



**Chongqing Changan Automobile
Company Limited**

2022 Semi-Annual Report

August 2022

Chapter 1 Important Notice, Contents, and Definitions

1. The Board of Directors (or the “Board”), the Supervisory Board as well as the directors, supervisors and senior managers of Chongqing Changan Automobile Co., Ltd. hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.
2. Zhu Huarong, the Company’s legal representative, Zhang Deyong, the Company’s Chief Financial Officer and Chen Jianfeng, the person-in-charge of the accounting organ hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.
3. All the directors have attended the board meeting for reviewing this Report.
4. Any prospective description such as future business plans and development strategies in this Report shall not be considered as the Company’s commitment to investors. Investors and relevant persons shall be sufficiently mindful of risks, and undertake the difference in plans, predictions and commitment.
5. Section III “Management Discussion and Analysis” of this Report describes the possible risks and countermeasures of the Company, and investors shall pay attention to the relevant content.
6. For the first half of 2022, the Company has no plans of cash dividend, no bonus shares and no share converted from capital reserve.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

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Documents Available for Reference

I. Financial statements carrying the signatures and seals of the Company's legal representative, the Chief Financial Officer, and the person-in-charge of the accounting organ.

II. During the reporting period, the original copies of all company documents and announcements publicly disclosed by the Company in China Securities Journal, Securities Times, Securities Daily, Shanghai Securities News, and Hong Kong Commercial Daily.

Definitions

Items		Definitions
Changan Auto, Changan Automobile, the Company	Refers to	Chongqing Changan Automobile Co., Ltd.
CSG	Refers to	China South Industries Group Corporation, the Company's actual controller
China Changan	Refers to	China Changan Automobile Group Co., Ltd., formerly known as China South Industries Automobile Co., Ltd., a subsidiary company of CSG
Changan Industry	Refers to	Chongqing Changan Industry (Group) Co., Ltd., formerly known as Changan Automobile (Group) Co., Ltd., a subsidiary company of CSG
Nanjing Changan	Refers to	Nanjing Changan Automobile Co., Ltd., a subsidiary company of the Company
Hebei Changan	Refers to	Hebei Changan Automobile Co., Ltd., a subsidiary company of the Company
Hefei Changan	Refers to	Hefei Changan Automobile Co., Ltd., a subsidiary company of the Company
Changan Bus	Refers to	Baoding Changan Bus Co., Ltd., a subsidiary company of the Company
CIC	Refers to	Chongqing Changan Automobile International Sale Service Co., Ltd., a subsidiary company of the Company
Changan Ford	Refers to	Changan Ford Automobile Co., Ltd., a JV of the Company
Changan Mazda	Refers to	Changan Mazda Automobile Co., Ltd., a JV of the Company
CME	Refers to	Changan Mazda Engine Co., Ltd., a JV of the Company
Jiangling Holding	Refers to	Jiangling Holding Co., Ltd., an associate of the Company
Changan Finance	Refers to	Changan Automobile Financing Co., Ltd., an associate of the Company
CSG Finance	Refers to	China South Industries Group Finance Co., Ltd., a subsidiary company of South Industries
UPI	Refers to	United Prosperity Investment Co., Ltd., a subsidiary company of China Changan
AVATR	Refers to	AVATR. Co., Ltd, an associate of the Company

Chapter 2 Company Profile and Main Financial Indexes

I. Basic Information

Stock abbreviation	Changan Automobile, Changan B	Stock Code	000625、200625
Listed on	Shenzhen Stock Exchange		
Company in Chinese name	重庆长安汽车股份有限公司		
Company abbreviation in Chinese name	长安汽车		
Company name in English	Chongqing Changan Automobile Co., Ltd.		
Legal representative	Zhu Huarong		

II. Contact Information

	Secretary of the Board of Directors	Securities affairs representative
Name	Zhang Deyong, Li Jun	
Contact address	Building T2, No. 2, Financial City, No. 61 Dongshengmen Road, Jiangbei District, Chongqing	
TEL	023-67594008	
FAX	023-67866055	
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III. Others

1. Contact information

Whether registration address, office address and its post code as well as website and email of the Company changed in the reporting period or not

Applicable Not applicable

The registration address, office address and post code as well as website and email of the Company did not change in the reporting period. See more details in Annual Report 2021.

2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

The newspaper appointed for information disclosure, the website for the publication of the semi-annual report appointed by CSRC and the preparation place for semi-annual report did not change in the reporting period. See more details in Annual Report 2021.

3. Other relevant information

Whether other relevant information changed in the reporting period or not

Applicable Not applicable

IV. Key Accounting Data and Financial Indexes

Does the Company need to retrospectively adjust or restate the accounting data of previous years?

Yes No

	The reporting period	The same period of last year	YoY change (%)
Operating revenue (RMB)	56,573,568,393.71	56,784,631,899.07	-0.37%
Net profit attributable to shareholders of the Company (RMB)	5,857,626,135.78	1,729,245,208.60	238.74%
Net profit after deduction of non-recurring gains or losses attributable to shareholders of the Company(RMB)	3,100,113,819.34	739,756,972.08	319.07%
Net cash flow from operating activities (RMB)	5,852,236,420.20	17,698,826,870.37	-66.93%
Basic earnings per share (RMB/share)	0.60	0.17	252.94%
Diluted earnings per share (RMB/share)	0.59	0.17	247.06%
Weighted average ROE (%)	10.06%	3.22%	6.84%
	30 June 2022	31 December 2021	YoY change (%)
Total assets (RMB)	138,812,360,580.91	135,404,623,479.63	2.52%
Net assets attributable to shareholders of the Company (RMB)	60,688,859,608.34	55,732,932,103.72	8.89%

V. The Differences between Chinese Accounting Standards and International Financial Reporting Standards

1. Differences in net profit and net asset attributable to shareholders in financial report disclosed in accordance with International Financial Reporting Standards and Chinese Accounting Standards.

Applicable Not applicable

No difference during the reporting period.

2. Differences of net profit and net assets disclosed in financial reports prepared under Overseas Financial Reporting Standards and Chinese Accounting Standards.

Applicable Not applicable

No difference during the reporting period.

3. Reasons for differences in accounting data under Chinese Accounting Standards and International Financial Reporting Standards.

Applicable Not applicable

VI. Items and Amounts of Non-Recurring Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Amount	Illustration
Non-recurring items and amounts (including accrued reversal assets impairment part)	68,244,082.28	
Government subsidies included in the profit and loss of the current period (Except closely related to business operations, in accordance with the national unified standard quota or quantitative enjoyment of government subsidies)	525,001,514.96	
Capital occupation fees charged to non-financial enterprises included in the current profit and loss	12,993,036.40	
In addition to the effective hedging business related to the normal business of the company, the gains and losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and disposal of transactional financial assets, derivative finance Investment income from assets, trading financial liabilities, derivative financial liabilities and other debt investments	26,136,888.77	The subsidiary AVATR. Co., Ltd. introduced investors to increase capital. Based on the evaluation results with March 11, 2022 as the evaluation base date, the income from the statement was confirmed. For details, please refer to the information disclosed on the (http://www.cninfo.com.cn)
Gains on fair value remeasurement of remaining equity after loss of control	2,128,305,938.85	
Other non-operating income and expenses other than the above items	49,496,422.28	
Subtract: Influenced amount of income tax	37,348,447.66	
Influenced amount of minority shareholders' equity (after tax)	15,317,119.44	
Total	2,757,512,316.44	--

Explanation of why the Company reclassifies recurrent gain/loss as an Extraordinary gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gain/Loss Items

Applicable Not applicable

No such cases for the reporting period.

Chapter 3 Management Discussion and Analysis

I. The main business of the Company in the reporting period

1. Business overview

As an automobile manufacturer, Changan Automobile's businesses cover the R&D, manufacturing, and sales of vehicles (including passenger vehicles and commercial vehicles), as well as the R&D and production of engines. At the same time, we proactively develop new businesses such as mobility, car services, new marketing and sales, and battery swapping, and steps up efforts in exploring finance, used cars and other fields to build a comprehensive industrial ecology and become an intelligent, and low-carbon mobility technology company.

With "Leading Auto Culture for Better Life" as our mission, we make efforts to develop NEVs and intelligent vehicles while adhering to the philosophy of "low-carbon and environmental protection, technology and intelligence". By leading auto culture through scientific innovation, we strive to provide customers with high-quality products and services. We have homegrown brands such as Changan, Changan Shenlan, AVATR, Oshan, and Kaicene, and joint venture brands such as Changan Ford and Changan Mazda to produce and sell joint venture brand vehicles. We launched many iconic homegrown brands models including the CS series, Eado series, UNI series, Oshan series and Shenqi. Meanwhile, Changan Automobile rolls out new energy vehicles such as BenBen E-star Lumin and Shenlan SL03; the joint venture companies have many famous products such as the all-new Focus, Escape, Explorer, Corsair, Aviator, Zephyr, Axela, CX-5 and CX-30 that are well received among consumers.

Our operation attaches "equal importance to homegrown and joint venture brands". We make determined efforts in developing iconic homegrown brands, with Changan, Changan Shenlan, AVATR, Oshan, and Kaicene brands as independent entities. For Changan Ford, Changan Mazda and other joint ventures, we adopt investment management and control and continue to deepen mutual trust and cooperation with partners.

2. Industry situation

In the first half of 2022, in the face of pandemic resurgence, industry chain cycle disruption, sharp decline in demand and other unfavorable factors, the automotive industry struggled to overcome the risks and pull businesses back on track. The NEV market continued to maintain high-speed growth among other markets, and Chinese brands embraced this opportunity to expand their market share significantly compared to the last reporting period. Industry specifics are as follows:

In the first half of 2022, the automotive industry achieved a cumulative production and sales of 12.117 million units and 12.057 million units, down 3.7% and 6.6% YoY respectively. The overall sales is in a "V" shape trend. The YoY growth rate of sales turned from positive to negative and continued to decline since the outbreak in Shanghai and other places in March. After bottoming out in April, with the pandemic slowing down and the realization of a series of national and local relief policies in May-June, the industry growth rate gradually recovered until it turned positive in June. Passenger car sales in the first half of the year totaled 10.355 million units, up 3.4% YoY, achieving counter-trend growth.

The NEV market is hot with production and sales hitting new record highs. In the first half of 2022, NEV production and sales completed 2.661 million and 2.6 million units respectively, both up nearly 120% YoY. And within the Chinese brand passenger cars, the share of NEV reached 39.9%, an increase of 100% YoY.

Chinese brands seized the NEV growth opportunity and significantly increased their market share, effectively compensating for the drop in volume caused by the sharp decline in the traditional power market. In the first half of 2022, the market share of Chinese brand passenger car reached 47.3%, an increase of 5.8 percentage points YoY.

(The above data/information is collected from "China Automotive Industry Production and Sales Express" published by China Association of Automobile Manufacturers and its industry information release)

3. Company market performance

In the first half of 2022, under the guidance of Xi Jinping's thought of socialism with Chinese characteristics in the new era,

Changan Automobile adhered to the principle of "stability first and progress in the midst of stability". The company solidly promoted the third start-up plan, the innovation and entrepreneurship plan, and actively responded to the triple pressure of "demand contraction, supply shock and weak expectations". The company has been actively focusing on strategy execution, supply chain stabilization, new energy and intelligent industrial development, and firmly promoting transformation and upgrading with high-quality development. In the face of unfavorable factors such as shortage of spare parts and materials and recurring pandemic, we maintained production and supply while carried out pandemic prevention efforts firmly, we took active countermeasures to prevent and resolve operation risks, and did our best to minimize the impact of the above unfavorable factors on production and operation. Under the circumstances of restricted production supplies and local Covid outbreak, the company achieved sales of 1.126 million units in the first half of the year, 0.3 percentage points better than the industry; among them, the company's sales of NEV products reached 90,000 units, an increase of over 140% YoY, with a growth rate 26.3% faster than the NEV industry.

During the reporting period, Changan Automobile strived to overcome the challenges of "chip and battery shortage", pandemic disturbance and other risks, and coordinated the efforts of R&D, sales and other sectors to cope with the supply impact. The company implemented precise sales demand and production plans, optimized resource allocation for high-value products, and did everything possible to meet market demand. By insisting on independent innovation, our product lineup "moves upward", with seven new and updated products such as the second generation CS75PLUS, UNI-K iDD, UNI-V, Oshan Z6 and Changan Lumin launched in the first half of the year. The company continues to lift the brand upward, accelerating the transformation to intelligent and new energy, launching the Blue Core iDD hybrid power system, and the first model with UNI-K iDD was well received by users when it was launched; officially launched the new digital electric brand Changan Shenlan, and released its first model Shenlan SL03 for pre-sale, which accelerated the market share expanding of the mainstream electric vehicle market; by joining hands with Huawei and CATL, we created CHN, the world's leading platform for electric vehicles, and AVATR 11 and its limited edition made their official debut. With innovative ideas we built the "cloud - network - platform - scenes" business model, which accelerated the renewal of marketing models. With the electric products launched in the first half of the year, the Lumin project piloted the new model of intelligent marketing through the integration of online and offline sales to achieve the ultimate experience with the best cost, efficient and agility. We continued to lead scientific and technological innovations by breaking through core technologies of new energy and intelligence, and accelerated the mass production of innovative technology. In summary, in the first half of the year, Changan Automobile actively responded to internal and external challenges, and overall the production and operation remained stable. The quality of operation was steadily improved, strategic transformation was solidly promoted, and positive results were achieved in corporate development.

II. Core Competence Analysis

In 2022, Changan Automobile will focus on building technological strength, adhere to the general idea of "stability, focus, sharing and innovation", and make every effort to build Changan into a world-class brand with firmer transformation, more solid foundation, more innovative mode and more extreme efficiency. The following core competitiveness is formed.

1. Product definition capability. The company is customer experience oriented to continuously update the product definition model, and further improves the match between products and user needs. We continuously update the product-market equation, for fuel and electrified products, life cycle and competitive object assumptions are further improved, personalized configuration and car software and other attractions are further strengthened; for new automotive products, by reviewing the user operation segment and resource matching segment, the product is transforming into a whole life cycle user experience. In the first half of the year, the company launched seven new and updated products, which were well received by the market. In the second half of the year, a number of electrified products will be launched to continuously improve the product lineup.

2. R&D capability. The company insists on innovation-oriented development and continues to increase investment in science and technology innovation. The R&D capabilities are continuously improved and core technologies are mastered. In the new energy field, the Changan seven-in-one intelligent core and all-in-one electric drive were developed independently, and have achieved mass production and small batch trial production respectively. The generalization rate of specialized electrified platform has increased to

86%. In the field of intelligence, we achieved a breakthrough in the technology of intelligent parking system, and UNI-V won the “Intelligent Parking Gold Award” in the 2022 WIDC World Intelligent Driving Challenge; pilot intelligent driving assistance function completed real vehicle operation, which indicates the intelligent driving technology took a key step towards mass production and application; pioneered the development of three international standards for intelligent network linkage; awarded “Outstanding Enterprise of China's Intelligent and Connected Automobile” by the China Intelligent and Connected Vehicle Industry Development Almanac. As of June 2022, we had 7,256 domestic and foreign patents, including 1,953 invention patents.

3. Brand operation capability. The company insists on strengthening brand value management. By further deepening the brand label of “intelligent” and “electrified” and improving the brand’s customer satisfaction, the brand image is moving upward. In terms of brand value management, the brand promotion projects such as “With You” and “2060 Leading the Future” have been awarded the “2021 Example Branding Cases of State-owned Enterprises” and “IAI Advertising Award” by the State-owned Assets Supervision and Administration Commission of the State Council. In terms of deepening the brand label of “intelligent” and “electrified”, the company released the new digital electrified brand - Changan Shenlan, to fully demonstrate the achievements of the Mission Shangri-La and consolidated the image of “intelligent and low-carbon mobility technology company”; in terms of customer satisfaction, in the first half of 2022 customer satisfaction (SSI/CSI, i.e. sales/service satisfaction index) exceeded 99%. In addition, the company won the second place in J.D. Power’s 2022 China Auto Sales and Service Satisfaction Ranking, and the industry ranking rose for five consecutive years. The brand IP of “high quality service provider” was gradually established.

4. Cultural leadership. The company insists on improving the culture environment, the concept of “leading culture” is upgraded, and employees' sense of access and happiness are enhanced. The company established the "Changan Automobile employees' demands management methods" to promote the satisfaction of employees' need. The company also carried out a series of activities to tell Changan’s story, spread Changan’s voice and inherit Changan’s culture by focusing on the main line of “Vibrant Changan” and the campaign of 160th anniversary of Changan. The atmosphere of “Leading Culture Wolf Changan” has become stronger.

5. Mechanism and efficiency capacity. The company insists on improving the organization mechanism, replenishing the talent team and optimizing the incentive scheme to inject new vitality into the transformation and development. We have established a “smile curve” management logic, formed a matrix and flat management model, and built organizational capabilities to support the realization of new automotive products; continued to introduce cutting-edge talents in the fields of intelligence, software and modeling externally, and promoted the transformation of talents in the fields of intelligent network, “three-electric” and new platform internally. The company also promotes the tenure system and contract management to further enhance the vitality of cadres and stimulate the motivation of managing officers; improves the incentive “team leader” mechanism to help tackle important and difficult technical projects; implements the equity incentive plan to further stimulate the vitality and motivation of employees and promote the achievement of strategic tasks; carries out the follow-up mechanism of product projects in depth, and the core personnel of the whole value chain of the project are closely bound to the successful implementation of the product; the construction of a comprehensive honor system to stimulate a greater sense of mission, achievement and striving with spiritual incentives; the deferred bonus incentive policy has been increased again, and the enthusiasm of the staff is greatly strengthened.

III. Analysis of Main Business

Overview

Whether it is the same as the company’s main business disclosure during the reporting period

Yes No

Please refer to the relevant content of "I. The main business of the Company in the reporting period" in chapter 3 of this report.

Y-o-y changes in key financial data

Unit: RMB

	The reporting period	The same period of last year	YoY change (%)	Reasons for changes
Operating revenue	56,573,568,393.71	56,784,631,899.07	-0.37%	
Operating cost	45,360,090,482.20	48,086,677,229.21	-5.67%	
Sales expense	2,285,329,821.77	2,146,115,312.19	6.49%	
General and administrative expenses	2,184,034,305.10	2,217,147,044.50	-1.49%	
Financial expenses	-437,998,348.99	-233,776,490.65	-87.36%	Mainly due to the increase in interest income.
Income tax expense	-103,280,125.74	59,373,446.09	-273.95%	Mainly due to the increase in the recognized deferred tax assets.
R&D expenses	1,932,294,144.67	1,495,583,362.16	29.20%	
Subtotal of cash inflow from operating activities	5,852,236,420.20	17,698,826,870.37	-66.93%	Mainly due to the year-on-year increase in the acceptance and payment of the current notes payable due and the year-on-year decrease in the due collection of the notes receivable
Subtotal of cash inflow from investment activities	-2,383,212,310.03	-665,883,342.87	-257.90%	Mainly due to increased investment in associates.
Net cash flow from financing activities	-2,013,951,932.20	-1,415,888,692.05	-42.24%	Mainly due to the receipt of equity incentive payments in the last reporting period.
Net increase in cash and cash equivalents	1,514,350,653.16	15,613,435,542.38	-90.30%	Mainly due to the decrease in "net cash flow from operating activities" and "net cash flow from investing activities"
Investment income	2,354,040,073.27	327,872,465.08	617.97%	Mainly because the company lost control over AVATR, and the remaining equity was remeasured at fair value

Major changes on profit composition or profit resources in reporting period

√ Applicable □ Not applicable

During the reporting period, the company's profit was greatly affected by non-recurring gains and losses. For details, please refer to "VI. Items and Amounts of Non-Recurring Gains and Losses " in Chapter 2 of this report.

Composition of the operating revenue

	The reporting period		The same period of last year		YoY increase/decrease (%)
	Amount (RMB)	Proportion of operating revenue (%)	Amount (RMB)	Proportion of operating revenue (%)	
Operating revenue	56,573,568,393.71	100%	56,784,631,899.07	100%	-0.37%
By industry					
Automotive business	56,573,568,393.71	100%	56,784,631,899.07	100%	-0.37%
By product					
Vehicles	53,462,409,290.12	94.50%	54,067,846,898.72	95.22%	-1.12%
Services and others	3,111,159,103.59	5.50%	2,716,785,000.35	4.78%	14.52%
By region					
China	49,995,769,261.71	88.37%	52,728,042,749.91	92.86%	-5.18%
Overseas	6,577,799,132.00	11.63%	4,056,589,149.16	7.14%	62.15%

The business, products and regions accounting for over 10% of the Company's operating revenue or operating profit

√ Applicable □ Not applicable

	Operating Revenue (RMB)	Operating Cost (RMB)	Gross margin (%)	YoY increase/decrease of operating income (%)	YoY increase/decrease of operating cost (%)	YoY increase/decrease of gross margin (%)
By business						
Automotive business	56,573,568,393.71	45,360,090,482.20	19.82%	-0.37%	-5.67%	4.50%
By product						
Vehicles	53,462,409,290.12	42,931,781,971.38	19.70%	-1.12%	-6.71%	4.82%
By region						
China	49,995,769,261.71	39,071,420,400.59	21.85%	-5.18%	-11.44%	5.52%
Overseas	6,577,799,132.00	6,288,670,081.61	4.40%	62.15%	58.50%	2.21%

Where the statistical caliber of the main business data of the Company is adjusted, the data is subject to the main business data after adjustment according to the caliber of the end of the report period in the latest year.

□ Applicable √ Not applicable

IV. Analysis of Non-Main Business

√ Applicable □ Not applicable

	Amount (RMB)	Proportion of profits (%)	Explanation	Whether it is sustainable or not
Return on investment	2,354,040,073.27	41.04%	Please refer to the Item 51, Note 7 “Supplementary Information of the Cash Flow Statement” in the In Chapter 10 of this report.	Except for 2.13 billion yuan, which is the gain from the company's loss of controlling interest in Avita and the re-measurement of the remaining equity at fair value.
Profits or losses of fair value change	26,136,888.77	0.46%		No
Impairment losses on assets	-241,827,585.46	-4.22%	Please refer to the Item 54, Note 7 “Supplementary Information of the Cash Flow Statement” in the In Chapter 10 of this report.	No
Non-operating income	54,366,637.51	0.95%		No
Non-operating expenses	4,870,215.23	0.08%		No

V. Analysis of Assets and Liabilities

1. Major Changes in Asset Composition

	30 June 2022		31 December 2021		Increase/Decrease in Proportion (%)	Description of significant changes
	Amount (RMB)	Proportion of total assets (%)	Amount (RMB)	Proportion of total assets (%)		
Monetary fund	53,421,783,239.85	38.48%	51,976,242,149.37	38.39%	0.09%	There was no significant change in the composition of assets during the reporting period
Receivables	3,597,002,110.54	2.59%	1,675,427,534.87	1.24%	1.35%	
Contract assets	1,036,757,897.63	0.75%	1,151,292,247.36	0.85%	-0.10%	
Inventories	7,024,925,792.62	5.06%	6,852,874,420.59	5.06%	0.00%	
Investment property	6,536,070.82	0.00%	6,649,426.60	0.00%	0.00%	
Long-term equity investment	17,304,612,282.75	12.47%	13,245,374,860.55	9.78%	2.69%	
Fixed assets	20,513,654,898.34	14.78%	21,325,959,850.16	15.75%	-0.97%	
Construction in	1,130,381,106.58	0.81%	1,460,176,539.43	1.08%	-0.27%	

progress					
Right-of-use assets	50,017,632.80	0.04%	66,313,062.98	0.05%	-0.01%
Short-term loans	46,166,500.00	0.03%	19,000,000.00	0.01%	0.02%
Contract liabilities	4,956,070,974.92	3.57%	9,840,509,514.39	7.27%	-3.70%
Long-term loans	40,000,000.00	0.03%	600,000,000.00	0.44%	-0.41%
Lease liabilities	28,202,020.25	0.02%	38,679,735.59	0.03%	-0.01%

2. Major overseas assets

applicable not applicable

3. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening Balance	Changes in Fair Value Gains and Losses in Current Period	Accumulated Fair Value Changes Included in Equity	Provision for Impairment in Current Period	Amount of Purchase in Current Period	Amount of Sales in Current Period	Other Changes	Closing Balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	195,798,300.00	26,136,888.77			98,999,997.80	14,967,612.00		305,967,574.57
2. Investments in other equity instruments	701,409,600.00							701,409,600.00
Subtotal financial assets	897,207,900.00	26,136,888.77			98,999,997.80	14,967,612.00		1,007,377,174.57
Total	897,207,900.00	26,136,888.77			98,999,997.80	14,967,612.00		1,007,377,174.57
Financial liabilities	-	-			-	-		-

Note: The trading financial assets and investments in other equity instruments in the table above are detailed in “2. Trading Financial Assets” and “11. Investments in Other Equity Instruments” in Note 7 of the Financial Statements.

