.3 3		693,448,588.3 3

(1) Investment in subsidiaries

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Investees	Opening balance	Increase in the reporting period	Decrease in the reporting period	Ending balance	Provision for impairment in the reporting period	Ending balance of the provision for impairment
Aima Nanfang	100,000,000.00			100,000,000.00		
Henan Aima	5,676,019.01			5,676,019.01		
Guangdong Aima	2,838,009.50			2,838,009.50		
Jiangsu Aima	495,706,179.13			495,706,179.13		
Zhejiang Aima	2,838,009.50			2,838,009.50		
Tianjin Vehicle	9,933,033.27			9,933,033.27		
Sichuan Aima	10,211,400.00			10,211,400.00		
Wuxi Zhuoyue	600,000.00		600,000.00			
Xiaopa Technology	1,240,000.00			1,240,000.00		
Tianjin Jinge	1,203,080.50	208,000.00		1,411,080.50		
Ningbo Venture Capital		10,000,000.00		10,000,000.00		
Zhejiang Technology		1,000,000.00		1,000,000.00		
Chongqing Vehicle		50,000,000.00		50,000,000.00		
Tianjin Sports	10,000,000.00			10,000,000.00		
Xiaoma Network	8,500,000.00			8,500,000.00		
Aima Share	5,100,000.00	3,486,100.00		8,586,100.00		
Tianjin Suiwanwan	2,156,281.17			2,156,281.17		

Guangxi Aima					
Taizhou Aima		50,000,000.00		50,000,000.00	
Tianjin Tianli	4,500,000.00	1.00		4,500,001.00	
Total	660,502,012.08	114,694,101.00	600,000.00	774,596,113.08	

(2) Investment in associates and joint ventures

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Investment In:Yuan	Opening Balance	Increase/ Decrease (+ / -) in the reporting period								Ending Balance	Ending balance of the provision for impairment
		Increase	Decrease	Investment income under the equity method	other compreh ensive income	Other equity movement	Cash dividend declared	Provision for impairment	Others		
I. Joint Venture											
II. Associates											
TODAY SUNSHINE	13,298,705.15			-1,729,310.83						11,569,394.32	
Tianjin Gamma	19,647,871.10			651,728.75			5,724,000.00			14,575,599.85	
Shandong Grand		22,717,737.96		-3,462,453.52						19,255,284.44	
Taizhou Jinfu		90,000,000.00		-35,049,676.20						54,950,323.80	
Sub-total	32,946,576.25	112,717,737.96		-39,589,711.80			5,724,000.00			100,350,602.41	
Total	32,946,576.25	112,717,737.96		-39,589,711.80			5,724,000.00			100,350,602.41	

4. Operating revenue and costs**(1) Operating revenue and costs**

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business	10,790,139,364.31	10,568,578,183.78	11,691,239,077.41	11,456,068,148.48
Other businesses	153,088,794.92	109,794,528.45	103,417,213.12	90,108,541.13
Total	10,943,228,159.23	10,678,372,712.23	11,794,656,290.53	11,546,176,689.61

(2) Revenue arising from contracts

"√ Applicable" "□ Not applicable"

In:Yuan Currency:RMB

Classification of Contracts	Total
Types of commodities	
Revenue from electric two-wheelers, electric Tricycle, bicycles and accessories	10,790,139,364.31
Other revenue	109,159,670.70
Classification based on the operation regions	
China Mainland	10,832,090,471.06
Other countries or regions	67,208,563.95
Time classification based on transfer of commodities	
Sales of goods	10,790,139,364.31
Revenue from materials	48,771,115.92
Others	40,665,776.57
After-sale service revenue	19,722,778.21
Total	10,899,299,035.01

Description of revenue arising from contracts

 Applicable" Not applicable"**(3) Note to performance obligations** Applicable" Not applicable"

1) Sales of goods

The performance obligation is satisfied upon delivery of the products to customers. For sales by distributors, most customers need to prepay the price, and the contract price for some customers usually expires within 1 year after delivery of the product.

(4)Note to apportioning to the residual performance obligations Applicable" Not applicable"

At the end of the reporting period, the amount of revenue corresponding to the performance obligations of the contracts which have been signed, but not yet performed or not yet completed is RMB158,708,940.97.

Other notes:

The revenue recognized in the current year included in the book value of contract liabilities at the beginning of the year is as follows:

In: RMB

Items	2021	2020
Sales of goods	87,057,363.44	153,430,562.75

5. Investment income Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount incurred in the reporting period	Amount incurred in the previous period
Long-term equity investment income under the cost method	536,570,000.00	323,263,748.17
Long-term equity investment income under the equity method	-39,589,711.80	10,372,839.35
Gains from disposal of long-term equity investment	-600,000.00	

Return on investment from financial products	14,815,576.27	47,092,278.45
Total	511,195,864.47	380,728,865.97

6. Others

Applicable" Not applicable"

XVIII. Supplementary Information

1. Statement of non-recurring gain or losses in the reporting period

Applicable" Not applicable"

In:Yuan Currency:RMB

Items	Amount
Profit or loss from disposal of non-current assets	-12,713,091.69
Government grants recognised in during profit or loss (excluding those having close relationship with the Company's normal business, conforming to the national policies and regulations and enjoying ongoing fixed amount or quantity according to certain standard)	34,294,933.55
The investment costs for acquiring subsidiaries, associates and joint ventures were less than the income generated by the fair value of the identifiable net assets of the investee at the time of acquiring the investment.	3,497,737.94
Except for the effective hedging business related to the ordinary business of the Company, changes in fair value of financial assets and financial liabilities held for trading, as well as the return on investment generated from the disposal of financial assets and financial liabilities held for trading and financial assets at fair value through other comprehensive income	9,978,187.68
Net non-operating income or expenses other than the above items	6,361,478.19
Other gain or loss in compliance with the definition of non-recurring gain or loss.	22,292,050.35
Less: Amount affected by the income tax	15,927,824.01
Total	47,783,472.01

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring gain/loss and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring gain/loss which have been defined as recurring gain/loss, it is necessary to explain the reason.

Applicable" Not applicable"

2. ROE and EPS

Applicable" Not applicable"

Profit in the reporting period	Net return on equity, weighted average (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to owners of the parent	17.46	1.79	1.79

Net profit attributable to owners of the parent excluding non-recurring gains or losses	16.31	1.66	1.66
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3. Difference in the Accounting Data based respectively on the Chinese Accounting Standards (CAS) and International Accounting Standards (IAS)

Applicable" Not applicable"

4. Others

Applicable" Not applicable"

Chairman of the Board: Zhang Jian

The Report was approved by the Board of Directors. Date of the submission 4/14/2022

Revision information

Applicable" Not applicable"