Whether there are major changes on measurement attributes for main assets of the Company in reporting period

Yes No

4. Property rights limits by the end of report period

Unit: RMB

Item	book value at the end of this year	Limited Reason
Monetary fund	2,389,515,751.70	Deposit of acceptance bill
Notes receivable	8,258,455,824.79	Pledge for issuing bills payable
Intangible assets	17,033,287.44	Collateral to obtain working capital
Fixed assets	32,955,152.32	Collateral to obtain working capital
Total	10,697,960,016.25	

VI. Analysis of Investment**1. Overall situation**

√ Applicable □ Not applicable

Item	Investment amount for the reporting period (RMB)	Investment amount for the previous reporting period (RMB)	YoY Change (%)
Equity investments	1,860,368,900.00	-	-
Fixed assets	52,569,218.29	3,776,627.15	1291.96%
Construction in progress	787,512,886.09	604,256,608.18	30.33%
Intangible assets	95,564,437.69	20,872,889.71	357.84%
Total	2,796,015,442.07	628,906,125.04	344.58%

2. The major equity investment obtained in reporting period

□ Applicable √ Not applicable

3. The ongoing major non-equity investment in reporting period

□ Applicable √ Not applicable

4. Investment of Financial Assets**(1) Security investments**

√ Applicable □ Not applicable

Security type	Stock code	Abbreviation	Initial investment cost (RMB)	Accounting measurement model	Book value at the beginning of the reporting period (RMB)	Gains and losses from changes in fair value during the period	Accumulated fair value changes included in equity	Purchase amount during the reporting period (RMB)	Sales amount during the reporting period (RMB)	Gains and losses of the reporting period (RMB)	Book value at the end of the reporting period (RMB)	Accounting subject	Source of funds
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					(RMB)	(RMB)							
Stock	600369	Southwest Securities	50,000,000	Fair value measurement	177,902,700.00	-44,391,600.00	0.00	0.00	0.00	-41,701,200.00	133,511,100.00	Trading financial assets	Self-owned funds
Stock	301215	CPG Securities	98,999,997.80	Fair value measurement	-	70,400,076.77	0.00	0.00	0.00	70,400,076.77	169,400,074.57	Trading financial assets	Self-owned funds
Total			148,999,997.80	--	177,902,700.00	26,008,476.77	0.00	0.00	0.00	28,698,876.77	302,911,174.57	--	--

(2) Derivative Investments

Applicable Not applicable

There was no derivative investment in the company's reporting period.

5. Use of raised funds

Applicable Not applicable

(1) Overall use of raised funds

Applicable Not applicable

Unit: 10,000 RMB

Year	Types of raised funds	Total funds raised	The used amount of total funds raised in the current period	Total accumulated use of funds raised	The total amount of raised funds with purpose changed in reporting period	Cumulative total amount of raised funds with purpose changed	Proportion of total raised funds with purpose changed	The total amount of unused funds	The purpose and placement of the unused funds	Amount of funds raised idle for more than two years
2020	Non-public offering of shares	598,608.41	23,139.35	423,069.26	160,545.86	160,545.86	26.82%	175,539.15	Deposited in a dedicated account for raised funds	0
Total	--	598,608.41	23,139.35	423,069.26	160,545.86	160,545.86	26.82%	175,539.15	--	0

Description of the overall use of raised funds

1. The board of directors of the Company believes that the Company has disclosed the storage and actual use of the Company's raised funds in a timely, true, accurate and complete manner in accordance with the "Guidelines for the Standardized Operation of Listed Companies on the Shenzhen Stock Exchange" and relevant format guidelines. There are no violations in the management of raised funds. The Company has faithfully fulfilled its obligation to disclose the investment direction and progress of the raised funds.

2. The initial total amount of raised fund was RMB 5,988,059,154.12. The Company used the raised funds of RMB 3,252,079,253.48, RMB 747,219,811.57, and RMB 231,393,524.48 respectively in 2020, 2021 and first half of 2022. As of December 31, 2021, the Company has used a total of RMB 4,230,692,589.53 of the raised funds.

(2) Use of the raised funds in committed projects

√ Applicable □ Not applicable

Unit: 10,000 RMB

Committed projects and placement of extra funds raised	Whether the project has been changed	Total committed investment of raised funds	Adjusted total investment (1)	Amount invested this year	Cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period % (3) = (2)/(1)	Whether the project has reached the intended usable state	Benefits realized this year	Whether it meets the expected return	Whether the feasibility of the project has changed significantly
Committed projects										
H series fifth phase, NE1 series first phase engine production capacity construction project	Yes	141,568.38	103,313.68	15,908.18	99,707.32	97%	No	Not applicable	Not applicable	No
Crash Laboratory Capacity Upgrade Project	Yes	11,505.75	8,251.85	1,450.38	7,416.32	90%	No	Not applicable	Not applicable	No
CD569 production line construction project	Yes	15,576.22	9,418.59	3,841.18	8,353.08	89%	No	Not applicable	Not applicable	No
Hefei Changan Automobile Co., Ltd. adjustment and upgrade project	Yes	249,958.06	142,399.78	1,939.61	127,592.54	90%	No	Not applicable	Not applicable	No
Supplementary working capital	No	180,000.00	180,000.00	-	180,000.00	100%	No	Not applicable	Not applicable	No
A new generation of energy-saving products transformation and upgrading projects	No	-	160,545.86	-	-	-	No	Not applicable	Not applicable	No
Total		598,608.41	603,929.76	23,139.35	423,069.26	70%	-	-	-	-
The reasons for not reaching the planned progress or expected benefits (by specific projects)	N/A									
Description of major changes in the feasibility of the project	N/A									
The amount, use and progress of extra raised funds	Not applicable									
Change in implementation location of the committed projects	N/A									
Adjustment to implementation method of committed project	N/A									

Upfront investment and replacement of committed projects	On November 18, 2020, the Ninth Meeting of the Eighth Session of the Board of Directors of the Company reviewed and approved the "Proposal on the Use of Raised Funds to Replace Early Investment in Self-Owned Funds", and agreed to use raised funds of RMB 1,378,818,553.05 to replace pre-invested self-raised funds for the project. The replacement of the raised funds has been verified by the Ernst & Young Hua Ming (2020) Special Zi No. 60662431_D05 special report issued by Ernst & Young Hua Ming Certified Public Accountants (special general partnership).
Use of idle raised funds for temporary supplement of working capital	N/A
Amount and cause of surplus of funds raised for project implementation	The company originally planned to invest in four fundraising projects, including the H series phase five, the NE1 series phase I engine production capacity construction project, the collision test room capacity upgrade construction project, the CD569 production line construction project, and the adjustment and upgrading project of Hefei Changan Automobile Co., Ltd. Compared with the planning, there is some unused funds, mainly because the company has reduced the actual investment amount by means of localized substitution of imported equipment in the process of project implementation in order to reduce the impact of the overseas epidemic on the project construction cycle. In the process of project construction, the scheme has been continuously optimized, and the lean investment process management has realized the control of the investment scale. According to the company's long-term strategic planning and development needs at the current stage, after comprehensive research and judgment by the company, in order to further improve the use efficiency of raised funds, the company plans to adjust the investment scale of the original raised funds investment projects, and use the estimated surplus funds of RMB 1,605,458,600 for the company's new generation of energy conservation Product transformation and upgrading project.
The purpose and placement of the unused raised funds	Deposited in a dedicated account by the Company for raised funds
Defects and other problems in utilization and disclosure of the raised funds	N/A

(3) Changes of projects supported by raised funds

√ Applicable □ Not applicable

Unit: 10,000 RMB

Changed project	The commitment of the original project	Total amount of funds to be invested in the project after the change (1)	The amount actually invested during the reporting period	Actual cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (%) (3)=(2)/(1)	The date when the project reached the intended availability status	Benefits achieved during the reporting period	Whether the expected benefits have been achieved	Significant changes in the feasibility of the project after the change
A new generation of energy-saving products transformation and upgrading projects	1. H series fifth phase, NE1 series first phase engine production capacity construction project 2. Crash Laboratory Capacity Upgrade C	160,545.86	--	--	--	In the year of 2023	Not applicable	Not applicable	Not applicable

	onstruction Project 3. CD569 production line construction pr oject 4. Hefei Changan Au tomobile Co., Ltd. a djustment and upgra de project								
合计	--	160,545.86	--	--	--	--	--	--	--
Reasons for change, decision-making procedures and information disclosure (by specific project)	<p>1. There was a balance of the original project investment funds compared to upfront planning. The main reason is that in order to reduce the impact of the overseas epidemic on the project construction cycle, the company has reduced the actual investment amount through the localization of imported equipment in the project implementation process in order to reduce the investment in the project construction cycle, and at the same time, the company has continuously optimized the program in the project construction process in order to continuously improve the quality of operation, and lean investment process management has realized the control of the scale and rhythm of investment. According to the company's long-term strategic planning and the current development needs, after the company's comprehensive research. In order to further improve the efficiency of the use of the raised funds, the company intends to adjust the investment scale of the original raised funds investment projects, and the expected balance of RMB 1,605.46 million for the company's new generation of energy-saving product transformation and upgrading projects.</p> <p>2. Decision-making procedure: The Company held the 38th meeting of the 8th Board of Directors on April 26, 2022, and approved the proposal of "Adjusting and Changing the Use of Part of the Raised Funds". The proposal has yet to be submitted to the Company's General Meeting of Shareholders for consideration.</p> <p>3. Information disclosure: Please refer to the announcement of "Adjusting and Changing the Use of Part of the Raised Funds" (Announcement No.: 2022-23) on http://www.cninfo.com.cn.</p>								
Reasons for failure to meet the planned schedule or projected benefits (by project)	Not applicable								
Description of significant changes in the feasibility of the project after the change	Not applicable								

VII. Sale of significant Assets and Equity

1. Sale of significant assets

Applicable Not applicable

2. Sale of significant equity

Applicable Not applicable

VIII. Analysis of Major Shareholding and Joint Stock Companies

Applicable Not applicable

Major subsidiaries and joint stock companies that affect the company's net profit by more than 10%

Unit: 10,000 RMB

Name	Type	Main businesses	Registered capital	Total assets	Net assets	Operating income	Operating Profit	Net profit
Changan Ford Automobile Co., Ltd.	Joint Stock Company	Produce and sell auto and parts	24,100USD	4,042,348.61	702,416.19	2,337,780.25	121,051.29	104,520.33
Chongqing Chang'an New Energy Vehicle Technology Co., Ltd.	shareholding company	Produce and sell auto and parts	32,810.83	1,179,251.90	281,186.55	414,914.54	-147,245.48	-147,247.26
AVATR. Co., Ltd.	shareholding company	New energy vehicle and parts development	117,224.26	287,037.36	197,298.30	0.33	-25,199.67	-25,227.72

Subsidiaries acquired and sold in the reporting period

Applicable Not applicable

Name	Acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation and performance
Chongqing Xingzhi Technology Co., Ltd.	Newly established company	N/A
AVATR. Co., Ltd	Dilution of equity, loss of control	have a significant impact

Description of major holding and participating companies

1. Changan Ford Automobile Co., Ltd has an increase in profit compared to the last reporting period, mainly due to the receipt of income-related subsidies.

2. Chongqing Chang'an New Energy Vehicle Technology Co., Ltd suffered a year-on-year loss due to declining subsidies, battery price hikes, and increased strategic investment.

3. AVATR. Co., Ltd has changed from the company's holding subsidiary to an associate, and is no longer included in the company's consolidated financial statements. The equity method is used for subsequent accounting, which has a significant impact on the company. For details, please refer to www.cninfo.com.cn (Announcement No.: 2022-29).

IX. Structural main business under the company control

Applicable Not applicable

X. Possible risks and corresponding measures

1. Supply chain stability risk

First, the pandemic is still full of variables, international investment and trade are still disturbed, and the stability of the global supply chain is still under stress. Second, regional conflicts reshape the global geopolitical landscape fast. For security reasons, some countries and enterprises are trying to relocate supply chain in a counter-globalized way, increasing risks global supply chain fluctuations in the automotive industry. Shortage of chip, battery and other parts will suppress automotive supply chain for a period of time, and the production and supply is still under pressure.

Countermeasures: First, ensure normal production by optimizing operation methods; second, strengthen the cooperation with the supply chain and reserve critical components at the right time; third, continue to promote the replacement program for some key components.

2. Risk of raw material price increase

No sign of geopolitical conflicts slowing down in the short term. The commodity and raw materials, such as crude oil, will price high for a period of time and resulting price increase for the automotive industry, especially the battery raw materials and chips are in the prolonged up-price circle. In the medium and long term, with the easing of pandemic the commodity supply is expected to gradually improve. However, based on geopolitics, carbon emission constraints and other factors, energy, metals and other commodity price is still full of uncertainties, which may lead to increased production costs and operating pressure for automotive enterprises.

Countermeasures: reduce the impact of raw material price increase by cutting internal costs. At the production end, we will continue to optimize the process to cut production costs; at the R&D end, we will optimize the cost structure by applying new materials or alternative solutions while improving product quality and competitiveness; at the procurement end, we will optimize the supplier system and facilitate suppliers to apply new processes to control costs.

3. Market fluctuation risk

Since the beginning of this year, the pressure of domestic Covid prevention and control has increased significantly. Residents' spending is suppressed while expectations have turned weaker, preventive savings have increased and consumer confidence has declined. Such trends have obvious impacts on the automotive market. In the second half of the year, with the easing of the pandemic and the support of national auto consumption policy, the auto market will gradually recover, but the risk of sporadic Covid distribution has not yet been eliminated, which may lead to a limited recovery for auto market and an expanded fluctuation of market sales pace.

Countermeasures: First, make full use of the national purchase tax exemption and other policy support window to increase promotion investments; second, accelerate the process of new marketing deployment, increase intelligent marketing efforts, strengthen contacts with users and minimize the market impact.

XI. Reception Research, Communication, Interviews and Other Activities during the Reporting Period

Date	Reception place	Research Type	Type of Research Object	Index
On February 22, 2022	Chongqing	Field research	Institution	For details, see the On February 24, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: February 22, 2022 investor relations activities record sheet
On April 29, 2022	Online	“Panorama · Road Show World” webcast	All investors	For details, see the May 6, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: April 29, 2022 investor relations activities record sheet
On May 5, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 6, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 5, 2022 investor relations activities record sheet

On May 6, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 9, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 6, 2022 investor relations activities record sheet
On May 7, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 9, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: On May 7, 2022 investor relations activities record sheet
On May 9, 2022	Telephone conference	Telephone conference	Institution	For details, see the June 3, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 1, 2022 investor relations activities record sheet
On May 10, 2022	Telephone conference	Telephone conference	Institution	For details, see the On May 11, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 10, 2022 investor relations activities record sheet
On May 11, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 13, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 11, 2022 investor relations activities record sheet
On May 12, 2022	Telephone conference	Telephone conference	Institution	For details, see the July 9, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: July 7, 2022 investor relations activities record sheet
On May 18, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 20, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 18, 2022 investor relations activities record sheet
On May 19, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 20, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 19, 2022 investor relations activities record sheet
On May 23, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 24, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 23, 2022 investor relations activities record sheet
On May 25, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 27, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 25, 2022 investor relations activities record sheet

On May 26, 2022	Telephone conference	Telephone conference	Institution	For details, see the May 27, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 26, 2022 investor relations activities record sheet
On June 7, 2022	Telephone conference	Telephone conference	Institution	For details, see the June 8, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 7, 2022 investor relations activities record sheet
On June 10, 2022	Telephone conference	Telephone conference	Institution	For details, see the June 10, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 10, 2022 investor relations activities record sheet
On June 15, 2022	Telephone conference	Telephone conference	Institution	For details, see the June 16, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 15, 2022 investor relations activities record sheet
On June 16, 2022	Telephone conference	Telephone conference	Institution	For details, see the June 17, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 16, 2022 investor relations activities record sheet
On June 20, 2022	Telephone conference	Telephone conference	Institution	For details, see the June 22, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 20, 2022 investor relations activities record sheet
On June 23, 2022	Telephone conference	Telephone conference	Institution	For details, see the June 24, 2022 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 23, 2022 investor relations activities record sheet

Chapter 4 Corporate Governance

I. Annual Shareholders Meeting and Extraordinary General Meeting during the Reporting Period

1. Shareholders meeting during the reporting period

Meeting Session	Type	Investors' participation Ratio	Opening Time	Disclosure Time	Meeting Decision
2022 The First Extraordinary General Meeting	EGM	40.917%	March 17, 2022	March 18, 2022	http://www.cninfo.com.cn 2022 The First Extraordinary General Meeting Resolution Announcement (Announcement Number: 2022-14)
2021 Annual Shareholders Meeting	Annual	50.718%	June 15, 2022	June 16, 2022	http://www.cninfo.com.cn 2021 Annual Shareholders Meeting Resolution Announcement (Announcement Number: 2022-44)

2. The shareholders of preferred shares with voting right restored request to convene an extraordinary general meeting

Applicable Non-applicable

II. Departure and Hiring information of the directors, supervisors and senior manager

Available Not-available

Name	Position	Type	Date	Reason
Zhang Xiaoyu	Vice President	Appointed	January 12, 2022	Appointment
Wang Xiaofei	Vice President	Appointed	January 12, 2022	Appointment
Li Mingcai	Executive Vice President	Appointed	January 28, 2022	Appointment
Zhang Deyong	Board secretary	Appointed	January 28, 2022	Appointment
Ye Wenhua	Director	Elected	March 17, 2022	Appointment
Li Keqiang	Independent Director	Elected	June 15, 2022	Appointment
Ding Wei	Independent Director	Elected	June 15, 2022	Appointment
Tang Guliang	Independent Director	Elected	June 15, 2022	Appointment
Zhang Ying	Independent Director	Elected	June 15, 2022	Appointment
Xian Zhigang	Director	Elected	July 26, 2022	Appointment

Li Wei	Executive Vice President	Outgoing	January 12, 2022	Job change
Li Mingcai	Vice President	Outgoing	January 28, 2022	Job change
Liu Jipeng	Independent Director	Outgoing	June 15, 2022	Resign after six years of term
Li Qingwen	Independent Director	Outgoing	June 15, 2022	Resign after six years of term
Chen Quanshi	Independent Director	Outgoing	June 15, 2022	Resign after six years of term
Tan Xiaosheng	Independent Director	Outgoing	June 15, 2022	Resign after six years of term
Ye Wenhua	Director	Outgoing	July 8, 2022	Job change

III. Preplan for Company common stock profit distribution and capital reserves converting into share capital in the reporting period

Applicable Non-applicable

The company plans not to distribute cash dividends, not to send bonus shares, not to increase equity by provident fund in the first half of the year.

IV. Implementation of company equity incentive plans, employee stock incentive plans or other incentive measures

Applicable Not-applicable

On July 13, 2020, the 2nd meeting of the 8th Session of Board of Directors and the 2nd meeting of the 8th Session of Board of Supervisors reviewed and approved proposals such as “Proposal on <The Company's A-Share Restricted Stock Incentive Plan (Draft)> and its Summary” and “Proposal on <The Company's A-Share Restricted Stock Incentive Plan Implementation Assessment Management Measures>”. The independent directors expressed their independent agreement on the incentive plan.

On February 1, 2021, the 11th meeting of the 8th Session of Board of Directors and the 7th meeting of the 8th Session of Board of Supervisors reviewed and approved proposals such as “Proposal on <The Company's A-Share Restricted Stock Incentive Plan (Revised Draft) > and its Summary” and “Proposal on <The Company's A-Share Restricted Stock Incentive Plan Implementation Assessment Management Measures> (Revision)”. The independent directors expressed their independent agreement on the incentive plan revision.

On February 18, 2021, the Company held the first extraordinary general meeting in 2021, and reviewed and approved proposals such as “Proposal on <The Company's A-Share Restricted Stock Incentive Plan (Revised Draft) > and its Summary”, “Proposal on <The Company's A-Share Restricted Stock Incentive Plan Implementation Assessment Management Measures (Revision) >” and “Proposal on General Meeting Granting Full Authority to the Board of Directors to Handle Matters Related to Equity Incentives”.

On February 22, 2021, the Company held the twelfth meeting of the Session of Board of Directors and the 8th meeting of the Session of Board of Supervisors, which reviewed and approved proposals such as “Proposal on Adjusting the List of Incentive Objects and Incentive Quantity of the A-Share Restricted Stock Incentive Plan under Initial Granting” and “Proposal on Granting Restricted Stocks for the First Time to Incentive Objects of A-Share Restricted Stock Incentive Plan”. The independent directors expressed their independent agreement.

On March 3, 2021, the Company completed the registration of restricted stocks and disclosed the “Announcement on the Completion of the Registration of the Initial Granting of the A-Share Restricted Stock Incentive Plan”. 1,247 people were actually

granted with 76,195,400 restricted shares. The listing date of restricted shares was March 5, 2021.

On August 30, 2021, the Company held the 25th meeting of the 8th Session of Board of Directors and the 12th meeting of the 8th Session of Board of Supervisors, which reviewed and approved the “Proposal on Adjusting the Repurchase Price of A-Share Restricted Stock Incentive Plan” and “Proposal on Repurchase and Cancellation of Certain Restricted Shares Granted to Incentive Objects but still with Sales Restriction”. The independent directors expressed independent agreement.

On September 17, 2021, the Company held the second extraordinary general meeting in 2021, and reviewed and approved the “Proposal on Repurchase and Cancellation of Certain Restricted Shares Granted to Incentive Objects but still with Sales Restriction”.

On November 19, 2021, the Company held the 29th meeting of the 8th Session of Board of Directors and the 15th meeting of the 8th Session of Board of Supervisors, and reviewed and approved the “Proposal on Adjusting the Amount of Reserved A-Share Restricted Stock Incentive Plan” and “Proposal on Granting Reserved Restricted Stocks to the Incentive Objects of the A-Share Restricted Stock Incentive Plan”. The independent expressed independent agreement.

On December 21, 2021, the Company completed the repurchase and cancellation of all 1.036 million restricted shares that had been granted to the original 11 incentive objects but still had sales restrictions.

On December 30, 2021, the Company completed the registration of the reserved restricted stock and disclosed the “Announcement on the Completion of the Grant of the Reserved A-Share Restricted Stock of the Incentive Plan”; 356 people were granted with 17,761,200 reserved restricted stocks. The listing date of reserved restricted stocks was December 31, 2021.

Chapter 5 Environment and social responsibility

I. Major Environment Concerns

Whether the listed companies and their subsidiaries are the key pollutant discharge units published by the environmental protection department

√ Yes □ No

Name of the company or subsidiary	Main pollutants and specific pollutants	Discharge means	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/L)	Pollutant discharge standards	Total discharge (ton/year)	Total approved discharge (ton/year)	Excessive discharge	
Chongqing Changan Automobile Co., Ltd. Yubei Plant	Wastewater	COD	Intermittent discharge	3	Two outlets for workshop facilities, and one main outlet for the Plant	44.07	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by the Yubei District Sewage Treatment Plant in Chongqing	8.32	347.9	—
		Ammonia nitrogen				1.42		0.26	31.31	—
		Total nickel				0.2		0.03	0.17	—
		Total zinc				0.12		0.03	3.48	—
		Phosphate				0.18		0.04	0.7	—
	Exhaust gas	Sulfur dioxide	Organized discharge	28	Outlets around the Plant	3.36	Emission Standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB 50/577-2015); Emission Standards of Air Pollutants for Industrial Kiln and Furnace (DB 50/659-2016); Integrated Emission Standards of Air Pollutants (DB 50/418-2016); Emission Standards of Air Pollutants for Boiler (DB 50/658-2016)	0.56	16.95	—
		Nitrogen oxides				37.55		18.47	75.4	—
		Particulate matter				4.05		5.00	94.33	—
		Volatile organic compounds				1.27		1.72	221.21	—
		Toluene + Xylene				0.06		0.04	50	—
	Soil	During the reporting period, the Yubei Plant of Chongqing Changan Automobile Co., Ltd. was included in the List of Key Pollutant Discharge Units of Chongqing in 2022 with a total of 889.71 tons of hazardous waste generated in this period. 889.71 tons have been legally disposed of by manufacturers with hazardous waste operation qualifications.							—	

Chongqing Changan Automobile Co., Ltd. (Liangjiang Plant, Campus No. 1)	Wastewater	COD	Intermittent emissions	2	An outlet for workshop facilities, and one main outlet for the Plant	18.78	Integrated Wastewater	2.53	11.40	—
		Ammonia nitrogen				0.12	Discharge Standard (GB8978-1996); The	0.0338	1.14	—
		Total nickel				0.03	Influent Water Quality	0.006	0.06	—
		Total zinc				0.08	Requirements set by Guoyuanguang Sewage Treatment Plant in Chongqing	0.0005	0.07	—
	Exhaust gas	Sulfur dioxide	Organized emissions	32	Outlets around the Plant	6	Emission standard of Air	0.53	4.82	—
		Nitrogen oxides				26.06	Pollutants for Surface	2.58	19.3	—
		Particulate matter				9.4	Coating of Automobile Manufacturing Industry (DB 50/577-2015);	5.63	41.54	—
		Volatile organic compounds				8.84	Emission Standards of	3.2	58.59	—
		Toluene + xylene				0.16	Air Pollutants for Industrial Kiln and Furnace (DB 50/659-2016); Integrated Emission Standards of Air Pollutants (DB 50/418-2016); Emission Standards of Air Pollutants for Boiler (DB 50/658-2016)	0.41	4.18	—
	Soil		During the reporting period, Liangjiang Plant, Campus No. 1 of Changan Automobile was included in the List of Key Pollutant Discharge Units of Chongqing in 2022 with a total of 1,162.49 tons of hazardous waste in this period. A total of 1,005.76 tons were legally disposed of by manufacturers with hazardous waste operation qualifications.							—
Chongqing Changan Automobile Co., Ltd. (Liangjiang Plant, Campus No. 2)	Wastewater	COD	Intermittent emissions	2	An outlet for workshop facilities, and one main outlet for the Plant	51	Integrated Wastewater	15.04	46	—
		Ammonia nitrogen				1.875	Discharge Standard (GB8978-1996); The	1.17	4.6	—
		Total nickel				0.043	Influent Water Quality	0.002	0.14	—
		Total zinc				0.06	Requirements set by the Guoyuanguang Sewage Treatment Plant in Chongqing	0.01	1.38	—
	Exhaust gas	Sulfur dioxide	Organized emissions	47	Outlets around the Plant	0	Emission standard of Air	0	4.12	—
		Nitrogen oxides				60.8	Pollutants for Surface	13.09	26.6	—
		Particulate matter				7.765	Coating of Automobile Manufacturing Industry (DB 50/577-2015);	20.43	50.61	—
		Volatile organic compounds				10.194	Emission Standards of	165.88	414.1	—
		Toluene + xylene				0.649	Air Pollutants for Industrial Kiln and	0.48	1.54	—

							Furnace (DB 50/659-2016); Integrated Emission Standards of Air Pollutants (DB 50/418-2016); Emission Standards of Air Pollutants for Boiler (DB 50/658-2016)				
	Soil		During the reporting period, Liangjiang Plant, Campus NO. 2 was included in the List of Key Pollutant Discharge Units of Chongqing in 2022 with a total of 1,455.52 tons of hazardous waste. 1,455.52 tons were legally disposed of by manufacturers with hazardous waste operation qualifications.								—
Chongqing Changan Automobile Co., Ltd. (Liangjiang Plant, Campus No. 3)	Wastewater	COD	Intermittent emissions	2	An outlet for workshop facilities, and one main outlet for the Plant	47	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by the Guoyuanguang Sewage Treatment Plant in Chongqing	9.08	45	—	
		Total nickel				0.13		0.01	0.1	—	
		Ammonia nitrogen				2.22		0.39	1.6	—	
		Total zinc				0.14		0.01	0.79	—	
	Exhaust gas	Particulate matter	Organized emissions	41	Outlets around the Plant	10.6	Emission Standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB 50/577-2015); Emission Standards of Air Pollutants for Industrial Kiln and Furnace (DB 50/659-2016); Integrated Emission Standards of Air Pollutants (DB 50/418-2016); Emission Standards of Air Pollutants for Boiler (DB 50/658-2016)	7.88	62.42	—	
		VOCs				18.8		5.75	230.72	—	
		SO2				0		0.28	5	—	
		Toluene + xylene				0.491		0.19	0.85	—	
		NOx				19		2.46	23.32	—	
	Soil		During the reporting period, Liangjiang Plant, Campus NO. 3 was included in the List of Key Pollutant Discharge Units in Chongqing in 2022 with a total of 1,140.87 tons of hazardous waste generated in this period. 1,147.73 tons were legally disposed of by manufacturers with hazardous waste operation qualifications.								—
	COD		1		119.9		10.03	22.5	—		

Chongqing Changan Automobile Co., Ltd. (Jiangbei Engine Plant)	Wastewater	Ammonia nitrogen (NH ₃ -N)	Intermittent emissions		Main outlet for the Plant	4.705	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by the Guoyuancang Sewage Treatment Plant in Chongqing	0.33	2.25	—
	Exhaust gas	Particulate matter	Organized emissions	91	Outlets around the Plant	9.2	Emission Standards of Air Pollutants for Industrial Kiln and Furnace (DB 50/659-2016); Integrated Emission Standards of Air Pollutants (DB 50/418-2016)	7.41	—	—
		SO ₂				3		3.44	—	—
		VOCs				7.5		0.19	—	—
	NO _x				8		4.62	—	—	
	Soil	During the reporting period, Jiangbei Engine Plant, Plant NO. 1 was included in the List of Key Pollutant Discharge Units in Chongqing in 2022, and a total of 1,550 tons of hazardous waste was generated in this period. 1,550 tons were legally disposed of by manufacturers with hazardous waste operation qualifications.							—	
Chongqing Changan Automobile Co., Ltd. (Jiangbei Engine Plant, Plant No. 2)	Wastewater	COD	Intermittent emissions	1	Main outlet for the Plant	16.4	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by Guoyuancang Sewage Treatment Plant in Chongqing	4.70	11.08	—
		Ammonia nitrogen (NH ₃ -N)				7.64		0.05	1.11	—
	Exhaust gas	Non-methane total hydrocarbons	Organized emissions	35	Outlets around the factory	7.155	Emission Standards of Air Pollutants for Industrial Kiln and Furnace (DB 50/659-2016); Integrated Emission Standards of Air Pollutants (DB 50/418-2016)	3.22	—	—
		Nitrogen oxides				63.5		1.47	—	—
		Particulate matter				19.45		4.17	—	—
		Phenols				3.426		1.07	—	—
		Sulfur dioxide				3		0.83	—	—
Formaldehyde	0.021	0.01	—	—						
	Soil	During the reporting period, Jiangbei Engine Plant, Plant NO. 2 was included in the List of Key Pollutant Discharge units in Chongqing in 2022, and a total of 2,865 tons of hazardous waste was generated in this period. 2,865 tons were legally disposed of by manufacturers with hazardous waste operation qualifications.							—	
Chongqing Lingyao	Wastewater	COD	Intermittent emissions	3	An outlet for workshop facilities,	36.19	Integrated Wastewater Discharge Standard (GB8978-1996); The	2.99	25.76	—
		Ammonia nitrogen				1.79		0.17	3.48	—

Automobile Co., Ltd.		Total nickel			and two main outlets for the Plant	0.04	Inlet Water Quality Requirements set by Guoyuanguang Sewage Treatment Plant in Chongqing	0	0.03	—
		Total zinc				0.04		0.003	0.13	—
		Phosphate				0.1		0.01	0.7	—
	Exhaust gas	Organized emissions	36	Outlets around the Plant	Particulate matter	10.2	Emission Standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB 50/577-2015);	12.85	19.24	—
					Volatile organic compounds	2.38	Emission Standards of Air Pollutants for Industrial Kiln and Furnace (DB 50/659-2016);	4.02	213.66	—
Toluene + xylene					0.07	Integrated Emission Standards of Air Pollutants (DB 50/418-2016); Emission Standards of Air Pollutants for Boiler (DB 50/658-2016)	0.97	51.95	—	
Soil		During the reporting period, Chongqing Lingyao Automobile Co., Ltd. (Changan Suzuki) was included in the List of Key Pollutant Discharge Units in Chongqing in 2022, and a total of 847.66 tons of hazardous waste was generated in this period. 847.66 tons were legally disposed of by manufacturers with hazardous waste operation qualifications.							—	
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Company	Wastewater	COD	Intermittent emissions	2	An outlet for workshop facilities, and a main outlet for the Plant	78.58	Integrated Discharge Standard of Water Pollutants (DB11/307-2013)	7.25	63.68	—
		Ammonia nitrogen				6.99		0.29	3.81	—
		Total nickel				0.038		0.0003	0.01	—
		Phosphate				2.19		0.02	5.71	—
	Exhaust gas	Organized emissions	53	Outlets around the Plant	Nitrogen oxides	37.1	Emission standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB11/1227-2015);	0.12	3.21	—
Volatile organic compounds					2.26	Integrated Emission Standards of Air Pollutants (DB11/501-2017)	4.13	458.76	—	
Soil		During the reporting period, Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Company was included in the List of Key Pollutant Discharge units in Beijing in 2022. A total of 248.81 tons of hazardous waste was generated in this period, which was legally disposed of by manufacturers with hazardous waste operation qualifications.							—	

Hefei Changan Automobile Co., Ltd.	Wastewater	COD	Intermittent emissions	3	Two outlets for workshop facilities, and a main outlet for the Plant	35.16	Integrated Wastewater Discharge Standard (GB8978-1996); The Pipe Standards set by Hefei West Group Sewage Treatment Plant	12.47	144.13	—	
		Total nitrogen				6.18		2.25	39.44	—	
		Total nickel				0.03		0.0027	0.09	—	
		Total phosphorus				0.15		0.058	4.73	—	
		Ammonia nitrogen				4.98		0.15	14.41	—	
Hefei Changan Automobile Co., Ltd.	Exhaust gas	VOCs	Organized emissions	88	Outlets around the Plant	4.5	Emission Control Standard for Industrial Enterprises Volatile Organic Compounds of Tianjin (DB12/524-2020)	3.72	1139.6	—	
		Soil				During the reporting period, Hefei Changan Automobile Co., Ltd. was included in the List of Key Pollutant Discharge Units in Hefei in 2022, and a total of 898 tons of hazardous waste was generated in this period, which was legally disposed of by manufacturers with hazardous waste operation qualifications.					
Nanjing Changan Automobile Co., Ltd.	Wastewater	COD	Intermittent emissions	2	An outlet for workshop facilities, and a main outlet for the Plant	37.55	Integrated Wastewater Discharge Standard (GB8978-1996); The Pipe Standards set by Nanjing Lishui Qinyuan Sewage Treatment Co., Ltd.	0.90	13.34	—	
		Total nitrogen				2.83		0.06	14.24	—	
		Total nickel				0.19		0.002	0.06	—	
		Total phosphorus				0.19		0.004	0.08	—	
		Ammonia nitrogen (NH ₃ -N)				0.94		0.02	0.26	—	
	Nanjing Changan Automobile Co., Ltd.	Exhaust gas	NO _x	Organized emissions	6	Outlets around the Plant	9.67	Emission Standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB32/2862 – 2016); Integrated Emission Standards of Air Pollutants (GB 16297 - 1996); Emission Standards of Air Pollutants for Boiler (GB13271-2014)	0.48	8.79	—
			Particulate matter				0.6		0.52	10.24	—
			VOCs				4.3		3.39	38.48	—
			SO ₂				3		0.06	53.4	—
	Soil		During the reporting period, Nanjing Changan Automobile Co., Ltd. was included in the List of Key Pollutant Discharge Units in Nanjing in 2022, and a total of 223.50 tons of hazardous waste was generated in this period. 258.62 tons were legally disposed of by manufacturers with hazardous waste operation qualifications.							—	

Chongqing Changan Kaicene Automobile Technology Co., Ltd. Campus NO.1	Wastewater	Ammonia nitrogen	Intermittent emissions	2	An outlet for workshop facilities, and a main outlet for the Plant	8.44	Integrated wastewater discharge standard (GB8978-1996); The Influent Water Quality Requirements Set by Gezhouba Water Dingzhou Branch	0.10	4.8	—
		COD				156		5.13	63.71	—
		Total nitrogen				17.46		0.21	7.32	—
		Total phosphorus				0.12		0.05	0.92	—
		Total nickel				0.05		0.001	0.03	—
	Exhaust gas	Sulfur dioxide	Organized emissions	46	Outlets around the plant	7.5	Integrated Emission Standards of Air Pollutants GB16297-1996; Emission Standards of Air Pollutants for Industrial Kiln and Furnace DB1640-2012; Emission Control Standards for Volatile Organic Compounds by Industrial Enterprises DB13/2322-2016; Emission Standards of Air Pollutants for Boiler (DB13/5161-2020)	0.12	30.01	—
		Non-methane total hydrocarbons				1.505		4.25	570.34	—
		Particulate matter				5.3		3.17	53.4	—
		Nitrogen oxides				23.5		4.10	31.47	—
	Soil		During the reporting period, Campus NO.2 of Chongqing Changan Kaicene Automobile Technology Co., Ltd. (formerly known as Hebei Changan) was included in the List of Key Pollutant Discharge Units in Dingzhou In 2022, with a total of 305.34 tons of hazardous waste generated in this period, of which 295.58 tons have been legally disposed of by suppliers with hazardous waste operation qualifications.							—
Chongqing Changan Kaicene Automobile Technology Co., Ltd. Campus NO.2	Wastewater	COD	Intermittent emissions	2	A workshop facility discharge outlet, and one factory total discharge outlet	185	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements Set by Gezhouba Water Dingzhou Branch	4.23	63.71	—
		Ammonia nitrogen				9.56		0.18	4.8	—
		Total nitrogen				11.61		0.44	7.32	—
		Total phosphorus				1.43		0.14	0.92	—
		Nickel				0.05		0.003	0.03	—
	Exhaust gas	Sulfur dioxide	Organized emissions	82	Outlets around the plant	3	Integrated Emission Standards of Air Pollutants GB16297-1996; Emission Standards of Air Pollutants for Industrial Kiln and Furnace DB1640-2012; Emission Control	1.39	88.23	—
		Nitrogen oxides				24.33		5.40	33.75	—
		Particulate matter				5.77		9.02	850.8	—
		Volatile organic compounds				2.87		50.84	880.62	—

						Standards for Volatile Organic Compounds by Industrial Enterprises DB13/2322-2016; Emission Standards of Air Pollutants for Boiler (DB13/5161-2020)		
	Soil	During the reporting period, Campus NO.2 of Chongqing Changan Kaicene Automobile Technology Co., Ltd. (formerly known as Changan Bus) was included in the List of Key Pollutant Discharge Units in Dingzhou in 2022. A total of 481.48 tons of hazardous waste were generated in this period, and 463.98 tons were legally disposed of by suppliers with hazardous waste operation qualifications.						—

Construction and operation of pollution prevention facilities

No new pollution prevention facilities were built during the reporting period. The main waste gas management facilities include foundry dust removal and deodorization facilities in engine factories, oil mist filtration facilities, welding dust removal facilities in vehicle factories and treatment facilities for coating volatile organic waste gas. Together with wastewater treatment facilities, they are included in preventive maintenance management of equipment, with account books, operation instructions, preventive maintenance rules, preventive maintenance plans and implementation records as well as operating records including equipment spot inspection, dosing, de-slugging and consumables replacement. The facilities are running normally. The key pollutant discharge units are all equipped with automatic wastewater and waste gas monitoring facilities and entrusted the third-party company to operate and maintain the facilities.

Administrative licensing of environmental impact assessment and other environmental protection for construction projects

In accordance with the Law of the People's Republic of China on Evaluation of Environmental Effects, the Regulations on the Administration of Construction Project Environmental Protection, Chongqing's Regulation on Environmental Protection, and the Interim Measures for the Construction Project Completion of Environmental Protection and Acceptance, the environmental impact evaluation and completion acceptance of the newly built, renovated and expanded projects strictly implement the environmental impact evaluation system and the "three-simultaneous" system.

During the reporting period, the company obtained the approval of renovation project of new series of NEV assembly line in Plant 1 of Liangjiang Plant and the technical renovation project of X70A series MPV. The company received environmental acceptance of the CD569 production line project, B561 series passenger vehicle technical renovation project and Q612 production line technical renovation project.

For details of the changes in emission permits of each manufacturing base during the reporting period, please refer to the "National Emission Permit Management Information Platform" (Website: [http:// permit.mee.gov.cn](http://permit.mee.gov.cn)).

Emergency preparedness and exercises of emergency environmental events

The company continues to carry out environmental protection emergency exercises and improve the ability to deal with environmental emergencies. During the reporting period, Jiangbei Engine Plant, Plant No. 2 and Nanjing Changan Automobile Co., Ltd. revised and recorded plans for environmental emergencies as follows.

Units	Emergency Plans	File Number	Government Branches	Major Risky Materials	Environment Risk Level

Jiangbei Engine Plant, Plant No. 2	Chongqing Changan Automobile Co., Ltd. Jiangbei Engine Plant (Campus No. 1) Emergency Plan for Emergency Accidents	50012820 22050009	Chongqing Municipal Ecology and Environment Bureau, Liangjiang New Area Branch	Emulsion, cutting fluid, gasoline, engine oil, etc.	High
Nanjing Changan Automobile Co., Ltd.	Nanjing Changan Emergency Plan for Environment Accidents	32012420 22087L	Nanjing Municipal Lishui Ecology and Environment Bureau	Sulfuric acid, hydrochloric acid, lubricating oil, gasoline, etc.	Medium

Each base formulated emergency drill plans in accordance with laws and regulations, carried out emergency drills according to the plan, and continuously improved the practicability of the emergency plan and the emergency response skills of employees. No environmental emergencies occurred during the reporting period.

Formulation and implementation of environment self-monitoring plans

During the reporting period, key discharge units of Changan Automobile formulated and implemented self-monitoring plans. Information disclosure has been made at websites according to the requirements of the local ecological environment authorities. The websites are as follows.

Units	Platform of Releasing Self-Monitoring Plans	Websites
Yubei Plant, Liangjiang Plant, Jiangbei Engine Plant, Lingyao Auto	Key pollution source monitoring data release platform	http://119.84.149.34:20003/publish2/dataSearchPub/entList.aspx
Beijing Changan Automobile Company	Beijing Municipal Release Platform of Business and Public Institutions Environmental Information	http://xxgk.bevoice.com.cn/monitor-pub/index.do
Hefei Changan Automobile Co., Ltd.	Anhui Provincial Release Platform of Discharging Units Self-Monitoring Information	http://39.145.0.253:8081/index
Nanjing Changan Automobile Co., Ltd.	Jiangsu Provincial Release Platform of Discharging Units Self-Monitoring Information	http://218.94.78.61:8080/newPub/web/home.htm
Kaicene Automobile Technology Co., Ltd. (formerly known as Hebei Changan or Baoding Changan Bus)	National Pollution Source Monitoring Information Management and Sharing Platform	https://wryjc.cnemc.cn/gkpt/mainZxjc/130000

Administrative penalties for environmental problems during the reporting period

None.

Measures taken to reduce carbon emissions and the results during the reporting period

√ Applicable □ Not applicable

Our carbon peak and carbon neutrality goals: to peak carbon emissions by 2027 and achieve carbon neutrality by 2045. The company strives to reduce the carbon emission intensity per unit of production by 30% by 2025 and reduce the carbon emission of the supply chain by 30% in 2030 compared to 2020.

To fulfill these goals, in the first half of 2022, Changan manufacturing units have taken solid steps in energy saving and carbon reduction, with carbon emissions per unit down by 12% from the end of the “13th Five-Year Plan”. We actively carried forward energy restructuring. Hefei and Hebei bases have built 42MW photovoltaic power plants. We took the initiative in generating and using green and clean energy. In the first half of the year, Changan consumed a total of 19 million kWh of green power with a carbon emission

reduction of 16,000 tons. Chongqing and Nanjing bases have been steadily building photovoltaic plants, which will add 57MW installed capacity, about 46.64 million kWh green power every year. The equivalent carbon emission reduction will be 41,000 tons every year. We will scale up the share of green power to reduce carbon emissions.

The company carried out low-carbon technology research in multiple fields. In the field of new energy, we mastered 25 core technologies including Cell to Chassis, X-in-one e-powertrain, central controller development and VEM testing. We aim to build a new energy powertrain system platform with excellent performance, quality and cost efficiency and provide users with a worry-free, safe and reliable low-carbon mobility experience. In the field of new power, we focus on the layout of high-efficiency hybrid power, intelligent plug-in hybrid systems and hydrogen engines to offer solutions with multiple powertrain options and build an industry-leading BlueCore powertrain platform to provide users with “efficient, low-carbon and intelligent” interaction experience. In the field of new materials, we focused on the R&D in integrated aluminum alloy die-casting technology, advanced thermoforming technology, steel and aluminum hybrid body technology. The company completed research on the performance of key low-carbon materials such as recycled aluminum alloy, recycled PP, recycled fabrics and bio-based nylon. By 2030, the application of low-carbon materials will be more than 40%, which will reduce the carbon emission of vehicle material by 30%.

In the future, Changan will continue to strengthen technology and system innovation, and make breakthroughs in green low-carbon core technologies and accelerate the application. With carbon reduction as the key strategic direction, the company will promote the reduction of pollution and carbon emissions in manufacturing, products, supply chain, etc. Also, Changan will promote the overall green transformation of economic and social development and improve the ecological and environmental quality from quantitative change to qualitative change.

Others (environmental credit evaluation and solid waste disposal)

During the reporting period, Liangjiang Plant, Jiangbei Engine Plant, Yubei Plant, Lingyao Automobile and other production bases carried out environmental credit evaluation in 2021 according to the requirements of the local authorities of ecological environment.

During the reporting period, 74,003 tons of general industrial solid waste were generated, of which 73,893 tons were disposed. 12,122 tons of hazardous waste were generated, of which 11,981 tons were disposed. The company has verified the qualifications and technical capabilities of the third party entrusted to dispose of the waste.

II. Social Responsibility

Guided by *Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era*, Changan Auto fully applied the guiding principles of the 19th CPC National Congress and all the plenary sessions of the 19th CPC Central Committee. The company deeply implemented the spirit of the *State Council of the Central Committee on Promoting Rural Revitalization in 2022*, and firmly implemented the decisions and plans of the government, highlighted annual tasks, targeted initiatives and practical orientation. Changan effectively advanced dedicated poverty alleviation efforts, fulfilled the political and social responsibilities and contributed our part to the comprehensive promotion of rural revitalization.

1. Strengthening organizational leadership

(1) The company held two meetings of the leading group for dedicated poverty alleviation to study the annual work plan and review and adjust the company’s leading group for dedicated poverty alleviation.

(2) The company held 21 meetings on the theme of dedicated poverty alleviation for rural revitalization to identify key assistance projects, study the plan, formulate measures and promote the work.

2. Promoting assistance projects

(1) Industrial support

The company implemented the local government's overall plan for implementing rural revitalization, with the new mode of "enterprises joining hands with enterprises to drive industry". By promoting marketing and sales channels, improving the brand and corporate image, building business management system, we fully boosted the Youyang Camellia Oil assistance project for rural revitalization and strived to create a new form of cross-field charity, fulfilling social responsibility as a state-owned enterprise. In the first half of the year, we helped to achieve sales of camellia oil of RMB 18,716,000.

For industries with distinctive features in Chongqing, the company formulated the assistance plan and encouraged employees to purchase Tan Mei Zi chili products and sold the products through Changan Mall, achieving a sales assistance of RMB43,500.

(2) Skills support

To give full play to the advantages of the automobile industry by skill training, the company signed a project cooperation agreement and an agreement on the integration of industry and education with Chongqing Youyang Vocational Education Center to promote local employment. We implemented campus recruitment in Youyang, Chongqing and recruited a total of 120 students.

(3) Support through consumption

The pro-consumption projects were launched to promote rural revitalization. In the first half of the year, RMB426,400 of agricultural products were sold from the areas targeted for assistance. Trade union organizations at all levels gave priority to agricultural and subsidiary agricultural products for targeted assistance when purchasing gifts and rewards for employees. The trade union made full use of various traditional media and new forms of media of increase support through consumption and encouraged employees to purchase and help to sell the products, broadened the sales channels and promoted the industrial development of the areas and increased stable income of the people.

3. Review and mobilization campaign

The company reviewed the work of rural revitalization and mobilize all units to take the initiative and committed to the work to create a good atmosphere for jointly promoting rural revitalization. The project management team of designated assistance for rural revitalization was awarded the honorary title of "Chongqing Pioneer Worker" by the Chongqing Municipal Federation of Trade Unions.

Chapter 6 Important Matters

I. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

Applicable Not applicable

Undertakings	Undertaking party	Type of undertaking	Description	Date	Duration	Performance
Undertakings made at the IPO or refinancing	China South Industries Group Co., Ltd.; China Changan Automobile Group Co., Ltd.; Southern Industry Asset Management Co., Ltd.	Sales restrictions for shares	The shares of Changan Automobile subscribed through this offering shall not be transferred in any way within 36 months after the offering, including but not limited to public transfer through the securities market or by agreement.	October, 2020	36 Months	In normal progress
Whether the promise is fulfilled as scheduled	Yes					

II. Non-operating funds the listed company occupied by controlling shareholders and their related parties

Applicable Not applicable

During the reporting period, there was no non-operating funds of the listed company occupied by the controlling shareholder and related parties.

III. Irregular external guarantee

Applicable Not applicable

The Company has no irregular external guarantee during the reporting period.

IV. Appointment and dismissal of the accounting firm

Is the semi-annual financial report audited?

Yes No

V. The board of directors, and supervisors explaining the "non standard audit report" from the accounting firm during the reporting period

Applicable Not-applicable

VI. The board of directors explaining the "non standard audit report" of last year

Applicable Not-applicable

VII. Bankruptcy and restructuring

Applicable Not applicable

During the report period, there is no bankruptcy or restructuring.

VIII. Crucial litigation events

Crucial litigation and arbitration events

Applicable Not-applicable

During the report period, the company has no crucial litigation or arbitration events.

Other litigation events

Applicable Not-applicable

IX. Punishment and rectification

Applicable Not applicable

X. The integrity of company, its controlling shareholder and actual controller

Applicable Not applicable

XI. Significant related-party transactions

1. Related-party transactions related to daily operation

Applicable Not-applicable

For details, please refer to Note 12 "Related Party Relationships and Transactions" under Chapter 10.

2. Related-party transaction of acquisition or sales of assets or equity

Applicable Not applicable

3. Related-party transactions of common foreign investment

Applicable Not applicable

4. Related rights and debt relations

Applicable Not-applicable

For details, please refer to Note 12 "Related Party Relationships and Transactions" under Chapter 10.

Whether there is any non-business-related credits and debts

Yes No

There is no non-operating associated credits and debts during the reporting period.

5. Transactions with associated financial companies

Applicable Not applicable

Deposit

Related party	Relationship	Maximum daily deposit limit (RMB: 10,000)	Interest rate	Beginning balance (RMB: 10,000)	Amount incurred in the current period		Ending balance (RMB: 10,000)
					Total deposit amount (RMB: 10,000)	Total withdrawal amount (RMB: 10,000)	
China South Industries Group Finance Co., Ltd.	A company controlled by the actual controller of Changan Automobile	2,000,000	0.35%-2.1%	1,965,298	14,841,430	15,120,446	1,686,282
Changan Automobile Finance Co., LTD	A company controlled by the actual controller of Changan Automobile	1,500,000	2.25%	1,200,000	330,000	480,000	1,050,000

Loan

Related party	Relationship	Loan amount (RMB: 10,000)	Interest rate	Beginning balance (RMB: 10,000)	Amount incurred in the current period		Ending balance (RMB: 10,000)
					Total amount of loan (RMB: 10,000)	Total repayment amount (RMB: 10,000)	
China South Industries Group Finance Co., Ltd.	A company controlled by the actual controller of Changan Automobile	50,000	1%-4.75%	7,330	6,807	90	14,047

Credit granting or other financial business

Related party	Relationship	Business	Total amount (RMB: 10,000)	Actual amount incurred (RMB: 10,000)
China South Industries	A company controlled by	Credit granting	950,000	313,250

Group Finance Co., Ltd.	the actual controller of Changan Automobile			
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6. Transactions between the financial company controlled by the company and related parties

Applicable Not applicable

7. Other significant related-party transactions

Applicable Not applicable

Interim announcement of major related-party transactions on the website

Interim announcement	Interim announcement date	Wwebsite
Announcement of Expected Related-party Transactions in the Ordinary Course of 2022	April 28, 2022	http://www.cninfo.com.cn
Announcement on Related-party Transactions of China South Industries Group Finance Co., Ltd. Providing Financial Services for Changan Automobile	May 21, 2022	
Announcement on Related-party Transactions of Changan Automobile Finance Co., Ltd. Providing Financial Services for Changan Automobile	May 21, 2022	

XII. Major contracts and their performance**1. Custody, contracting and leasing****(1) Custody**

Applicable Not-applicable

Custody information

There is no custody during the reporting period.

(2) Contracting

Applicable Not-applicable

There is no contracting during the reporting period.

(3) Leasing

Applicable Not-applicable

Leasing information

Leasing of related parties can be found in Item 5 (2) of Note twelve of Financial Statements "Related Party and Related Transactions".

Projects whose profit and loss to the company account for more than 10% of total profits during the reporting period.

Applicable Not-applicable

There was no project whose profit and loss to the company accounted for more than 10% of total profits during the reporting period.

2. Guarantee

Applicable Not-applicable

There's no guarantee during the report period.

3. Entrust wealth management

Applicable Not-applicable

There's no entrusting wealth management during the reporting period.

4. Other major contracts

Applicable Not applicable

There are no other major contracts of the Company during the reporting period.

XIII. Other important events

Applicable Not applicable

XIV. Important matters of the Company's subsidiary

Applicable Not applicable

Chapter 7 Changes in the Shareholding of the Company and Shareholders

I. Change in shareholdings

1. Change in shareholdings

Unit: One share

	Before change		Changes (+, -)					After change	
	Quantity	Ratio	Additional issued	Stock dividend	Provident fund transfer	Other	Subtotal	Quantity	Ratio
I. Shares with sales restrictions	519,818,865	6.81%			155,945,659		155,945,659	675,764,524	6.81%
1. State-owned legal person shares	396,393,645	5.19%			118,918,093		118,918,093	515,311,738	5.19%
2. Other domestic shares	122,490,320	1.61%			36,747,096		36,747,096	159,237,416	1.61%
Including: Domestic legal person shares									
Domestic natural person shares	122,490,320	1.61%			36,747,096		36,747,096	159,237,416	1.61%
3. Foreign shares	934,900	0.01%			280,470		280,470	1,215,370	0.01%
Including: Foreign legal person shares									
Foreign natural person shares	934,900	0.01%			280,470		280,470	1,215,370	0.01%
II. Shares without sales restrictions	7,112,334,537	93.19%			2,133,700,361		2,133,700,361	9,246,034,898	93.19%
1. Ordinary shares denominated in RMB	5,849,553,939	76.64%			1,754,866,182		1,754,866,182	7,604,420,121	76.64%
2. Domestic listed foreign shares	1,262,780,598	16.55%			378,834,179		378,834,179	1,641,614,777	16.55%
III. Total shares	7,632,153,402	100.00%			2,289,646,020		2,289,646,020	9,921,799,422	100.00%

Reasons for share change

√ Applicable □ Not applicable

The company implemented the 2021 annual equity distribution (see the "Announcement on the Implementation of 2021 Annual Dividend Distribution and Capital Share Increase by Transfer" for more information). The distribution plan went: based on the total capital share of 7,632,153,402, distribute RMB 2.33 for each 10 shares Cash (tax included) to all shareholders and increase by transferring 3 shares for each 10 shares to all shareholders by capital reserve. The total number of capital share was 9,921,799,422 after the transfer.

Approval of share change

√ Applicable □ Not applicable

The matter was reviewed and approved by the 38th meeting of the 8th Session of Board of Directors on April 26, 2022, and was

reviewed and approved by the company's 2021 annual general meeting of shareholders on June 15, 2022.

Transfer of shares

Applicable Not applicable

See Chapter 7, I, 1, "Reasons for share change" for details.

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reducing and repurchasing shares by means of centralized bidding

Applicable Not applicable

Impact of share changes on financial indicators such as basic earnings per share and diluted earnings per share in the latest year and the latest period, and net assets per share attributable to ordinary shareholders of the company

Applicable Not applicable

The basic earnings per share at the beginning of the reporting period was RMB 0.17 yuan per share, and at the end of the period is 0.60 yuan per share. The diluted earnings per share at the beginning of the reporting period was RMB 0.17 yuan per share, and at the end of the period is 0.59 yuan per share. The net assets per share attributable to ordinary shareholders at the beginning were RMB 7.30 per share, and at the end of the period is RMB 6.12 per share.

Other information deemed necessary by the company or required by securities regulators to disclose

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: share(s)

Name of shareholders	Number of restricted shares at the beginning of the period	Number of shares with sales restriction removed during the reporting period	Increase during the reporting period	Number of restricted shares at the end of the period	Reasons for restrictions	Date of removal of sales restriction
China South Industries Group Co., Ltd.	3,870,280	-	1,161,084	5,031,364	Non-public issuance of A shares in 2020	2023-10-26
China Changan Automobile Group Co., Ltd.	130,841,122	-	39,252,336	170,093,458	Non-public issuance of A shares in 2020	2023-10-26
Southern Industry Asset Management Co., Ltd.	261,682,243	-	78,504,673	340,186,916	Non-public issuance of A shares in 2020	2023-10-26
Zhu Huarong	26,460	-	7,938	34,398	Lock-up stocks for executives	6 months after the retirement
A-share restricted stock	34,860,395	-	10,458,118	45,318,513	Equity incentive	2023-03-05
A-share restricted stock	34,860,395	-	10,458,118	45,318,513	Equity incentive	2024-03-05
A-share restricted stock	35,916,770	-	10,775,032	46,691,802	Equity incentive	2025-03-05
A-share restricted stock	5,861,196	-	1,758,359	7,619,555	Equity incentive	2023-12-31
A-share restricted stock	5,861,196	-	1,758,359	7,619,555	Equity incentive	2024-12-31
A-share restricted stock	6,038,808	-	1,811,642	7,850,450	Equity incentive	2025-12-31
Total	519,818,865	-	155,945,659	675,764,524	--	--

II. Issuing and listing of securities

Applicable Not-applicable

III. Shareholding and shareholders of the company

Unit: share(s)

At the end of the report period, the total number of shareholders	664,305			Number of shareholders holding preference shares with restored voting rights at the end of the reporting period			0	
Shareholders holding more than 5% of the shares, or top 10 shareholders								
Name	Nature	Percentage	Number of shares held as of the end of the reporting period	Increase/ decrease during the Reporting Period	Number of shares held with sales restrictions	Number of shares held without sales restrictions	Condition of shares (pledged, labeled or frozen)	
							Status	Amount
China Changan Automobile Group Co., Ltd.	State-owned legal person	17.97%	1,783,090,143	411,482,340	170,093,458	1,612,996,685	Not pledged, labeled or frozen	
China South Industries Group Co., Ltd.	State-owned legal person	14.22%	1,410,747,155	285,364,756	5,031,364	1,405,715,791		
Southern Industry Asset Management Co., Ltd.	State-owned legal person	5.10%	506,243,257	49,175,367	340,186,916	166,056,341		
China Securities Finance Co., Ltd.	Domestic general legal person	4.30%	426,362,905	98,391,439		426,362,905		
United Prosperity Investment Co., Ltd.	Foreign legal person	2.83%	280,498,832	64,730,500		280,498,832		
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	1.67%	165,913,975	-74,772,465		165,913,975		
China Merchants Securities (HK) Co., Ltd.	State-owned legal person	0.50%	50,022,341	-5,669,661		50,022,341		
China Construction Bank Corporation - Huaxia Energy Reform Equity Securities Investment Fund	Funds, wealth management products, etc.	0.49%	49,073,312	-6,799,132		49,073,312		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.46%	45,203,695	15,039,257		45,203,695		
China Construction Bank Co., Ltd. - China Guangfa Securities Co., Ltd. (all index auto) initiated securities	Funds, wealth management products, etc.	0.44%	43,352,836	20,339,989		43,352,836		

investment fund							
Description of the related party relationship or acting in concert among the above shareholders	Among the top 10 shareholders, the actual controller China South Industries Group Co., Ltd. and its wholly-owned subsidiary Southern Industry Asset Management Co., Ltd., the controlling shareholder China Changan Automobile Group Co., Ltd. and its wholly-owned subsidiary United Prosperity Investment Co., Ltd. are parties acting in concert by “Measures for the Administration of Takeover of Listed Companies”.						
Description of the above-mentioned shareholders entrusting/being entrusted with voting rights and waiver of voting rights	None						
Shareholdings of the top 10 ordinary shareholders of unrestricted shares							
Shareholders	Number of shares without sales restrictions at the end of the reporting period	Shares type					
		Type	Number				
China Changan Automobile Group Co., Ltd.	1,612,996,685	RMB ordinary shares	1,612,996,685				
China South Industries Group Co., Ltd.	1,405,715,791	RMB ordinary shares	1,405,715,791				
China Securities Finance Co., Ltd.	426,362,905	RMB ordinary shares	426,362,905				
United Prosperity Investment Co., Limited	280,498,832	Domestic listed foreign shares	280,498,832				
Southern Industry Asset Management Co., Ltd.	166,056,341	RMB ordinary shares	166,056,341				
Hong Kong Securities Clearing Co., Ltd.	165,913,975	RMB ordinary shares	165,913,975				
China Merchants Securities (HK) Co., Ltd.	50,022,341	Domestic listed foreign shares	50,022,341				
China Construction Bank Corporation - Huaxia Energy Reform Equity Securities Investment Fund	49,073,312	RMB ordinary shares	49,073,312				
Guotai Junan Securities(Hongkong) Limited	45,203,695	Domestic listed foreign shares	45,203,695				
China Construction Bank Co., Ltd. - China Guangfa Securities Co., Ltd. (all index auto) initiated securities investment fund	43,352,836	RMB ordinary shares	43,352,836				
Description of the related relationship or acting in concert among the top 10 shareholders of unrestricted circulating shares, and between the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders	Among the top 10 shareholders, the actual controller China South Industries Group Co., Ltd. and its wholly-owned subsidiary Southern Industry Asset Management Co., Ltd., the controlling shareholder China Changan Automobile Group Co., Ltd. and its wholly-owned subsidiary United Prosperity Investment Co., Ltd. are parties acting in concert as stipulated in the “Measures for the Administration of Takeover of Listed Companies”.						
Description of the top 10 ordinary shareholders participating in the margin trading and securities lending business	None						

Whether the top 10 shareholders of ordinary shares, and the top 10 shareholders of ordinary shares without sales restrictions agreed on the repurchase transactions during the report period

Yes No

The top 10 shareholders of ordinary shares, and the top 10 shareholders of ordinary shares without sales restrictions did not agree on the repurchase transactions during the reporting period.

IV. Changes in the shareholding of directors, supervisors and senior management

√ Applicable □ Not applicable

Name	Duties	Employment status	Number of shares held at the beginning of the period (shares)	Increase (shares)	Reduce (shares)	Number of shares held at the end of the period (shares)	Number of restricted stocks granted at the beginning of the period (shares)	Number of restricted stocks granted in the current period (shares)	Number of restricted stocks granted at the end of the period (shares)
Zhu Huarong	Chairman, Secretary of the Party Committee	Incumbent	385,280			500,864	350,000		455,000
Xian Zhigang	Director	Incumbent							
Zhang Bo	Director	Incumbent							
Liu Gang	Director	Incumbent							
Zhou Kaiquan	Director	Incumbent							
Wang Jun	Director, President and Deputy Party Secretary	Incumbent	280,000			364,000	280,000		364,000
Zhang Deyong	Director, CFO, Secretary of the Board of Directors	Incumbent	271,600			353,080	271,600		353,080
Ren Xiaochang	Independent Director	Incumbent							
Wei Xinjiang	Independent Director	Incumbent							
Cao Xingquan	Independent Director	Incumbent							
Yang Xinmin	Independent Director	Incumbent							
Li Keqiang	Independent Director	Incumbent							
Ding Wei	Independent Director	Incumbent							
Tang	Independent	Incumbent							

Guliang	Director								
Zhang Ying	Independent Director	Incumbent							
Lian Jian	Chairman of the Supervisory Board	Incumbent							
Sun Dahong	Supervisor	Incumbent							
Shi Shengwei	Employee Supervisory Board Member	Incumbent							
Luo Yan	Employee Supervisory Board Member	Incumbent							
Yuan Mingxue	Deputy Secretary of the Party Committee	Incumbent	280,000			364,000	280,000		364,000
He Chaobing	Executive Vice President	Incumbent	271,600			353,080	271,600		353,080
Hua Zhanbiao	Secretary of Discipline Inspection Commission	Incumbent	271,600			353,080	271,600		353,080
Tan Benhong	Executive Vice President	Incumbent	271,600			353,080	271,600		353,080
Ye Pei	Executive Vice President	Incumbent	271,600			353,080	271,600		353,080
Zhao Fei	Executive Vice President	Incumbent	271,600			353,080	271,600		353,080
Chen Wei	Executive Vice President	Incumbent	271,600			353,080	271,600		353,080
Li Mingcai	Executive Vice President	Incumbent	271,600			353,080	271,600		353,080

Yang Dayong	Vice President	Incumbent	194,000			252,200	194,000		252,200
Peng Tao	Vice President	Incumbent	191,240			248,612	191,240		248,612
Zhang Xiaoyu	Vice President	Incumbent	191,240			248,612	191,240		248,612
Wang Xiaofei	Vice President	Incumbent	132,300			171,990	132,300		171,990
Li Jun	Secretary of the Board	Incumbent	191,240			248,612	191,240		248,612
Li Wei	Executive Vice President	Outgoing	271,600			353,080	271,600		353,080
Liu Jipeng	Independent Director	Outgoing							
Li Qingwen	Independent Director	Outgoing							
Chen Quanshi	Independent Director	Outgoing							
Tan Xiaosheng	Independent Director	Outgoing							
Ye Wenhua	Director	Outgoing							
Total			4,289,700			5,576,610	4,254,420		5,530,746

Note: 1. The above employment status is as of the disclosure date of this report.

2. Number of shares at the end of the reporting period has been adjusted according to the implementation of the Company's 2021 equity distribution plan.

V. The change of the controlling shareholders and the actual controllers

During the reporting period the change of controlling shareholders

Applicable Not-applicable

No changes in controlling shareholders during the reporting period.

The change of the actual controllers during the reporting period

Applicable Not-applicable

No changes in the actual controllers during the reporting period.

Chapter 8 Preferred Shares

Available Not- available

During the reporting period, there were no preferred shares in the company.

Chapter 9 Bonds

Available Not- available

Chapter 10 The Financial Statements

I. Auditing Report

No audit on the semi-annual financial report.

II. Financial statements

Financial in notes to the statements of the unit is: RMB yuan

1. Consolidated Balance Sheet

In RMB Yuan

Account	2022.6.30	2022.1.1
Current assets:		
Cash	53,421,783,239.85	51,976,242,149.37
Trading financial assets	305,967,574.57	195,798,300.00
Notes receivable	21,178,905,132.66	24,267,633,416.65
Accounts receivable	3,597,002,110.54	1,675,427,534.87
Prepayments	3,863,981,393.89	3,241,248,831.28
Other receivables	509,614,847.86	632,122,942.37
Including: dividends receivable	255,356,145.11	
Inventories	7,024,925,792.62	6,852,874,420.59
Contract assets	1,036,757,897.63	1,151,292,247.36
Other current assets	782,671,443.74	1,147,798,871.42
Total current assets	91,721,609,433.36	91,140,438,713.91
Non-current assets:		
Long-term equity investments	17,304,612,282.75	13,245,374,860.55
Investment in other equity instruments	701,409,600.00	701,409,600.00
Investment properties	6,536,070.82	6,649,426.60
Fixed assets	20,513,654,898.34	21,325,959,850.16
Construction in progress	1,130,381,106.58	1,460,176,539.43
Right-of-use asset	50,017,632.80	66,313,062.98
Intangible assets	4,365,838,896.35	4,385,997,657.67
Development expenditure	551,480,202.86	727,568,248.78
Goodwill	9,804,394.00	48,883,188.37
Long-term deferred expenses	21,707,099.51	15,032,814.19
Deferred tax assets	2,435,308,963.54	2,280,819,516.99
Total non-current assets	47,090,751,147.55	44,264,184,765.72
TOTAL ASSETS	138,812,360,580.91	135,404,623,479.63
Current liabilities:		
Short-term loans	46,166,500.00	19,000,000.00
Notes payable	26,921,406,502.22	24,292,268,371.12
Accounts payable	23,994,999,761.80	23,650,604,870.98
Contract liability	4,956,070,974.92	9,840,509,514.39
Payroll payable	3,326,799,792.65	2,566,570,928.52

Taxes payable	707,493,157.04	1,121,313,397.52
Other payables	5,116,328,239.99	4,562,626,344.69
Non-current liabilities within one year	887,576,604.11	533,839,583.57
Other current liabilities	5,462,299,176.16	5,680,959,029.22
Total current liabilities	71,419,140,708.89	72,267,692,040.01
Non-current liabilities:		
Long-term loans	40,000,000.00	600,000,000.00
Lease liability	28,202,020.25	38,679,735.59
Long-term payables	631,003,313.51	825,473,490.08
Long-term payroll payable	36,636,829.52	39,103,000.00
Estimated liabilities	4,280,005,759.73	3,839,015,677.84
Deferred Revenue	499,479,412.93	924,749,731.12
Deferred tax liabilities	219,704,466.04	217,441,992.37
Other non current liabilities	843,750,617.87	786,227,868.42
Total non-current liabilities	6,578,782,419.85	7,270,691,495.42
Total liabilities	77,997,923,128.74	79,538,383,535.43
Owners' equity (or Shareholders' equity):		
Share capital	9,921,799,422.00	7,632,153,402.00
Capital reserves	8,342,424,351.08	9,776,193,360.38
Less: treasury shares	655,812,327.60	655,812,327.60
Other comprehensive income	69,564,124.34	69,442,469.53
Special reserves	49,147,155.48	27,988,260.61
Surplus reserves	2,982,292,413.67	2,982,292,413.67
Retained earnings	39,979,444,469.37	35,900,674,525.13
Equity attributable to owners	60,688,859,608.34	55,732,932,103.72
Minority interests	125,577,843.83	133,307,840.48
Total Owners' equity (or Shareholders' equity)	60,814,437,452.17	55,866,239,944.20
Liabilities and owners' equity (or shareholders' equity) in total	138,812,360,580.91	135,404,623,479.63

Legal person: Zhu Huarong

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

2. Balance sheet

In RMB Yuan

Account	2022.6.30	2022.1.1
Current assets:		
Cash	44,526,884,736.20	41,917,770,676.45
Trading financial assets	305,967,574.57	195,798,300.00
Notes receivable	19,281,640,756.74	21,500,746,660.99
Accounts receivable	7,313,681,453.36	7,931,510,606.59
Prepayments	3,354,924,945.47	2,935,068,191.78
Other receivables	395,603,079.15	1,756,623,581.93
Including: dividends receivable	255,356,145.11	-
Inventories	3,808,502,003.65	4,137,987,048.19
Contract assets	549,523,080.93	635,112,994.60
Other current assets	140,555,294.49	21,082,615.46
Total current assets	79,677,282,924.56	81,031,700,675.99

Non-current assets:		
Long-term equity investments	19,822,504,132.39	17,660,819,978.70
Investment in other equity instruments	691,156,200.00	691,156,200.00
Fixed assets	15,162,124,350.57	16,001,089,813.79
Construction in progress	654,797,708.06	475,209,255.90
Right-of-use asset	43,061,415.97	53,789,648.12
Intangible assets	3,123,873,620.38	3,205,472,940.52
Development expenditure	567,105,376.03	422,291,074.50
Long-term deferred expenses	19,041,553.35	12,065,475.24
Deferred tax assets	2,033,945,656.36	1,893,957,371.71
Total non-current assets	42,117,610,013.11	40,415,851,758.48
TOTAL ASSETS	121,794,892,937.67	121,447,552,434.47
Current liabilities:		
Notes payable	22,566,103,314.88	19,118,739,562.85
Accounts payable	17,431,485,816.58	20,181,845,700.58
Contract liability	3,846,513,444.50	8,446,500,016.04
Payroll payable	2,939,028,593.14	2,074,732,440.77
Taxes payable	551,456,570.67	784,928,251.22
Other payables	4,564,570,374.41	4,330,506,737.23
Non-current liabilities within one year	674,264,461.90	374,210,756.73
Other current liabilities	4,885,358,872.53	4,955,516,106.11
Total current liabilities	57,458,781,448.61	60,266,979,571.53
Non-current liabilities:		
Long-term loans	40,000,000.00	600,000,000.00
Lease liability	20,496,001.72	30,751,928.99
Long-term payables	156,022,915.60	120,409,242.99
Long-term payroll payable	19,776,760.32	21,995,000.00
Estimated liabilities	3,536,358,417.91	3,050,701,028.41
Deferred Revenue	150,000,000.00	150,000,000.00
Deferred tax liabilities	182,484,595.31	178,583,323.79
Other non current liabilities	772,610,007.20	715,087,257.75
Total non-current liabilities	4,877,748,698.06	4,867,527,781.93
Total liabilities	62,336,530,146.67	65,134,507,353.46
Owners' equity (or Shareholders' equity):		
Share capital	9,921,799,422.00	7,632,153,402.00
Capital reserves	7,859,296,325.61	9,293,065,334.91
Less: treasury shares	655,812,327.60	655,812,327.60
Other comprehensive income	166,197,564.29	166,051,336.11
Special reserves	16,551,301.25	7,552,984.45
Surplus reserves	2,982,292,413.67	2,982,292,413.67
Retained earnings	39,168,038,091.78	36,887,741,937.47
Total Owners' equity (or Shareholders' equity)	59,458,362,791.00	56,313,045,081.01
Liabilities and owners' equity (or shareholders' equity) in total	121,794,892,937.67	121,447,552,434.47

3. Consolidated Income Statement

In RMB Yuan

Account	Current Period	Prior Period
1. Operating revenue	56,573,568,393.71	56,784,631,899.07
Less: Operating cost	45,360,090,482.20	48,086,677,229.21
Tax and surcharges	1,946,300,231.77	2,087,694,667.07
Operating expenses	2,285,329,821.77	2,146,115,312.19
General and administrative expenses	2,184,034,305.10	2,217,147,044.50
Research and development expenses	1,932,294,144.67	1,495,583,362.16
Financial expenses	(437,998,348.99)	(233,776,490.65)
Interest expense	17,892,411.14	26,372,186.29
Interest income	438,428,075.90	281,294,223.92
Add: Other income	186,910,289.65	106,783,041.12
Investment income	2,354,040,073.27	327,872,465.08
Including: Investment income from associates and joint venture	78,821,605.75	250,708,951.37
Gains from changes in fair value	26,136,888.77	15,734,698.73
Credit impairment loss	(10,774,686.62)	(3,486,242.35)
Asset impairment loss	(241,827,585.46)	(195,687,107.11)
Gain on disposal of assets	68,244,082.28	601,066,861.33
2. Operating profit	5,686,246,819.08	1,837,474,491.39
Add: Non-operating income	54,366,637.51	40,983,845.94
Less: Non-operating expenses	4,870,215.23	14,103,602.29
3. Total profit	5,735,743,241.36	1,864,354,735.04
Less: Income tax expense	(103,280,125.74)	59,373,446.09
4. Net profit	5,839,023,367.10	1,804,981,288.95
Classification by going concern		
Net profit from continuing operations	5,839,023,367.10	1,804,981,288.95
Net profit from discontinued operations		
Classification by ownership attribution		
Net profit attributable to owners	5,857,626,135.78	1,729,245,208.60
Minority interests	(18,602,768.68)	75,736,080.35
5. Other comprehensive income, net of tax	121,654.81	21,820,284.63
Net after-tax net of other comprehensive income attributable to the parent company owner	121,654.81	21,820,284.63
Other comprehensive income that will be reclassified into profit or loss	121,654.81	21,820,284.63
Other comprehensive income that can be transferred to profit or loss under the equity method	146,228.18	
Foreign currency financial statement translation difference	(24,573.37)	21,820,284.63
6. Total comprehensive income	5,839,145,021.91	1,826,801,573.58
Total comprehensive income attributable to owners	5,857,747,790.59	1,751,065,493.23
Total comprehensive income attributable to minority interest	(18,602,768.68)	75,736,080.35

7.Earnings per share		
Basic earnings per share	0.60	0.17
Diluted earnings per share	0.59	0.17

Legal person: Zhu Huarong

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

4. Income Statement

In RMB Yuan

Account	Current Period	Prior Period
1.Operating revenue	50,290,300,571.12	52,828,405,180.72
Less: Operating cost	40,914,984,492.63	45,513,544,394.59
Tax and surcharges	1,434,768,916.69	1,525,114,802.32
Operating expenses	1,475,590,737.64	1,736,500,574.77
General and administrative expenses	1,915,207,107.81	1,878,247,754.81
Research and development expenses	1,851,660,640.99	1,298,099,887.53
Financial expenses	(342,363,432.16)	(204,613,231.91)
Interest expense	13,595,854.23	21,764,130.34
Interest income	365,385,141.66	236,842,142.30
Add: Other income	54,300,000.00	
Investment income	986,054,122.33	428,119,303.94
Including: Investment income from associates and joint venture	(92,372,274.55)	349,815,853.13
Gains from changes in fair value	26,136,888.77	(17,151,300.00)
Credit impairment loss	(286,476.97)	(2,086,388.91)
Asset impairment loss	(128,723,015.24)	(213,509,747.87)
Gain on disposal of assets	42,691,501.37	4,920,912.69
2.Operating profit	4,020,625,127.78	1,281,803,778.46
Add: Non-operating income	25,372,227.33	11,549,617.96
Less: Non-operating expenses	2,696,319.99	10,500,438.13
3.Total profit	4,043,301,035.12	1,282,852,958.29
Less: Income tax expense	(136,087,013.13)	(103,215,762.03)
4.Net profit	4,179,388,048.25	1,386,068,720.32
Net profit from continuing operations	4,179,388,048.25	1,386,068,720.32
Net profit from discontinued operations		
5.Other comprehensive income, net of tax	146,228.18	
Other comprehensive income to be reclassified into profit or loss	146,228.18	
Other comprehensive income that can be transferred to profit or loss under the equity method	146,228.18	
6.Total comprehensive income	4,179,534,276.43	1,386,068,720.32

5. Consolidated cash flow statement

In RMB Yuan

Account	Current Period	Prior Period
1.Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	61,813,960,686.95	63,916,698,589.71
Refunds of taxes	896,338,589.28	479,978,596.74

Cash received relating to other operating activities	1,401,417,655.54	1,798,083,078.94
Subtotal of cash inflows	64,111,716,931.77	66,194,760,265.39
Cash paid for goods and services	46,918,151,331.30	37,506,989,506.50
Cash paid to and on behalf of employees	3,773,793,442.65	3,273,064,979.18
Cash paid for all types of taxes	4,028,962,242.26	4,360,350,113.07
Cash paid relating to other operating activities	3,538,573,495.36	3,355,528,796.27
Subtotal of cash outflows	58,259,480,511.57	48,495,933,395.02
Net cash flows from operating activities	5,852,236,420.20	17,698,826,870.37
2.Cashflows from investing activities:		
Cash received from investment recovery	14,839,200.00	
Cash received from investment income	381,628,412.00	10,806,875.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	280,603,391.85	47,111,653.89
Cash received relating to other investing activities	-	300,000,000.00
Subtotal of cash inflows	677,071,003.85	357,918,528.89
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	783,516,340.12	1,022,801,871.76
Cash paid for acquisition of investments	1,461,640,640.00	1,000,000.00
Cash paid relating to other investing activities	815,126,333.76	
Subtotal of cash outflows	3,060,283,313.88	1,023,801,871.76
Net cash flows from investing activities	(2,383,212,310.03)	(665,883,342.87)
3.Cash flows from financing activities:		
Absorb cash received from investment		507,461,364.00
Cash received from borrowing	68,070,000.00	20,000,000.00
Cash received relating to other financing activities	715,239,432.26	312,220,372.75
Subtotal of cash inflows	783,309,432.26	839,681,736.75
Cash repayments of borrowings	300,903,500.00	146,000,000.00
Cash paid for distribution of dividends or profits and interest expenses	1,797,127,172.44	1,690,977,626.11
Cash paid relating to other financing activities	699,230,692.02	418,592,802.69
Subtotal of cash outflows	2,797,261,364.46	2,255,570,428.80
Net cash flows from financing activities	(2,013,951,932.20)	(1,415,888,692.05)
4.Effect of changes in exchange rate on cash	59,278,475.19	(3,619,293.07)
5.Net increase in cash and cash equivalents	1,514,350,653.16	15,613,435,542.38
Add: Opening balance of cash and cash equivalents	49,517,916,834.99	30,655,968,057.63
6.Closing balance of cash and cash equivalents	51,032,267,488.15	46,269,403,600.01

6. Cash flow statement

In RMB Yuan

Account	Current Period	Prior Period
1.Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	51,488,841,934.67	55,145,607,987.10
Cash received relating to other operating activities	46,609,602.87	-
Cash received relating to other operating activities	676,108,022.43	1,092,865,948.69
Subtotal of cash inflows	52,211,559,559.97	56,238,473,935.79
Cash paid for goods and services	38,192,576,888.27	31,953,727,307.50
Cash paid to and on behalf of employees	2,615,212,696.17	2,404,181,310.34

Cash paid for all types of taxes	2,892,112,750.99	3,332,896,561.58
Cash paid relating to other operating activities	2,383,343,811.11	2,779,051,429.05
Subtotal of cash outflows	46,083,246,146.54	40,469,856,608.47
Net cash flows from operating activities	6,128,313,413.43	15,768,617,327.32
2.Cashflows from investing activities:		
Cash received from investment recovery	14,839,200.00	-
Cash received from return on investments	381,628,412.00	12,015,208.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	255,368,088.61	7,594,323.89
Other cash received relating to investing activities	-	500,000,000.00
Subtotal of cash inflows	651,835,700.61	519,609,532.22
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	633,161,880.29	883,493,763.31
Cash paid for acquisition of investments	1,461,640,640.00	1,000,000.00
Subtotal of cash outflows	2,094,802,520.29	884,493,763.31
Net cash flows from investing activities	(1,442,966,819.68)	(364,884,231.09)
3.Cash flows from financing activities:		
Absorb cash received from investment	-	507,461,364.00
Cash received from borrowings	40,000,000.00	-
Subtotal of cash inflows	40,000,000.00	507,461,364.00
Cash paid for debt repayment	300,000,000.00	100,000,000.00
Cash paid for distribution of dividends or profits and interest expenses	1,795,680,672.36	1,689,755,862.22
Cash paid relating to other financing activities	12,551,861.64	31,241,289.74
Subtotal of cash outflows	2,108,232,534.00	1,820,997,151.96
Net cash flows from financing activities	(2,068,232,534.00)	(1,313,535,787.96)
4.Effect of changes in exchange rate on cash		
5.Net increase in cash and cash equivalents	2,617,114,059.75	14,090,197,308.27
Add: Opening balance of cash and cash equivalents	41,889,838,553.29	25,190,870,784.06
6.Closing balance of cash and cash equivalents	44,506,952,613.04	39,281,068,092.33

7. Consolidated statement of changes in shareholders' equity

Current Period

In RMB Yuan

Items	Current period								
	Equity attributable to owners							Minority interest	Total equity
	Share capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings		
I. At end of last year	7,632,153,402.00	9,776,193,360.38	655,812,327.60	69,442,469.53	27,988,260.61	2,982,292,413.67	35,900,674,525.13	133,307,840.48	55,866,239,944.20
II. At beginning of year	7,632,153,402.00	9,776,193,360.38	655,812,327.60	69,442,469.53	27,988,260.61	2,982,292,413.67	35,900,674,525.13	133,307,840.48	55,866,239,944.20
III. Changes during the year	2,289,646,020.00	(1,433,769,009.30)		121,654.81	21,158,894.87		4,078,769,944.24	(7,729,996.65)	4,948,197,507.97
1. Total comprehensive income				121,654.81			5,857,626,135.78	(18,602,768.68)	5,839,145,021.91
2. Capital contributed by owners and capital decreases		855,877,010.70							855,877,010.70
(1) The amount of share-based payment included in owner's equity		192,310,900.00							192,310,900.00
(2) Others		663,566,110.70							663,566,110.70
3. Distribution of profit							(1,778,856,191.54)		(1,778,856,191.54)
Distribution to owners							(1,778,856,191.54)		(1,778,856,191.54)
4. Internal carry forward of owner's equity	2,289,646,020.00	(2,289,646,020.00)							
Capital reserve converted into capital (or share capital)	2,289,646,020.00	(2,289,646,020.00)							
5. Special reserves					21,158,894.87				21,158,894.87
(1) Pick-up in current period					46,183,489.83				46,183,489.83
(2) Used in current period					(25,024,594.96)				(25,024,594.96)
6. Others								10,872,772.03	10,872,772.03

IV. At end of current period	9,921,799,422.00	8,342,424,351.08	655,812,327.60	69,564,124.34	49,147,155.48	2,982,292,413.67	39,979,444,469.37	125,577,843.83	60,814,437,452.17
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Prior period

In RMB Yuan

Items	Prior period								
	Equity attributable to owners							Minority interest	Total equity
	Share capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings		
I. At end of last year	5,363,396,174.00	10,930,781,918.64		78,420,720.78	40,847,443.41	2,681,698,087.00	34,315,048,892.26	70,114,229.66	53,480,307,465.75
II. At beginning of year	5,363,396,174.00	10,930,781,918.64		78,420,720.78	40,847,443.41	2,681,698,087.00	34,315,048,892.26	70,114,229.66	53,480,307,465.75
III. Changes during the year	76,195,400.00	538,440,967.78		21,820,284.63	36,025,649.05		63,001,848.06	75,736,080.35	811,220,229.87
1. Total comprehensive income				21,820,284.63			1,729,245,208.60	75,736,080.35	1,826,801,573.58
2. Capital contributed by owners and capital decreases	76,195,400.00	538,440,967.78							614,636,367.78
The amount of share-based payment included in owner's equity	76,195,400.00	538,440,967.78							614,636,367.78
3. Distribution of profit							(1,666,243,360.54)		(1,666,243,360.54)
Distribution to owners							(1,666,243,360.54)		(1,666,243,360.54)
4. Special reserves					36,025,649.05				36,025,649.05
(1) Pick-up in current period					61,973,559.99				61,973,559.99
(2) Used in current period					(25,947,910.94)				(25,947,910.94)
IV. At end of current period	5,439,591,574.00	11,469,222,886.42		100,241,005.41	76,873,092.46	2,681,698,087.00	34,378,050,740.32	145,850,310.01	54,291,527,695.62

8. Statement of changes in shareholders' equity

Current Period

In RMB Yuan

Items	Current period							
	Share capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. At end of last year	7,632,153,402.00	9,293,065,334.91	655,812,327.60	166,051,336.11	7,552,984.45	2,982,292,413.67	36,887,741,937.47	56,313,045,081.01
II. At beginning of year	7,632,153,402.00	9,293,065,334.91	655,812,327.60	166,051,336.11	7,552,984.45	2,982,292,413.67	36,887,741,937.47	56,313,045,081.01
III. Changes during the year	2,289,646,020.00	(1,433,769,009.30)		146,228.18	8,998,316.80		2,280,296,154.31	3,145,317,709.99
1.Total comprehensive income				146,228.18			4,179,388,048.25	4,179,534,276.43
2. Capital contributed by owners and capital decreases		855,877,010.70						855,877,010.70
(1) The amount of share-based payment included in owner's equity		192,310,900.00						192,310,900.00
(2) Others		663,566,110.70						663,566,110.70
3. Distribution of profit							(1,778,856,191.54)	(1,778,856,191.54)
Distribution to owners							(1,778,856,191.54)	(1,778,856,191.54)
4.Internal carry forward of owner's equity	2,289,646,020.00	(2,289,646,020.00)						
Capital reserve converted into capital (or share capital)	2,289,646,020.00	(2,289,646,020.00)						
5. Special reserves					8,998,316.80			8,998,316.80
(1) Pick-up in current period					30,492,980.10			30,492,980.10
(2) Used in current period					(21,494,663.30)			(21,494,663.30)
6.Disposal of subsidiaries							(120,235,702.40)	(120,235,702.40)
IV. At end of current period	9,921,799,422.00	7,859,296,325.61	655,812,327.60	166,197,564.29	16,551,301.25	2,982,292,413.67	39,168,038,091.78	59,458,362,791.00

Prior period

In RMB Yuan

Items	Prior period							
	Share capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. At end of last year	5,363,396,174.00	10,440,896,902.52		159,954,052.00	7,505,438.57	2,681,698,087.00	35,848,636,357.95	54,502,087,012.04
II. At beginning of year	5,363,396,174.00	10,440,896,902.52		159,954,052.00	7,505,438.57	2,681,698,087.00	35,848,636,357.95	54,502,087,012.04
III. Changes during the year	76,195,400.00	538,440,967.78			8,974,402.20		(280,174,640.22)	343,436,129.76
1. Total comprehensive income							1,386,068,720.32	1,386,068,720.32
2. Capital contributed by owners and capital decreases	76,195,400.00	538,440,967.78						614,636,367.78
The amount of share-based payment included in owner's equity	76,195,400.00	538,440,967.78						614,636,367.78
3. Distribution of profit							(1,666,243,360.54)	(1,666,243,360.54)
Distribution to owners							(1,666,243,360.54)	(1,666,243,360.54)
4. Special reserves					8,974,402.20			8,974,402.20
(1) Pick-up in current period					26,035,435.80			26,035,435.80
(2) Used in current period					(17,061,033.60)			(17,061,033.60)
IV. At end of current period	5,439,591,574.00	10,979,337,870.30		159,954,052.00	16,479,840.77	2,681,698,087.00	35,568,461,717.73	54,845,523,141.80

III. CORPORATE INFORMATION

Chongqing Changan Automobile Company Limited (hereafter referred to as “the Company”) is a company limited by shares registered in Chongqing, People’s Republic of China. It was established on 31 October 1996 with an indefinite business period. The ordinary A shares of Renminbi issued by the company and the B shares of domestically listed foreign shares have been listed on the Shenzhen Stock Exchange. The company is headquartered at 260 Jianxin East Road, Jiangbei District, Chongqing, China, and its office address is T2 Building, No. 2, Financial City, No. 61 Dongshengmen Road, Jiangbei District, Chongqing, China.

After the establishment of the company, the share capital and shareholding structure have undergone several changes. As of June 30, 2022, the company’s controlling shareholder China Changan Automobile Group Company Limited (hereinafter referred to as “China Changan”) and its wholly-owned subsidiary United Prosperity Investment Co., Ltd. held a total of ordinary shares of the company 2,063,588,975 shares with an equity ratio of 20.80%. China South Industries Group Co., Ltd. (hereinafter referred to as “China South Group”), the parent company of China Changan, and its wholly-owned subsidiary, South Industries International Holdings (Hong Kong) Company Limited, hold 1,921,622,884 ordinary shares of the company, with a 19.37% shareholding ratio. China Changan and China South Group holds ordinary shares 3,985,211,859 in total with a shareholding ratio of 40.17%.

The Company and its subsidiaries collectively refer to as the Group, and its main business activities are: the manufacturing and sales of automobiles (including cars), automobile engine products, and supporting parts.

The holding company and ultimate holding company of the Company are China Changan and China South Group respectively.

The scope of consolidation in the consolidated financial statement is determined based on control. For the consolidation scope of this year, please refer to Note VIII.

IV. BASIS OF PREPERATION

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprises-Basic Standard and the specific standards issued and modified subsequently, and the implementation guidance, interpretations and other relevant provisions issued subsequently by the MOF (correctly referred to as “Accounting Standards for Business Enterprises”).

The financial statements are presented on a going concern basis.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments. If the assets are impaired, the corresponding provisions should be made accordingly.

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

According to the actual production and operation characteristics, the group formulated the specific accounting policies and accounting estimates, mainly reflected in provision of accounts receivables, inventory valuation, depreciation of fixed assets, intangible assets amortization, condition of capitalization of research and development expense and revenue recognition and measurement.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present fairly and fully, the financial position of the company on 30 June 2022 and the financial results and the cash flows in the half year of 2022 then ended in accordance with Accounting Standards for Business Enterprises.

2. Accounting year

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

3. Functional currency

The Group’s functional and reporting currency is the Renminbi (“RMB”). Unless otherwise stated, the unit of the currency is Yuan. Each entity in the Group determines its own functional currency in accordance with the operating circumstances. At the end of the reporting period, the foreign currency financial statements are translated into the reporting currency of the Company of RMB.

4. Business combination

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

Business combination 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. For a business combination involving entities under common control, the party which, on the combination date, obtains control of another entity participating in the combination is the acquiring party, while that other entity participating in the combination is a party being acquired. Combination date is the date on which the acquiring party effectively obtains control of the party being acquired.

Assets and liabilities that are obtained by the acquiring party in a business combination involving entities under common control shall be measured at their carrying amounts at the combination date as recorded by the party being acquired. 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 reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combination involving entities not under common control

A business combination involving entities not 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. For a business combination involving entities not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while that other entity participating in the combination is the acquiree. 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 recognized 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 recognize the remaining difference in profit or loss.

5. Consolidated financial statements

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 the subsidiaries are prepared for the same reporting period 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.

When the current loss belong to minorities of the subsidiary exceeds the beginning equity of the subsidiary belong to minorities, the exceeded part will still deduct the equity belong to minorities.

With respect to subsidiaries acquired through business combinations involving entities not under common control, the operating results and cash flows of the acquiree should be included in the consolidated financial statements, from the day that the Group gains control, till the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer should adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date.

With respect to subsidiaries acquired through business combinations involving entities under common control, the operating results and cash flows of the acquiree should be included in the consolidated financial statements from the beginning of the period in which the combination occurs.

If the changes of relevant facts and circumstances will result in the changes of one or more control elements, then the Group should reassess whether it has taken control of the investee.

6. Joint venture arrangement classification and joint operation

Joint venture arrangements are classified into joint operation and joint venture. Joint operation refers to those joint venture arrangements, relevant assets and liabilities of which are enjoyed and assumed by the joint ventures. Joint ventures refer to those joint venture arrangements, only the right to net assets of which is enjoyed by the joint ventures.

Any joint venture shall recognize the following items related to its share of benefits in the joint operation and conduct accounting treatment in accordance with relevant accounting standards for business enterprises: assets it solely holds and its share of jointly-held assets based on its percentage; liabilities it solely assumes and its share of jointly-assumed liabilities based on its percentage; incomes from sale of output enjoyed by it from the joint operation; incomes from sale of output from the joint operation based on its percentage; and separate costs and costs for the joint operation based on its percentage.

7. Cash and cash equivalents

Cash comprises cash on hand and bank deposits which can be used for payment at any time; Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Foreign currency translation

The Group translates the amount of foreign currency transactions occurred into functional currency.

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount at the spot exchange rate on the transaction dates. Foreign currency monetary items are translated using the spot exchange rate quoted by the People's Bank of China at the balance sheet date. The exchange gains or losses arising from occurrence of transactions and exchange of currencies, except for those relating to foreign currency borrowings specifically for construction and acquisition of fixed assets capitalized, are dealt with in the profit and loss accounts. Non-monetary foreign currency items measured at historical cost remain to be translated at the spot exchange rate prevailing on the transaction date, and the amount denominated in the functional currency should not be changed. Non-monetary foreign currency items measured at fair value should be translated at the spot exchange rate prevailing on the date when the fair values are determined. The exchange difference thus resulted should be charged to the current income or other comprehensive income account of the current period.

When preparing consolidated financial statements, the financial statements of the subsidiaries presented in foreign currencies are translated into Renminbi as follows: asset and liability accounts are translated into Renminbi at exchange rates ruling at the balance sheet date; shareholders' equity accounts other than retained profits are translated into Renminbi at the applicable exchange rates ruling at the transaction dates; income and expense in income statement are translated into Renminbi average exchange rate of the period in which the transaction occurred (unless the exchange rate fluctuation makes it inappropriate to adopt this exchange rate for conversion, the spot exchange rate on the date of cash flow shall be adopted for conversion); total difference between translated assets and translated liabilities and shareholders' equity is separately listed as "foreign currency exchange differences" below retained profits. The translation difference arising from the settlement of oversea subsidiaries is charged to the current liquidation profit and loss in proportion to the settlement ratio of the assets concerned.

Foreign currency cash flows and the cash flows of foreign subsidiaries should be translated using the average exchange rate prevailing on the transaction month during which the cash flows occur (unless the exchange rate fluctuation makes it inappropriate to adopt this exchange rate for conversion, the spot exchange rate on the date of cash flow shall be adopted for conversion). The amount of the effect on the cash arising from the change in the exchange rate should be separately presented as an adjustment item in the cash flow statement.

9. Financial instruments

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.

Recognition and derecognition

The Group recognizes a financial asset or a financial liability, when the Group becomes a party to the contractual provision of the instrument.

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

- 1) the rights to receive cash flows from the financial asset have expired;
- 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 (a) has transferred substantially all the risks and rewards of the financial asset, or (b) 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 derecognized 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 recognized in profit or loss.

Regular way purchases and sales of financial assets are recognized and derecognized 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.

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 amortized cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

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 recognized in profit or loss, and transaction costs relating to other financial

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

Debt investments measured at amortized cost

The Group measures financial assets at amortized 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 amortized cost are subsequently measured using the effective interest method. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

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 recognized using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognized in profit or loss. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

Equity investments at fair value through other comprehensive income

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognized in profit or loss. Subsequent changes in the fair value are included in other comprehensive income,

and no provision for impairment is made. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortized 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 recognized in profit or loss.

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading are subsequently measured at fair value with net changes in fair value recognized in profit or loss. Gains or losses on liabilities designated at fair value through profit or loss are recognized in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets

On the basis of expected credit loss, the Group carries out impairment treatment on financial assets, measured at amortized cost and contract assets and recognizes loss reserves

For receivables and contract assets that do not contain significant financing components, the Group uses a simplified measurement method to measure the loss provision based on the expected credit loss amount for the entire duration.

For financial assets other than the simplified measurement method mentioned above, the Group assesses on each balance sheet date whether its credit risk has not increased significantly since initial recognition, it is in the first stage. The Group measures the loss provision based on the amount equivalent to the expected credit loss in the next 12 months, and calculates the interest income based on the book balance and the actual interest rate; if the credit risk has increased significantly since initial recognition but has not yet suffered credit impairment, it is in the second at this stage, the Group measures the loss provision based on the amount equivalent to the expected credit loss for the entire duration, and calculates the interest income based on the book balance and the actual interest rate; If credit impairment occurs after initial recognition, it is in the third stage. The amount of expected credit losses is measured over the entire duration of the loss allowance, and interest income is calculated based on amortized cost and effective interest rate. For financial instruments with low credit risk on the balance sheet date, the Group assumes that their credit risk has not increased significantly since 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 evaluated the expected credit losses of accounts receivable and other receivables based on the ageing combination.

Please refer to Note VII,3 for the disclosure of the Group's judgment criteria for significant increase in credit risk, the definition of credit impairment assets that have occurred, and assumptions about the expected credit loss measurement.

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the book balance of the financial asset.

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 recognized amounts; and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Transfer of financial assets

If the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group derecognizes the financial asset; and if the Group retains substantially all the risks and rewards of the financial asset, the Group does not derecognize the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group determines whether it has retained control of the financial asset. In this case: (i) if the Group has not retained control, it derecognizes the financial asset and recognize separately as assets or liabilities any rights and obligations created not retained in the transfer; (ii) if the Group has

retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability.

10. Inventories

Inventory includes raw materials, goods in transit, work in progress, finished goods, consigned processing materials, low-value consumables.

Inventory is initially carried at the actual cost. Inventory costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition. Weighted average method is assigned to the determination of actual costs of inventories. One-off writing off method is adopted in amortization of low-value consumables.

The Group applies a perpetual counting method of inventory.

At the balance sheet date, the inventory is stated at the lower of cost and net realizable value. If the cost is higher than the net realizable value, provision for the inventory should be made through profit or loss. If factors that resulted in the provision for the inventory have disappeared and made the net realizable value higher than their book value, the amount of the write-down should be reversed, to the extent of the amount of the provision for the inventory, and the reversed amount should be recognized in the income statement for the current period.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The impairment provision should be made on a basis of each item of inventories according to the difference between cost and net realizable value. For large numbers of inventories at relatively low unit prices, the provision for loss on decline in value of inventories should be made by category.

11. Long-term equity investments

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

Long-term equity investments are recognized at initial investment cost upon acquisition. For a long-term equity investment acquired through a business combination under common control, the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owners' equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at combination date. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings. Any other comprehensive income previously recognized shall be accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The portion recognized based on changes in the investee's equity (other than net profit or loss, other comprehensive income and profit appropriation) is charged to profit or loss upon disposal of such long-term equity investment. For those partially disposed equity investments, gains or losses upon disposal are proportionately recognized in profit or loss when they still constitute long-term equity investments after the disposal and are fully charged to profit or loss when they are reclassified to financial instruments after the disposal. For business combination involving entities not under common control, the initial investment cost should be the cost of acquisition (for step acquisitions not under common control, the initial investment cost is the sum of the carrying amount of the equity investment in the acquiree held before the acquisition date and the additional investment cost paid on the acquisition date), which is the sum of the fair value of assets transferred, liabilities incurred or assumed and equity instruments issued. If the equity investments in the acquiree involve other comprehensive income prior to the acquisition date, when disposing of the investments, the relevant other comprehensive income will be accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. The portion recognized based on changes in the investee's equity (other than net profit or loss, other comprehensive income and profit appropriation) is charged to profit or loss upon disposal of such long-term equity investment. The initial investment cost of a long-term equity investment acquired otherwise than through a business combination shall be determined as follows: for a long-term equity investment acquired by paying cash, the initial investment cost shall be the actual purchase price has been paid plus those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for those acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued.

The Company adopted cost method to account for long-term investments in the subsidiaries in the separate financial statements of the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Under cost method, the long-term equity investment is valued at the cost of the initial investment. The cost of long-term equity investment should be adjusted in case of additional investment or disinvestments. When cash dividends or profits are declared by the invested enterprise is recognized as investment income in current period.

The equity method is applied to account for long-term equity investments, when the Group has jointly control, or significant influence on the investee enterprise. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures). Significant influence is the power to participate in the financial and operating policy decisions of an economic activity but is not control or joint control over those policies.

Under equity method, when the initial investment cost of a long-term equity investment exceeds the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is accounted for as an initial cost. As to the initial investment cost is less than the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference shall be charged to the income statement for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

Under equity method, the Group recognizes its share of post-acquisition equity in the investee enterprise for the current period as a gain or loss on investment, and also increases or decreases the carrying amount of the investment. When recognizing its share in the net profit or loss of the investee entities, the Group should, based on the fair values of the identifiable assets of the investee entity when the investment is acquired, in accordance with the Group's accounting policies and periods, after eliminating the portion of the profits or losses, arising from internal transactions with joint ventures and associates, attributable to the investing entity according to the share ratio (but losses arising from internal transactions that belong to losses on the impairment of assets, should be recognized in full), recognize the net profit of the investee entity after making appropriate adjustments. The book value of the investment is reduced to the extent that the Group's share of the profit or cash dividend declared to be distributed by the investee enterprise. However, the share of net loss is only recognized to the extent that the book value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. The Group shall adjust the carrying amount of the long-term equity investment for other changes in owners' equity of the investee enterprise (other than net profits or losses), and include the corresponding adjustments in equity, which should be realized through profit or loss in subsequent settlement of the respective long-term investment.

On settlement of a long-term equity investment, the difference between the proceeds actually received and the carrying amount shall be recognized in the income statement for the current period. As to other comprehensive income recognized based on measurement of the original equity investment by employing the equity method, accounting treatment shall be made on the same basis as would be required if the invested entity had directly disposed of the assets or liabilities related thereto when measurement by employing the equity method is terminated. As to any change in owners' equity of the invested entity other than net profit or loss, other comprehensive income and profit distribution, the investing party shall be transferred to the income statement for the current period. If the remaining equities still be measured under the equity method, accumulative change previously recorded in other comprehensive income shall be transferred to current profit or loss, in measurement on the same basis as the invested entity had directly disposed of the assets or liabilities related thereto. The income or loss recorded in the equity directly should be transferred to the current income statement on settlement of the equity investment on the disposal proportion.

12. Investment property

Investment property are properties held to earn rentals or for capital appreciation, or both, including rented land use right, land use right which is held and prepared for transfer after appreciation, and rented building.

The initial measurement of the investment property shall be measured at its actual cost. The follow-up expenses pertinent to an investment property shall be included in the cost of the investment property, if the economic benefits pertinent to this real estate are likely to flow into the enterprise, and, the cost of the investment property can be reliably measured. Otherwise, they should be included in the current profits and losses upon occurrence.

The Group adopts the cost method to make follow-up measurement to the investment property. The buildings are depreciated under straight-line method.

13. Fixed assets

A fixed asset probably shall be recognized only when the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meet the recognition criteria shall be included in the cost of the fixed asset, and the book value of the component of the fixed asset that is replaced shall be derecognized. Otherwise, such expenditure shall be recognized in the income statement in the period during which they are incurred.

Fixed assets are initially measured at actual cost on acquisition. 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, such as delivery and handling costs, installation costs and other surcharges.

Fixed assets are depreciated on straight-line basis. The estimated useful lives estimated residual values and annual depreciation rates

for each category of fixed assets are as follows:

Category	Deprecation period	Residual rate (%)	Yearly depreciation rate (%)
Buildings	20 to 35 years	3%	2.77%-4.85%
Machinery (Note)	5 to 20 years	3%	4.85%-19.40%
Vehicles	4 to 10 years	3%	9.70%-24.25%
Others	3 to 21 years	3%	4.62%-32.33%

Note: the molds in machinery should be depreciated in units-of-production method.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at the end of each year and makes adjustments if necessary.

14. Construction in progress

The cost of construction in progress is determined according to the actual expenditure for the construction, including all necessary construction expenditure incurred during the construction period, borrowing costs that should be capitalized before the construction reaches the condition for intended use and other relevant expenses.

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

15. Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of the funds. Borrowing costs include interest, amortization of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized, otherwise the borrowing costs are expensed in the period during which they are incurred. A qualifying asset is an asset (an item of property, plant and equipment and inventory etc.) that necessarily takes a substantial period of time to get ready for its intended use of sale.

The capitalization of borrowing costs is as part of the cost of a qualifying asset shall commence when:

- 1) expenditure for the asset is being incurred;
- 2) borrowing costs are being incurred; and
- 3) activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalization of borrowing costs shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale have been done. And subsequent borrowing costs are recognized in the income statement.

During the capitalization period, the amount of interest to be capitalized for each accounting period shall be determined as follows:

- 1) where funds are borrowed for a specific-purpose, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds;
- 2) where funds are borrowed for a general-purpose, the amount of interest to be capitalized on such borrowings is determined by applying a weighted average interest rate to the weighted average of the excess amounts of cumulative expenditure on the asset over and above the amounts of specific-purpose borrowings.

During the construction or manufacture of assets that are qualified for capitalization, if abnormal discontinuance, other than procedures necessary for their reaching the expected useful conditions, happens, and the duration of the discontinuance is over three months, the capitalization of the borrowing costs is suspended. Borrowing costs incurred during the discontinuance are recognized as expense and charged to the income statement of the current period, till the construction or manufacture of the assets resumes.

16. Right-of-use assets

The Group's right-of-use assets are mainly buildings.

At the commencement date of the lease period, the Group recognizes its right to use the leased assets during the lease period as a right-of-use asset, including: the initial measured amount of the lease liability; the amount of lease payments paid on or before the start date of the lease period, in addition, the relevant amount of lease incentive should be deducted; Initial direct expenses incurred by the lessee; the estimated cost incurred by the lessee for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state agreed in the lease terms. the Group adopts the average age method to depreciate the

assets of the right of use. If it can be reasonably determined that the ownership of the leased asset is obtained at the expiration of the lease term, the Group adopts depreciation within the remaining service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, the Group adopts depreciation within the shorter of the lease term and the remaining service life of the leased asset.

When the Group remeasures the lease liability according to the present value of the changed lease payment and adjusts the book value of the right of use asset, if the carrying amount of the right-of-use assets has been reduced to zero but the lease liabilities still need to be further reduced, the Group will include the remaining amount in the profit or loss of the current period.

17. Intangible assets

An intangible asset probably shall be recognized only when 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 initially measured at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition, if the fair value can be reliably measured.

The useful life of the intangible assets shall be assessed according to the estimated beneficial period expected to generate economic benefits. An intangible asset shall be 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.

The useful lives of the intangible assets are as follow:

	Useful life
Land use right	43 to 50 years
Software	2 years
Trademark	10 years
Non-patent technology	5 years
Patent technology	10 years

Land use rights that are purchased or acquired through the payment of land use fees are accounted for as intangible assets. With respect to self-developed properties, the corresponding land use right and buildings should be recorded as intangible and fixed assets separately. As to the purchased properties, if the reasonable allocation of outlays cannot be made between land and buildings, all assets purchased will be recorded as fixed assets. The cost of a finite useful life intangible asset is amortized using the straight-line method during the estimated useful life. For an intangible asset with a finite useful life, the Group reviews the estimated useful life and amortization method at least at the end of each year and adjusts if necessary.

The Group should test an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount annually, whenever there is an indication that the intangible asset may be impaired. An intangible asset with an indefinite useful life shall not be amortized.

The useful life of an intangible asset that is not being amortised shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If there are indicators that the intangible asset has finite useful life, the accounting treatment would be in accordance with the intangible asset with finite useful life.

18. Research and development expenditures

The Group classified the internal research and development expenditures as follows: research expenditures and development cost.

The expenditures in research stage are charged to the current income on occurrence.

The expenditures in development stage are capitalized that should meet all the conditions of (a) it is technically feasible to finish intangible assets for use or sale; (b) it is intended to finish and use or sell the intangible assets; (c) the usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; (d) it is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and (e) the development expenditures of the intangible assets can be reliably measured. Expenses incurred that don't meet the above requirements unanimously should be expensed in the income statement of the reporting period.

The Group discriminates between research and development stage with the condition that the project research has been determined, in which the relevant research complete all the fractionalization of products measurements and final product scheme under final approval

of management. The expenditures incurred before project-determination stage is charged to the current income, otherwise it is recorded as development cost.

19. Impairment of assets

The Group determines the impairment of assets, other than the impairment of inventory, contract assets, deferred income taxes, 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 tests. Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at the end of every year, irrespective of whether there is any indication that the asset may be impaired. An intangible asset which is not ready for its intended use is tested for impairment at least at the end of every 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 flow expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash flows generated by the asset group are independent of the cash flows 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. The impairment of asset is provided for and the impairment loss is recognized in the income statement for the current period.

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

When an impairment test is conducted on an asset group or a set of asset groups that contains goodwill, if there is any indication of impairment, the Group firstly tests the asset group or the set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and then recognize impairment loss if any. Thereafter, the Group tests the asset group or set of asset groups including goodwill for impairment, the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is firstly eliminated by and amortized to the book value of the goodwill included in the asset group or set of asset groups, and then eliminated by the book value of other assets according to the proportion of the book values of assets other than the goodwill in the asset group or set of asset groups.

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

20. Long-term deferred expenses

The long-term deferred expenses represent the payment for the improvement on buildings and other expenses, which have been paid and should be deferred in the following years. Long-term deferred expenses are amortized on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortization.

21. Employee benefits

Employee benefits refer to all kinds of remunerations or compensation made by enterprises to their employees in exchange for services provided by the employees or termination of labor relation. Employee compensation includes short-term compensation and post-employment benefits. The benefits offered by enterprises to the spouse, children, the dependents of the employee, the family member of deceased employee and other beneficiaries are also employee compensation.

Short-term employee salaries

During the accounting period of employee rendering service, the actual employees salaries and are charged to the statement of profit or loss as they become payable in balance sheet.

Post-employment benefits (Defined contribution plans)

The employees of the Group participate in pension insurance, which is managed by local government and the relevant expenditure, is recognized, when incurred, in the costs of relevant assets or the profit and loss for the current period.

Post-employment benefits (Defined benefit plan)

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Remeasurements arising from defined benefit pension plans are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss at the earlier of: the date of the plan amendment or curtailment; and the date that the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under administrative expenses in the consolidated statement of profit or loss by function: •service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; net interest expense or income.

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

22. Lease liabilities

At the commencement date of the lease period, the Group recognizes the present value of the outstanding lease payments as a lease liability, excluding short-term leases and leases of low-value assets. When calculating the present value of the lease payment, the Group uses the lease implied rate as the discount rate, and if the lease implied interest rate cannot be determined, the lessee incremental borrowing rate is used as the discount rate. The Group calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate and records it into the current profit and loss, unless otherwise specified, it is included into the cost of relevant assets. Variable lease payments that are not included in the measurement of lease liabilities are included in the profit or loss of the current period when actually incurred, unless otherwise specified to be included in the cost of the underlying assets.

After the commencement date of the lease period, the Group remeasures the lease liability against the present value of the changed lease payment amount when there is a change in the amount of substantial fixed payments, a change in the amount expected to pay due to the residual value of the guarantee, a change in the index or ratio used to determine the amount of the lease payment, the assessment of the purchase option, the renewal option or the option to terminate the lease.

23. Provisions

An obligation related to a contingency shall be recognized 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;
- 3) a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are initially measured according to the current best estimate for the expenditure necessary for the performance of relevant present obligations, with comprehensive consideration given to factors such as the risks, uncertainty and time value of money relating to contingencies. The book value of the contingent liabilities should be reviewed at each balance sheet date. If there is objective evidence showing that the book value cannot reflect the present best estimate, the book value should be adjusted according to the best estimate.

The contingent liabilities of the acquiree acquired in the business combination involving entities not under common control are measured at fair value upon initial recognition. After initial recognition, the balance of the amount recognized according to the estimated liabilities and the amount initially recognized after deducting the accumulated amortization determined by the revenue recognition

principle is subsequently measured at the higher of the two.

24. Share-based payments

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 recognized, 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 recognizes 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 closing price of the company's shares on the grant date.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. 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 recognized as if the terms had not been modified. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payment 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 recognized for the award is recognized 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.

25. Revenue from contracts with customers

The Group has fulfilled its performance obligations in the contracts, that is, the revenue is recognized when the customer obtains control of the relevant goods or services. Obtaining control over related goods or services means being able to lead the use of the goods or the provision of the services and obtain almost all of the economic benefits from it.

Contracts for the sale of goods

A contract for the sale of goods between the Group and the customer usually includes the performance obligation to transfer of goods, transportation services and free maintenance. The Group allocates the transaction price to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation on the date of contract commencement. Regarding the performance obligations of the transferred goods, the Group usually recognizes revenue at the point when the performance obligations are fulfilled 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.

Provide service contract

The performance obligations of the service provision contract between the Group and the customer are due to the fact that the customer obtains and consumes the economic benefits brought by the performance of the Group at the same time the Group performs the contract, and the Group has the right to accumulate the economic benefits during the entire contract period. The Group regards it as a performance obligation performed within a period, and recognizes the revenue according to the performance progress, unless the performance progress cannot be reasonably determined. In accordance with the output method, the Group determines the progress of the performance of the service provided based on the completed or delivered products. When the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the revenue will be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

Variable consideration

Some contracts between the Group and customers have sales rebate arrangements, forming variable consideration. The Group determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction

price including the variable consideration does not exceed the amount that the accumulated recognized revenue will most likely not be materially reversed when the relevant uncertainty is eliminated.

Warranty obligations

In accordance with contractual agreements and legal provisions, the Group provides quality assurance for the goods sold. For guarantee quality assurance to ensure that the products sold meet the established standards, the Group conducts accounting treatment in accordance with Note V, 23. For the service quality assurance that provides a separate service in addition to the established standards to ensure that the goods sold meet the established standards, the Group regards it as a single performance obligation, based on the stand-alone selling price of the quality assurance of the goods and services provided. In a relative proportion, part of the transaction price is allocated to service quality assurance, and revenue is recognized when the customer obtains control of the service. When assessing whether the quality assurance provides a separate service in addition to ensuring that the products sold meet the established standards, the Group considers whether the quality assurance is a legal requirement, the quality assurance period, and the nature of the Group's commitment to perform tasks.

Principal/agent

For the Group to lead a third party to provide services to customers on behalf of the Group, the Group has the right to independently determine the price of the goods or services traded, that is, the Group can control the relevant goods before transferring the goods to the customers, so the Group is the main responsible person, and recognize revenue based on the total consideration received or receivable. Otherwise, the Group acts as an agent and recognizes revenue based on the amount of commission or fees expected to be charged. This amount should be based on the net amount of the total consideration received or receivable minus the price payable to other related parties, or based on the established commission amount or proportions, etc.

26. Contract assets and contract liabilities

The Group lists contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Group offsets the contract assets and contract liabilities under the same contract as net amount.

Contract assets

Contract assets refer to the right to receive consideration for the transfer of goods or services to customers, and this right depends on factors other than the passage of time.

The determination method and accounting treatment method of the expected credit loss of the contract assets of the Group refer to Note III, 9.

Contract liabilities

Contract liabilities refer to the obligation to transfer goods or services to customers for the consideration received or receivable from customers, such as the payment received by companies before the transfer of promised goods or services.

27. Government grants

A government grant is recognized only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. Monetary grants are accounted for at received or receivable amount. Non-monetary grants are accounted for at fair value. If there is no reliable fair value available, the grants are accounted for a nominal amount.

A government grant which is specified by the government documents to be used to purchase and construct the long-term assets shall be recognized as the government grant related to assets. A government grant which is not specified by the government documents shall be judged based on the basic conditions to obtain the government grant. The one whose basic condition was to purchase and construct the long-term assets shall be recognized as the government grant related to assets.

The Group uses the net method to account for government grants.

Government grants related to income to be used as compensation for future expenses or losses shall be recognized as deferred income and shall be charged to the current profit or loss or be used to write down the relevant loss, during the recognition of the relevant cost expenses or losses; or used as compensation for relevant expenses or losses already incurred by enterprises shall be directly charged to the profit and loss account in the current period or used to write down the relevant cost.

The government grants related to assets shall be used to write down the book value of the relevant assets or be recognized as deferred income. The government grants related to assets, recognized as deferred income, shall be charged to the profit and loss reasonably and systematically in stages over the useful lives of the relevant assets. The government grants measured at nominal amount shall be directly charged to the current profit and loss. The remaining book value of the government grants related to assets should be charged to the profit and loss account in the current period when the relative assets sold, transferred, disposed or damaged.

28. Income taxes

Income tax comprises current and deferred tax. Income tax is recognized as an income or an expense and include in the income statement for the current period, except to the extent that the tax arises from a business combination or if it relates to a transaction or event which is recognized directly in equity.

Current income tax liabilities or assets for the current and prior periods, are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

For temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the carrying amounts and the tax bases of items, the tax bases of which can be determined for tax purposes, but which have not been recognized as assets and liabilities, deferred taxes are provided using the liability method.

A deferred tax liability is recognized for all taxable temporary differences, except:

to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which contains both of the following characteristics: the transaction is not a business combination and at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss.

(2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in jointly-controlled enterprises, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognized for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

(1) where the deferred tax asset relating to the deductible temporary differences 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 deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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 realized or the liability is settled, according to 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.

At the balance sheet date, the Group reviews the book value of deferred tax assets. If it is probable that sufficient taxable income cannot be generated to use the tax benefits of deferred tax assets, the book value of deferred tax assets should be reduced. When it is probable that sufficient taxable income can be generated, the amount of such reduction should be reversed. When it is probable that sufficient taxable income can be generated, the amount of such reduction should be reversed.

When the following conditions are met at the same time, the deferred tax assets and deferred tax liabilities are listed at the net amount after offset: the legal right to settle the current income tax assets and current income tax liabilities at the net amount; the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection and management department on the same taxable subject or different taxpaying subjects. However, in the future, during each period when the significant deferred tax assets and deferred tax liabilities are reversed, the tax payer involved intends to settle the current income tax assets and current income tax liabilities with net amount or obtain assets and pay off debts at the same time.

29. Leases

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.

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.

As lessee

The Group's general accounting treatment as a lessee is provided in Notes III, 16 and 22.

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 with a lower value of a single leased asset is recognized as a low value asset lease.

As 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.

The Group recording the operating lease as a lessor

Rental income under an operating lease is recognized 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.

A finance lease is a lease that transfers in substance all the risks and rewards incident to ownership of an asset. An operating lease is a lease other than a finance lease.

30. Profit distribution

The cash dividend of the Group is recognized as liabilities after the approval of general meeting of stockholders.

31. Safety fund

The safety fund extracted by the Group shall be recognized as the cost of the related products or income statement, while be recognized as special reserve. When using safety fund, it shall be distinguished whether it will form fixed assets or not. The expenditure shall write down the special reserve; the capital expenditure shall be recognized as fixed assets when meet the expected conditions for use, and write down the special reserve while recognizing accumulated depreciation with the same amount.

32. Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group measures equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the most advantageous market for the asset or liability when a principal market is absent. The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other supporting information are available to measure fair value, giving priority to the use of relevant observable inputs, and using unobservable inputs only when observable inputs are unavailable or not feasible to obtain.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

33. Significant accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts and disclosures of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the balance sheet date. However, 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.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments which have significant effect on the financial statements:

(1) Business model

The classification of financial assets at initial recognition depends on the business model of the Group's management of financial assets. When judging the business model, the Group considers the methods including enterprise evaluation and reporting of financial asset performance to key management personnel, risks affecting financial asset performance and its arrangement method and the way in which related business managers get paid. When evaluating whether to take contract cash flow as the goal, the Group needs to analyze and judge the reasons, time, frequency and value of the sale of financial assets before the due date.

(2) Contract cash flow characteristics

The classification of financial assets at initial recognitions depends on the contractual cash flow characteristics of the financial assets. It is necessary to determine whether the contractual cash flow is only for the payment of principal and interest based on outstanding principal, including correction of the time value of money during the evaluation, it is necessary to determine whether there is a significant difference compared to the benchmark cash flow. For financial assets that include prepayment characteristics, it is necessary to determine whether the fair value of the prepayment characteristics is very small, etc.

Uncertainty of accounting estimates

The crucial assumptions of significant accounting estimates in future and other crucial sources of estimated uncertainty, which may result in the significant adjustments to the book value of the subsequent accounting period, are as the following:

(1) Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgments and estimates. All reasonable and valid information must be considered, including forward-looking information. In making these judgments and estimates, the Group infers the expected changes in the credit risk of the debtor based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment losses. The provision for impairment losses may not be equal to the actual amount of future impairment losses.

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

The Group assesses at each reporting date whether there is an indication that non-current assets other than financial assets may be impaired. If there is any sign of possible assets impairment, the assets concerned should be subject to impairment test. When the carrying amount of an asset or the relevant assets group exceeds its recoverable amount which is the higher one of the net amount of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flow of the asset, the asset is considered impaired. The fair value minus the disposal expenses is determined by reference to the recent market transactions price or observed market price less any directly attributable expenditure for disposing. When making an estimate of the present value of the future cash flow of an asset, the Group should estimate the future cash flows of the asset or the relevant assets group, with the appropriate discount rate selected to reflect the present value of the future cash flows.

(3) Fair value of unlisted equity investments

For unlisted equity instrument investments, several valuation models are used to estimate the fair value. This requires the Group to make estimates of unobservable market parameters such as price-to-book ration, discount rate, sustainable growth rate, asset price index, etc., and is therefore uncertain.

(4) Development expenditures

When determining the capitalization amount, management should make assumptions such as the expected cash flows of the assets related, the applicable discount rate and expected benefit period.

(5) Deferred tax assets

The Group should recognize the deferred income tax assets arising from all the existing unutilized tax deficits and deductible temporary differences to the extent of the amount of the taxable income which it is most likely to obtain and which can be deducted from the deductible temporary differences. Enormous accounting judgments, as well as the tax planning are compulsory for management to estimate the time and amount of prospective taxable profits and thus determine the appropriate amount of the deferred tax assets concerned.

(6) Warranty

The Group provides warranties on automobile and undertakes to repair or replace items that fail to perform satisfactorily based on certain pre-determined conditions. Factors that influence estimation of related warranty claim include: 1) renewal of laws and regulations; 2) quality promotion of Group products; 3) change of parts and labour cost. In general, the Group records warranty based on selling volume and estimated compensatory unit warranty cost, deduction multi-agreed compensation from suppliers. As at balance sheet day, the Group launches retrospective analysis on warranty carrying amount in consideration of accrual warranty payment during relative warranty period, and recent trends of product renovation and replacement, and further adjustment if necessary. Any increase or decrease in the provision would affect profit or loss in future years.

(7) Depreciation and amortization

The Group's management determines the estimated useful lives and residual value of fixed assets and intangible assets. This estimate is based on the historical experience of actual useful lives of fixed assets and intangible assets of similar nature and functions. Management will increase the depreciation and amortization charges where useful lives are less than previously estimated.

(8) Lessee Incremental Borrowing Rate

For leases for which the interest rate implicit in the lease cannot be determined, the Group uses the lessee's incremental borrowing rate as the discount rate to calculate the present value of lease payments. When determining the incremental borrowing rate, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate according to the economic environment in which it is located. The reference interest rate is adjusted according to the specific conditions of the leasing business to obtain the applicable incremental borrowing rate.

34. Changes in accounting policies and estimates

(1) Changes in accounting policies

 Applicable Not applicable

(2) Changes in significant accounting estimates

 Applicable Not applicable**VI. TAXES****1. Main taxes and tax rates**

Value added tax (“VAT”) - The income from the sale of goods and the income from the provision of services are calculated at the tax rates of 13% and 6%, respectively, and the VAT is calculated on the basis of the difference after deducting the input tax that is allowed to be deducted in the current period.

Consumption tax - Consumption tax is calculated at 1%, 3% or 5% of taxable income.

City maintenance and construction tax - 5% or 7% of the turnover tax paid is calculated and paid.

Educational surcharge - 3% of the actual turnover tax paid is calculated and paid.

Local educational surcharge - 2% of the turnover tax actually paid is calculated and paid.

Corporate income tax - Corporate income tax is paid at 15%, or 25% of taxable income.

2. Tax benefits

According to the relevant provisions of the national high-tech identification and relevant tax preferential policies, the following companies of the Group are identified as high-tech enterprises and are subjected to the preferential corporate income tax rate of 15% within the prescribed period: the company (2021-2023), and the Company’s subsidiaries including Hebei Changan Automobile Company Limited (2020-2022), Baoding Changan Bus Manufacturing Company Limited (2020-2022).

According to the Announcement on Continuing the Income Tax Policy for Enterprises in the Large-scale Development of the Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission, from January 1, 2021 to December 31, 2030, enterprise income tax will be levied at a reduced rate of 15% for encouraged industrial enterprises located in the western region. Chongqing Changan Automobile International Sales Service Co., Ltd., Chongqing Changan Special Purpose Vehicle Co., Ltd., Chongqing Changan Automobile Customer Service Co., Ltd., Chongqing Lingyao Automobile Co., Ltd. and Chongqing Chehemei Technology Co., Ltd., subsidiaries of the Company, meet the above requirements and are subject to corporate income tax calculated at a 15% corporate income tax rate.

According to the Announcement on Enterprise Income Tax Policies on Promoting the High-quality Development of the Integrated Circuit Industry and the Software Industry jointly issued by the Ministry of Finance, the State Administration of Taxation, the Development and Reform Commission and the Ministry of Industry and Information Technology, software enterprises encouraged by the state are exempt from enterprise income tax from the first to second year from the year of profit, and from the third to the fifth year, the statutory tax rate of 25% is halved. Chongqing Changan Automobile Software Technology Co., Ltd., a subsidiary of the Company, meets the above conditions, and this year is the third profit year and the statutory tax rate of 25% is halved.

VII. Notes to the consolidated financial statements**1. Cash**

In RMB Yuan

Item	Ending balance	Beginning balance
Cash	6,321.16	36,881.35

Cash at bank	51,032,261,166.99	49,517,879,953.64
Other cash	2,389,515,751.70	2,458,325,314.38
Total	53,421,783,239.85	51,976,242,149.37

As at 30 June 2022, the book value of restricted cash and cash equivalents is RMB 1,451,938,642.9, which was mainly restricted for the issuance of acceptance bill (December 31, 2021: RMB 2,458,325,314.38).

As at 30 June 2022, the cash at bank oversea is equivalent to RMB 235,680,963.02 (December 31, 2021: RMB 300,347,944.86).

As of June 30, 2022, the monetary capital deposited by the group in the financial company of the related party was RMB 27,362,815,259.42 (December 31, 2021: RMB 31,652,980,551.77). See note XII and 5 for details.

The interest income of bank demand deposits is obtained according to the interest rate of bank demand deposits. 7-day bank call deposits and time deposits can be withdrawn at any time according to the group's cash demand, and interest income is obtained according to the corresponding bank deposit interest rate.

2. Transactional financial assets

In RMB Yuan

Item	Ending balance	Beginning balance
Equity instrument investment	302,911,174.57	177,902,700.00
Others	3,056,400.00	17,895,600.00
Total	305,967,574.57	195,798,300.00

As of June 30, 2022, the trading financial assets measured at fair value are 33.63 million ordinary shares of Southwest Securities Co., Ltd. held by the group (December 31, 2021: 33.63 million shares), and 26.05 million restricted shares held by the group in China Automobile Research automobile testing ground Co., Ltd. (December 31, 2021: Nil).

3. Notes receivable

(1) Classification of notes receivable

In RMB Yuan

Item	Ending balance	Beginning balance
Commercial acceptance bill	15,064,718,344.41	17,187,270,560.03
Bank acceptance bill	6,114,186,788.25	7,080,362,856.62
Total	21,178,905,132.66	24,267,633,416.65

(2) Notes receivable pledged

In RMB Yuan

Item	Pledged amount
Commercial acceptance bill	6,334,050,284.91
Bank acceptance bill	1,924,405,539.88
Total	8,258,455,824.79

As of June 30, 2022, the bills receivable of the above amount had been pledged for issuing bills payable.

(3) Endorsed or discounted but unexpired notes receivable as at the end of reporting period

In RMB Yuan

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Commercial acceptance bill	1,836,816,065.23	-
Bank acceptance bill	17,900,000.00	-

Total	1,854,716,065.23	-
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(4) At the end of the period, the company transferred the bills to accounts receivable due to the drawer's non performance

As at 30 June 2022, there was no note receivables converted to accounts receivable due to the inability of the drawer to perform the contract. (As at 31 December 2021: Nil)

4. Accounts receivable**(1) Aging analysis of the accounts receivable**

In RMB Yuan

Aging	Ending balance	Beginning balance
Within 1 year	3,520,437,677.86	1,605,244,476.97
1 to 2 years	45,103,667.98	28,484,908.94
2 to 3 years	99,726,316.58	116,846,682.50
Over 3 years	152,921,931.80	140,125,844.08
Total	3,818,189,594.22	1,890,701,912.49
Less: Provision	(221,187,483.68)	(215,274,377.62)
Total	3,597,002,110.54	1,675,427,534.87

(2) The movements in provision for impairment of accounts receivable are as follows:

In RMB Yuan

Category	Beginning balance	Change amount in the current period			Ending balance
		Provision	Withdrawal or reversal	Write-off	
2022.6.30	215,274,377.62	14,793,773.74	3,880,667.68	5,000,000.00	221,187,483.68
2021.12.31	189,491,038.22	31,121,598.40	3,933,948.00	1,404,311.00	215,274,377.62

(3) Analysis of accounts receivable by category

In RMB Yuan

Category	Ending balance				
	Balance		Provision		Book value
	Amount	%	Amount	%	
Individually analyzed for provision	2,984,570,203.17	78.17	154,440,110.83	5.17	2,830,130,092.34
Accounts receivable analyzed as groups for provision	833,619,391.05	21.83	66,747,372.85	8.01	766,872,018.20
Total	3,818,189,594.22	100.00	221,187,483.68	5.79	3,597,002,110.54

Category	Beginning balance				
	Balance		Provision		Book value
	Amount	%	Amount	%	
Individually analyzed for provision	1,116,005,410.48	59.03	161,822,950.43	14.50	954,182,460.05
Accounts receivable analyzed as groups for provision	774,696,502.01	40.97	53,451,427.19	6.90	721,245,074.82
Total	1,890,701,912.49	100.00	215,274,377.62	11.39	1,675,427,534.87

(4) The Group's accounts receivable was analyzed for provision by expected credit loss model

In RMB Yuan

Aging	Ending balance		
	Estimated face value for default	Expected credit loss rate (%)	Expected credit loss for the entire duration
Within 1 year	638,311,708.75	0.11	678,498.74
1 to 2 years	6,032,150.00	8.61	519,124.72
2 to 3 years	67,434,401.51	17.55	11,832,231.58
Over 3 years	121,841,130.79	44.09	53,717,517.81
Total	833,619,391.05	8.01	66,747,372.85

Aging	Beginning balance		
	Estimated face value for default	Expected credit loss rate (%)	Expected credit loss for the entire duration
Within 1 year	572,882,251.72	0.13	759,937.11
1 to 2 years	28,352,246.25	8.57	2,429,794.47
2 to 3 years	92,634,562.67	12.47	11,548,535.79
Over 3 years	80,827,441.37	47.90	38,713,159.82
Total	774,696,502.01	6.90	53,451,427.19

(5) Accounts receivable with top five ending balances collected by debtors

As at June 30, 2022, accounts receivable from Top 5 clients amounted to RMB 2,159,307,798.64, accounted for 56.55% of the total accounts receivable (December 31, 2021: RMB 924,920,983.66, accounted for 48.92% of the total amount).

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

As of June 30, 2022, the Group has no accounts receivable that are derecognized as the transfer of financial assets (December 31, 2021: Nil).

5. Prepayments

In RMB Yuan

Aging	Ending balance		Beginning balance	
	Amount	%	Amount	%
Within 1 year	3,849,485,631.49	99.62	3,223,697,503.44	99.46
1 to 2 years	10,246,950.08	0.27	12,192,890.74	0.38
2 to 3 years	1,748,527.01	0.05	3,934,439.12	0.12
Over 3 years	2,500,285.31	0.06	1,423,997.98	0.04
Total	3,863,981,393.89	100.00	3,241,248,831.28	100.00

As at 30 June 2022, the total amount of the top five prepayments was RMB 1,474,271,190.88, accounting for 38.15% of the total amount of prepayments (2021: RMB 1,151,298,912.20, accounting for 35.52%).

6. Other receivables

In RMB Yuan

Item	Ending balance	Beginning balance
Dividend receivable	255,356,145.11	
Other receivables	254,258,702.75	632,122,942.37
Total	509,614,847.86	632,122,942.37

(1) Dividend receivable

In RMB Yuan

Project (or investee)	Ending balance	Beginning balance
Weaponry Group Finance Co., Ltd	143,737,428.00	
China Ordnance Equipment Group Finance Leasing Co., Ltd	411,666.67	
Guolian automobile power battery Research Institute Co., Ltd	73,034.00	
Chang'an Auto Finance Co., Ltd	66,943,616.44	
Chang'an Mazda Engine Co., Ltd	41,500,000.00	
Southwest Securities Co., Ltd	2,690,400.00	
Total	255,356,145.11	

(2) Other receivables

1) Aging analysis of other receivables

In RMB Yuan

Aging	Ending balance	Beginning balance
Within 1 year	178,523,769.16	617,564,020.74
1 to 2 years	64,284,604.28	1,762,913.64
2 to 3 years	1,981,904.94	2,737,081.98
Over 3 years	16,796,244.89	17,525,165.97
Total	261,586,523.27	639,589,182.33
Less: Provision	(7,327,820.52)	(7,466,239.96)
Total	254,258,702.75	632,122,942.37

2) Other receivables are classified by nature

In RMB Yuan

Nature	Ending balance	Beginning balance
Subsidies for new energy vehicles	50,998,795.00	409,468,872.96
Bond	18,205,007.69	84,465,512.53
Petty cash	37,717,721.77	23,921,846.41
Other	147,337,178.29	114,266,710.47
Total	254,258,702.75	632,122,942.37

3) The changes in the provision for bad debts for other receivables based on the 12-month expected credit losses and the expected credit losses for the entire duration

In RMB Yuan

Category	Beginning balance	Change amount in the current period				Ending balance
		Provision	Withdrawal or reversal	Write-off	Other	
2022.6.30	7,466,239.96	64,762.57	203,182.01			7,327,820.52
2021.12.31	11,821,252.79	68,455.17	4,205,241.00	218,227.00		7,466,239.96

4) Other receivables with top five ending balances collected by debtors

In RMB Yuan

Name	Nature	Ending balance	Aging	Proportion in ending balance of other receivables (%)	Ending balance of bad debt provision
First	Subsidies for new energy vehicles	50,998,795.00	Within 1 year	19.50	

Second	Disposal of assets	48,350,040.00	1 to 2 years	18.48	
Third	Bond	15,900,000.00	Within 1 year	6.08	
Fourth	Electricity fee	10,815,169.74	Within 1 year	4.13	
Fifth	Gas fee	6,143,019.88	Within 1 year	2.35	
Total		132,207,024.62	-	50.54	

5) Other receivables derecognized due to transfer of financial assets

As of June 30, 2022, the Group has no other receivables derecognized as financial asset transfers. (December 31, 2021: Nil).

7. Inventory

(1) Classification of inventory

In RMB Yuan

Item	Ending balance			Beginning balance		
	Balance	Provision for impairment of inventories or provision for impairment of contract performance costs	Net value	Balance	Provision for impairment of inventories or provision for impairment of contract performance costs	Net value
Raw materials	1,251,525,114.27	276,722,893.12	974,802,221.15	814,952,436.64	313,721,126.17	501,231,310.47
Work in transit	107,432,641.94	-	107,432,641.94	355,550,319.54	-	355,550,319.54
Work in progress	2,609,892,441.73	60,788,411.49	2,549,104,030.24	2,759,775,787.47	72,995,707.72	2,686,780,079.75
Commodity stock	3,438,230,207.70	76,638,247.43	3,361,591,960.27	3,420,908,192.91	166,294,516.69	3,254,613,676.22
Revolving materials	-	-	-	29,535,580.80	-	29,535,580.80
Spare parts	31,994,939.02	-	31,994,939.02	25,163,453.81	-	25,163,453.81
Total	7,439,075,344.66	414,149,552.04	7,024,925,792.62	7,405,885,771.17	553,011,350.58	6,852,874,420.59

(2) Provision for inventory

In RMB Yuan

Item	Beginning balance	Increase		Decrease		Ending balance
		Provision	Other	Reversal	Write-off	
Raw materials	313,721,126.17	10,874,321.00		82,454.04	47,790,100.01	276,722,893.12
Work in progress	72,995,707.72	48,387,421.87		320,089.45	60,274,628.65	60,788,411.49
Commodity stock	166,294,516.69	17,364,083.57		4,091,297.35	102,929,055.48	76,638,247.43
Total	553,011,350.58	76,625,826.44		4,493,840.84	210,993,784.14	414,149,552.04

8. Contract assets

In RMB Yuan

Item	Ending balance			Beginning balance		
	Balance	Provision for impairment	Net value	Balance	Provision for impairment	Net value
Contract assets	1,208,077,390.13	171,319,492.50	1,036,757,897.63	1,320,954,229.34	169,661,981.98	1,151,292,247.36
Total	1,208,077,390.13	171,319,492.50	1,036,757,897.63	1,320,954,229.34	169,661,981.98	1,151,292,247.36

Current contract assets provision for impairment:

In RMB Yuan

	Beginning balance	Provision	Turn back	Resale	Ending balance
2022.6.30	169,661,981.98	1,807,510.52	150,000.00	-	171,319,492.50
2021.12.31	134,148,932.88	49,094,830.06	7,431,781.00	6,149,999.96	169,661,981.98

9. Other current assets

In RMB Yuan

Item	Ending balance	Beginning balance
Accrual input tax	633,540,441.95	1,140,996,871.24
Prepaid taxes	139,504,217.70	3,078,565.10
Others	9,626,784.09	3,723,435.08
Total	782,671,443.74	1,147,798,871.42

10. Long-term equity investments

In RMB Yuan

Investee	Beginning balance	Increase / decrease				Ending balance	Provision ending balance
		Addition	Investment income under equity method	Other comprehensive income adjustment	Declaration of cash dividends or profits		
I. Joint Venture							
Changan Ford Automobile Co., Ltd.	2,934,876,043.99		522,860,908.17			3,457,736,952.16	
Changan Mazda Automobile Co., Ltd.	1,867,086,106.67		236,050,510.98		(381,500,000.00)	1,721,636,617.65	
Changan Mazda Engine Co., Ltd.	835,121,564.38		15,784,275.65		(41,500,000.00)	809,405,840.03	
Nanchang Jiangling Holding Co., Ltd.	1,630,596,420.97		88,264,113.54			1,718,860,534.51	
Subtotal	7,267,680,136.01		862,959,808.34		(423,000,000.00)	7,707,639,944.35	
II. Associates							
Chongqing Changan Kuayue Automobile Co., Ltd.	242,792,196.86		(20,594,524.55)			222,197,672.31	
Changan Automobile Financing Co.,Ltd	2,520,349,332.44		152,764,747.43		(66,943,616.44)	2,606,170,463.43	
Hainan Anxinxing Information Technology Co., Ltd. (note 1)		368,900.00	(368,900.00)				
Nanjing Chelai Travel Technology Co., Ltd.	866,888.90		(97,213.22)			769,675.68	
Hunan Guoxin Semiconductor Technology Co., Ltd.	25,285,116.95		(552,714.09)			24,732,402.86	
Nanjing Leading Equity Investment Management Co., Ltd. (Limited Partnership)	2,424,143,949.52		(42,899.72)			2,424,101,049.80	
Nanjing Leading Equity Investment Partnership	1,133,065.60		(9,266.61)			1,123,798.99	
Chongqing Changan New Energy Vehicles Technology Co., Ltd.	425,266,071.28	2,023,566,110.70	(730,298,424.67)			1,718,533,757.31	
Zhongqi Chuangzhi Technology Co., Ltd.	190,534,997.15		(9,012,542.48)			181,522,454.67	
Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership)	25,007,587.62		(5,754.39)			25,001,833.23	
Anhe (Chongqing) Equity Investment Fund Management Co., Ltd.	2,199,216.74		(222,996.33)			1,976,220.41	

Hangzhou Chelizi Intelligent Technology Co., Ltd.	9,456,236.58		(559,728.73)			8,896,507.85	
Master Changan Automobile Co., Ltd.	40,167,274.82		(2,584,892.67)			37,582,382.15	
Jiangling Holding Co., Ltd.	70,492,790.08		(41,202,595.77)			29,290,194.31	
AVATR. Co., Ltd. (note 2)		2,446,278,194.01	(131,350,496.79)	146,228.18		2,315,073,925.40	
Chongqing Changan Kuayue Automobile Sales Co., Ltd. (note 1)							
Beijing Fang'an crescent taxi Co., Ltd. (note 1)							
Chongqing Wutong Chelian Technology Co., Ltd. (note 1)							
Subtotal	5,977,694,724.54	4,470,213,204.71	(784,138,202.59)	146,228.18	(66,943,616.44)	9,596,972,338.40	
Total	13,245,374,860.55	4,470,213,204.71	78,821,605.75	146,228.18	(489,943,616.44)	17,304,612,282.75	

Note 1: On 2022 June 30, the Group of Chongqing Changan Kuayue Automobile Co., Ltd., Beijing Fang'an crescent taxi Co., Ltd., Chongqing Wutong Chelian Technology Co., Ltd. and Hainan Anxinxing Information Technology Co., Ltd. did not have the obligation to undertake extra losses, so the excess loss when it occurs, only the long-term equity investment was written down to zero. The excess losses related to the investment in the above three companies were not recognized.

Note 2: In March 2022, AVATR. Co., Ltd., a subsidiary of the company, completed capital increase and share expansion and introduced new investors. After the capital increase was completed, AVATR. Co., Ltd. changed from a subsidiary to an associate enterprise.

11. Investment in other equity instruments

In RMB Yuan

Item	Accumulative changes in fair value included in other comprehensive income	Fair value	Dividends Income	Reason for being designated as fair value through other comprehensive income
Corun Hybrid Power Technology Co. Ltd	5,959,600.00	205,959,600.00		Unlisted equity instruments
China South Industry Group Finance Co., Ltd.	174,979,200.00	332,000,000.00	143,737,428.00	Unlisted equity instruments
Guoqi (Beijing) Intelligent Network Association Automotive Research Institute Co., Ltd.	100,000.00	50,100,000.00		Unlisted equity instruments
Guoqi Automobile Power Cell Research Co., Ltd.	6,700,000.00	46,700,000.00	73,034.00	Unlisted equity instruments
China South Industry Group Financial Leasing Co., Ltd.	12,098,000.00	42,650,000.00	411,666.67	Unlisted equity instruments
Zhong Fa Lian Investment Co., Ltd.		21,000,000.00		Unlisted equity instruments
CAERI(Beijing) automobile Lightweight Technology Research Institution Co., Ltd.		3,000,000.00		Unlisted equity instruments
Sichuan Glass Co., Ltd.				Unlisted equity instruments
Total	199,836,800.00	701,409,600.00	144,222,128.67	

12. Investment property

Cost Model

In RMB Yuan

Item	Buildings	Total
I. Original cost		
1. Opening balance	10,050,100.00	10,050,100.00
2. Increase in current period		
3. Decrease in current period		
4. Ending balance	10,050,100.00	10,050,100.00
II. Accumulated depreciation and amortization		
1. Opening balance	3,400,673.40	3,400,673.40
2. Increase in current period	113,355.78	113,355.78
3. Decrease in current period		
4. Ending balance	3,514,029.18	3,514,029.18
III. Net Value		
1. Ending	6,536,070.82	6,536,070.82
2. Beginning	6,649,426.60	6,649,426.60

The investment property is rented to third parties in the form of operating lease.

As at 30 June 2022, there was no investment property without property certificate (As at 31 December 2021: Nil).

13. Fixed assets**(1) Details of fixed assets**

In RMB Yuan

Item	Buildings	Machinery	Vehicles	Other Equipment	Total
I. Original cost					
Beginning	9,881,301,151.22	26,013,931,324.85	1,421,170,657.53	9,442,094,973.15	46,758,498,106.75
Purchase	1,027,877.86	24,462,217.92		27,079,122.51	52,569,218.29
Transfer from Construction progress in	3,092,478.77	130,267,336.64	452,607,358.73	380,740,958.65	966,708,132.79
Disposal	37,092,534.12	39,875,006.43	88,671,767.66	68,810,766.15	234,450,074.36
Government grants		45,824,900.00	86,596,292.00		132,421,192.00
Other decrease	12,196,144.18	7,082,213.50	433,482.76	8,540,318.14	28,252,158.58
Ending	9,836,132,829.55	26,075,878,759.48	1,698,076,473.84	9,772,563,970.02	47,382,652,032.89
II. Accumulated depreciation					
Beginning	2,830,770,398.43	14,770,986,696.00	537,352,883.68	4,988,689,213.76	23,127,799,191.87
Accrual	187,735,732.35	886,707,955.54	99,288,960.32	261,948,492.69	1,435,681,140.90
Disposal	26,061,113.31	35,323,317.76	64,225,749.84	16,129,740.61	141,739,921.52
Other decrease			205,021.23	993,150.09	1,198,171.32
Ending	2,992,445,017.47	15,622,371,333.78	572,211,072.93	5,233,514,815.75	24,420,542,239.93
III. Impairment Provision					
Beginning	99,421,052.16	1,772,417,722.74	99,933,602.55	332,966,687.27	2,304,739,064.72
Accrual		123,779,668.17	318,225.48	41,020,062.45	165,117,956.10
Disposal	147,418.54	677,471.46	16,391,541.84	4,185,694.36	21,402,126.20
Ending	99,273,633.62	1,895,519,919.45	83,860,286.19	369,801,055.36	2,448,454,894.62
IV. Net Value					
Ending	6,744,414,178.46	8,557,987,506.25	1,042,005,114.72	4,169,248,098.91	20,513,654,898.34
Beginning	6,951,109,700.63	9,470,526,906.11	783,884,171.30	4,120,439,072.12	21,325,959,850.16

(2) Fixed assets that are temporarily unused

On June 30, 2022, the fixed assets with a book value of RMB 125,476,018.72 (December 31, 2021: RMB 150,232,534.30) were temporarily idle due to product upgrading and other reasons.

(3) The fixed assets which are rented out under operating leases

In RMB Yuan

Item	Ending
Buildings	293,881,396.48
Machinery	47,076,051.90
Vehicles	1,007,156,364.29
Other Equipment	4,084,478.11

14. Construction in progress**(1) Details of construction in progress**

In RMB Yuan

Item	Ending balance			Beginning balance		
	Balance	Provision	Carrying amount	Balance	Provision	Carrying amount
Mini-bus production equipment	153,198,664.88		153,198,664.88	110,892,336.09		110,892,336.09
Car production equipment	285,522,690.10	21,313,648.08	264,209,042.02	304,941,771.34	21,313,648.08	283,628,123.26
Engine plant	163,363,062.61		163,363,062.61	127,069,581.90		127,069,581.90
Vehicle research institution	17,612,321.21		17,612,321.21	27,661,450.64		27,661,450.64
Car production Project of Hefei Changan	22,273,791.97		22,273,791.97	13,073,052.88		13,073,052.88
Light vehicle project	20,953,663.84		20,953,663.84	20,953,663.84		20,953,663.84
Others	511,656,556.17	22,885,996.12	488,770,560.05	927,276,352.74	50,378,021.92	876,898,330.82
Total	1,174,580,750.78	44,199,644.20	1,130,381,106.58	1,531,868,209.43	71,691,670.00	1,460,176,539.43

(2) Movements of significant construction in progress

In RMB Yuan

Item	Budget	Beginning balance	Addition	Transferred to fixed assets	Other deduction	Ending balance	The project investments' proportion of budget (%)	Progress of construction (%)	Source of funds
Mini-bus production equipment	1,093,490,000.00	110,892,336.09	76,807,358.31	34,431,295.01	69,734.51	153,198,664.88	78.00	78.00	Self-funded
Car production equipment	3,650,155,000.00	283,628,123.26	6,581,219.57	26,000,300.81		264,209,042.02	76.00	76.00	Self-raised and additional issuance
Engine plant	4,659,071,200.00	127,069,581.90	57,103,331.39	20,809,850.68		163,363,062.61	77.00	77.00	Self-raised and additional issuance
Vehicle research institution	2,099,060,000.00	27,661,450.64	18,263,706.59	28,312,836.02		17,612,321.21	86.00	86.00	Self-funded
Car production project of Hefei Changan	3,949,800,000.00	13,073,052.88	9,200,739.09			22,273,791.97	87.00	87.00	Self-raised and additional issuance
Light vehicle project	520,083,400.00	20,953,663.84				20,953,663.84	68.00	68.00	Self-funded
Car-sharing project		721,192,899.46		451,943,328.88	45,371,719.67	223,877,850.91			Self-funded
Others		155,705,431.36	619,556,531.14	405,210,521.39	105,158,731.97	264,892,709.14			Self-funded
Total		1,460,176,539.43	787,512,886.09	966,708,132.79	150,600,186.15	1,130,381,106.58			

(3) The movement of impairment for construction in progress is as follows:

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
June 30, 2022	71,691,670.00		27,492,025.80	44,199,644.20
December 31, 2021	71,352,959.12	558,034.00	219,323.12	71,691,670.00

15. Right-of-use assets

In RMB Yuan

Item	Buildings	Total
I. Original cost		
1. Beginning	92,864,546.90	92,864,546.90
2. Purchase	77,438,068.15	77,438,068.15
3. Disposal	2,689,483.42	2,689,483.42
4. Other deduction	78,792,400.21	78,792,400.21
5. Ending	88,820,731.42	88,820,731.42
II. Accumulated depreciation		
1. Beginning	26,551,483.92	26,551,483.92
2. Purchase	16,605,322.98	16,605,322.98
3. Disposal	582,721.40	582,721.40
4. Other deduction	3,770,986.88	3,770,986.88
5. Ending	38,803,098.62	38,803,098.62
III. Carrying amount		
1. Ending	50,017,632.80	50,017,632.80
2. Beginning	66,313,062.98	66,313,062.98

16. Intangible assets**(1) Details of intangible assets**

In RMB Yuan

Item	Land use rights	Patent	Non-patent technology	Software use rights	Trademark use rights	Total
I. Original cost						
Beginning	2,284,655,025.60		6,643,349,368.90	785,360,545.01	211,864,157.55	9,925,229,097.06
Purchase		85,556,571.30	2,950,592.78	7,057,273.61		95,564,437.69
Internal research and development			441,434,828.55			441,434,828.55
Disposal	46,688,334.00					46,688,334.00
Ending	2,237,966,691.60	85,556,571.30	7,087,734,790.23	792,417,818.62	211,864,157.55	10,415,540,029.30
II. Accumulated amortization						
Beginning	440,258,024.63		3,969,781,572.32	671,428,815.01	211,786,800.00	5,293,255,211.96

Accrual	25,049,708.12	2,851,885.71	481,902,072.11	18,236,655.74	77,357.55	528,117,679.23
Disposal	20,568,118.91		-	-	-	20,568,118.91
Ending	444,739,613.84	2,851,885.71	4,451,683,644.43	689,665,470.75	211,864,157.55	5,800,804,772.28
III. Impairment provision						
Beginning			222,358,304.26	23,617,923.17		245,976,227.43
Accrual			2,920,133.24			2,920,133.24
Ending			225,278,437.50	23,617,923.17		248,896,360.67
IV 、 Carrying amount						
Ending	1,793,227,077.76	82,704,685.59	2,410,772,708.30	79,134,424.70		4,365,838,896.35
Beginning	1,844,397,000.97		2,451,209,492.32	90,313,806.83	77,357.55	4,385,997,657.67

As of June 30, 2022, intangible assets formed through internal research and development accounted for 55.22% of the year-end book value of intangible assets (December 31, 2021: 55.89%).

As of June 30, 2022, there is no land use rights that have not completed the land use right certificate (December 31, 2021: Nil).

17. Development expenditure

In RMB Yuan

Item	Beginning balance	Addition Internal research and development	Deduction			Ending balance
			Recognized as intangible assets	Charged to income Statement of the current year	Other deduction	
Automobile Development	727,568,248.78	602,999,114.43	441,434,828.55	86,143,252.73	251,509,079.07	551,480,202.86
Total	727,568,248.78	602,999,114.43	441,434,828.55	86,143,252.73	251,509,079.07	551,480,202.86

18. Development expenditure

(1) Original book value of goodwill

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Hebei Changan Automobile Co., Ltd	9,804,394.00			9,804,394.00
Nanjing Changan Automobile Co., Ltd				
AVATR. Co., Ltd	39,078,794.37		39,078,794.37	
Total	48,883,188.37		39,078,794.37	9,804,394.00

Note: The deduction of goodwill of AVATR. Co., Ltd in the current period is due to the impact of changes in the scope of consolidation caused by the loss of control.

(2) Provision for goodwill

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Nanjing Changan Automobile Co., Ltd.	73,465,335.00			73,465,335.00
Total	73,465,335.00			73,465,335.00

19. Long-term deferred expenses

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Other deduction	Ending balance
Long-term deferred expenses	15,032,814.19	8,501,069.16	1,826,783.84		21,707,099.51
Total	15,032,814.19	8,501,069.16	1,826,783.84		21,707,099.51

20. Deferred tax assets and liabilities**(1) Deferred income tax assets that are not offset:**

In RMB Yuan

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Assets provision	2,871,396,575.12	430,709,486.27	2,777,356,777.37	416,729,166.66
Accrued expenses and contingent liabilities	6,989,431,192.52	1,048,414,678.88	6,824,636,821.50	1,034,344,964.94
Unpaid tech development expense and advertisement expense	571,216,316.77	85,682,447.52	371,602,577.37	55,740,386.60
Deferred income	2,938,710,999.31	440,806,649.89	2,897,724,045.52	434,658,606.83
Unpaid salary and bonus and others	2,864,638,006.49	429,695,700.98	2,252,471,662.68	339,346,391.96
Total	16,235,393,090.21	2,435,308,963.54	15,123,791,884.44	2,280,819,516.99

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

In RMB Yuan

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of financial assets	392,235,421.84	58,835,313.28	366,226,945.07	54,934,041.76
Fair value adjustment of business combination not under common control	214,453,003.57	32,167,950.54	223,598,108.60	33,539,716.29
Long-term equity investment	824,671,946.85	123,700,792.03	824,671,946.85	123,700,792.03
Other	33,336,067.93	5,000,410.19	35,116,281.93	5,267,442.29
Total	1,464,696,440.19	219,704,466.04	1,449,613,282.45	217,441,992.37

(3) Details of unrecognized deferred tax assets

In RMB Yuan

Item	Ending balance	Beginning balance
The deductible temporary difference	1,772,143,525.42	2,557,584,132.14
The deductible tax loss	4,693,437,982.83	7,599,963,296.27
Total	6,465,581,508.25	10,157,547,428.41

Note: Due to the uncertainty of whether there will be enough taxable profit in future to utilize the above deductible loss, no deferred tax assets have been recognized accordingly.

(4) Maturity period for unrecognized deductible tax losses:

In RMB Yuan

Year	Ending balance	Beginning balance
2022	160,009,422.55	186,827,208.01
2023	651,217,805.08	719,486,343.29
2024	642,608,818.28	644,243,430.69
2025	662,132,493.46	804,477,322.53
2026	177,704,323.94	191,081,327.12
2027 and beyond	2,399,765,119.52	5,053,847,664.63
Total	4,693,437,982.83	7,599,963,296.27

21. Short-term loans

In RMB Yuan

Item	Ending balance	Beginning balance
Mortgage loans	19,000,000.00	19,000,000.00
Guaranteed loan	27,166,500.00	
Total	46,166,500.00	19,000,000.00

As at 30 June 2022, there was no overdue short-term loan (as at 31 December 2021: Nil).

22. Notes payable

In RMB Yuan

Item	Ending balance	Beginning balance
Commercial acceptance bill	3,438,819,091.41	5,419,108,409.88
Bank acceptance bill	23,482,587,410.81	18,873,159,961.24
Total	26,921,406,502.22	24,292,268,371.12

As at 30 June 2022, there were no significant accounts payable aged over one year (as at 31 December 2021: Nil).

23. Accounts payable

In RMB Yuan

Item	Ending balance	Beginning balance
Accounts payable	23,994,999,761.80	23,650,604,870.98
Total	23,994,999,761.80	23,650,604,870.98

As at 30 June 2022, there were no significant accounts payable aged over one year (as at 31 December 2021: Nil).

24. Contract liabilities

In RMB Yuan

Item	Ending balance	Beginning balance
Advance payment	4,267,583,038.93	9,274,445,050.60
Advance service payment	688,487,935.99	566,064,463.79
Total	4,956,070,974.92	9,840,509,514.39

25. Payroll payable**(1) Payroll payable**

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Short term salary benefits	2,474,414,390.26	4,166,290,955.51	3,428,026,533.58	3,212,678,812.19
Defined contribution plans	89,216,538.26	295,145,597.47	271,516,773.31	112,845,362.42
Early retirement benefits	2,940,000.00	-	1,664,381.96	1,275,618.04
Total	2,566,570,928.52	4,461,436,552.98	3,701,207,688.85	3,326,799,792.65

(2) Short term salary benefits:

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
1. Salary, bonus, allowance and subsidy	2,051,402,711.53	3,545,065,703.78	2,739,493,804.21	2,856,974,611.10
2. Employee benefit	50,630,435.22	143,683,960.45	192,022,028.36	2,292,367.31
3. Social insurance	33,522,353.03	226,556,597.67	206,451,388.46	53,627,562.24
Medical insurance	21,021,344.24	206,179,667.73	186,302,126.78	40,898,885.19
Industrial injury insurance	11,118,683.26	20,113,506.84	18,503,897.89	12,728,292.21
Maternity insurance	1,382,325.53	263,423.10	1,645,363.79	384.84
4. Housing accumulation fund	82,772,742.30	120,578,347.77	138,180,124.15	65,170,965.92
5. Labor fund and employee education fund	256,086,148.18	118,762,733.07	146,235,575.63	228,613,305.62
6. Others		11,643,612.77	5,643,612.77	6,000,000.00
Total	2,474,414,390.26	4,166,290,955.51	3,428,026,533.58	3,212,678,812.19

(3) Defined contribution plans:

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
1. Basic retirement	79,483,988.05	285,176,572.20	262,988,606.04	101,671,954.21

security				
2. Unemployment insurance	9,732,550.21	9,969,025.27	8,528,167.27	11,173,408.21
Total	89,216,538.26	295,145,597.47	271,516,773.31	112,845,362.42

The salary, bonus, allowance and subsidy, employee benefits and other social insurances mentioned above are paid in time according to related laws and regulations and sets of the Group.

26. Taxes payable

In RMB Yuan

Item	Ending balance	Beginning balance
Value-added tax	283,161,424.83	226,203,631.00
Consumption tax	313,679,284.06	677,686,833.74
Corporate income tax	21,973,424.89	105,632,071.69
City maintenance and construction tax	62,868,525.34	40,480,950.08
Others	25,810,497.92	71,309,911.01
Total	707,493,157.04	1,121,313,397.52

27. Other payables

In RMB Yuan

Item	Ending balance	Beginning balance
Purchase and construction of fixed assets, intangible assets and engineering deposits	828,054,799.13	949,561,307.22
New energy subsidy collection and payment	807,637,855.00	169,127,065.00
Customer and supplier margin	755,711,023.28	614,910,836.94
Treasury stock repurchase	655,812,327.60	655,812,327.60
Advertisement fees	435,181,058.99	890,826,555.71
Storage fees and freight	381,651,926.24	159,463,618.29
Maintenance fees	206,984,685.67	212,946,188.78
Advanced receipt of land and plant disposal fees	140,000,000.00	
Capital increase from third parties received in advance by subsidiaries		253,750,000.00
Equity disposal payment	89,444,954.88	61,787,880.00
Others	815,849,609.20	594,440,565.15
Total	5,116,328,239.99	4,562,626,344.69

28. Non-current liability within 1 year

In RMB Yuan

Item	Ending balance	Beginning balance
Long-term loan within 1 year	654,300,000.00	354,300,000.00
Long-term payables within 1 year	213,312,142.21	154,593,759.05

Lease liabilities within 1 year	19,964,461.90	24,945,824.52
Total	887,576,604.11	533,839,583.57

29. Other current liabilities

In RMB Yuan

Item	Ending balance	Beginning balance
Accrued commercial discount payable	3,260,659,595.98	3,367,324,452.66
Accrued transportation fee	805,314,435.84	729,390,155.06
Accrued market development expense	564,309,358.38	808,031,552.57
Accrued technology royalty	402,214,421.99	342,675,110.58
Accrued integrated services fee	79,555,300.00	79,555,300.00
Accrued labor service fee	76,656,610.57	63,197,022.32
Accrued utilities	41,279,074.15	48,068,943.51
Accrued negative points for fuel consumption	-	33,239,495.00
Others	232,310,379.25	209,476,997.52
Total	5,462,299,176.16	5,680,959,029.22

30. Long-term Loan

In RMB Yuan

Item	Ending balance	Beginning balance
Credit loan	694,300,000.00	954,300,000.00
Deduction: Loan within 1 year	654,300,000.00	354,300,000.00
Net Long-term Loan	40,000,000.00	600,000,000.00

As at June 30, 2022, the interest rates of the above loans were 1.00%-3.00% (as at 31 December 2021: 1.00%-3.00%).

As at June 30, 2022, there is no overdue long-term loans (as at 31 December 2021: Nil).

31. Lease liabilities

In RMB Yuan

Item	Ending balance	Beginning balance
Lease liabilities	48,166,482.15	63,625,560.11
Less: Lease liabilities within 1 year	19,964,461.90	24,945,824.52
Net lease liabilities	28,202,020.25	38,679,735.59

32. Long-term payables

In RMB Yuan

Item	Ending balance	Beginning balance
Long-term payables	467,780,397.91	642,513,537.69

Special payables	163,222,915.60	182,959,952.39
Total	631,003,313.51	825,473,490.08

(1) Long-term payables:

In RMB Yuan

Item	Ending balance	Beginning balance
Purchase of fixed assets	681,092,540.12	797,107,296.74
Less: Long-term payables within 1 year	213,312,142.21	154,593,759.05
Total	467,780,397.91	642,513,537.69

(2) Special payables:

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Land relocation compensation of Nanjing changan	55,350,709.40		55,350,709.40	
Intelligent manufacturing project	82,777,201.36	35,740,700.00	11,318,391.82	107,199,509.54
Lightweight design of automobile structure	18,903,766.50	2,800,000.00	4,801,572.92	16,902,193.58
Others	25,928,275.13	16,140,816.00	2,947,878.65	39,121,212.48
Total	182,959,952.39	54,681,516.00	74,418,552.79	163,222,915.60

33. Long-term payroll payable

In RMB Yuan

Item	Ending balance	Beginning balance
Net obligation of defined benefit plan	27,665,760.32	30,917,000.00
Early retirement	8,971,069.20	8,186,000.00
Total	36,636,829.52	39,103,000.00

34. Contingent liabilities

In RMB Yuan

Item	Ending balance	Beginning balance
Warranty	3,770,948,830.71	3,295,272,783.50
Contingent liabilities of contract performance	509,056,929.02	543,742,894.34
Total	4,280,005,759.73	3,839,015,677.84

35. Deferred income

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Government grants related to assets	224,903,605.46	121,411,192.00	132,421,192.00	213,893,605.46
Government grants related to gains	699,846,125.66	10,531,250.00	424,791,568.19	285,585,807.47
Total	924,749,731.12	131,942,442.00	557,212,760.19	499,479,412.93

Details of government grants are as follows:

In RMB Yuan

Liability	Beginning balance	Addition	Deduction	Ending balance
Related to assets:	224,903,605.46	121,411,192.00	132,421,192.00	213,893,605.46
Production and construction subsidies	158,141,323.00	121,411,192.00	121,411,192.00	158,141,323.00
Other government subsidies	66,762,282.46		11,010,000.00	55,752,282.46
Related to gains:	699,846,125.66	10,531,250.00	424,791,568.19	285,585,807.47
R&D technology subsidies	569,842,539.65		359,884,872.76	209,957,666.89
Other government subsidies	130,003,586.01	10,531,250.00	64,906,695.43	75,628,140.58
Total	924,749,731.12	131,942,442.00	557,212,760.19	499,479,412.93

36. Other non-current liabilities

In RMB Yuan

Item	Ending balance	Beginning balance
Advance service payment	1,532,238,553.86	1,352,292,332.21
Deduction: Advance service payment within 1 year	688,487,935.99	566,064,463.79
Net other non-current liabilities	843,750,617.87	786,227,868.42

37. Share capital

In RMB Yuan

	Beginning balance	Changes (+, -)				Ending balance
		Additional issued	Stock dividend	Provident fund transfer	Others	
I. Shares with sales restrictions	519,818,865.00			155,945,659.00		675,764,524.00
1. State-owned legal person shares	396,393,645.00			118,918,093.00		515,311,738.00
2. Other domestic shares	122,490,320.00			36,747,096.00		159,237,416.00
Including: Domestic legal person shares						
Domestic natural person	122,490,320.00			36,747,096.00		159,237,416.00

shares					
3. Foreign shares	934,900.00			280,470.00	1,215,370.00
Including: Foreign legal person shares					
Foreign natural person shares	934,900.00			280,470.00	1,215,370.00
II. Shares without sales restrictions	7,112,334,537.00			2,133,700,361.00	9,246,034,898.00
1. Ordinary shares denominated in RMB	5,849,553,939.00			1,754,866,182.00	7,604,420,121.00
2. Domestic listed foreign shares	1,262,780,598.00			378,834,179.00	1,641,614,777.00
III. Total shares	7,632,153,402.00			2,289,646,020.00	9,921,799,422.00

According to the 2021 profit distribution and provident fund transfer plan, the capital reserve will be converted to 3 shares for every 10 shares. After the conversion, the total share capital will increase by RMB 2,289,646,020 and the capital reserve will decrease by RMB 2,289,646,020.

38. Capital reserves

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Share premium	8,774,823,352.59		2,289,646,020.00	6,485,177,332.59
Share-based payments	268,539,867.92	192,310,900.00		460,850,767.92
Capital reserve transferred arising from the old standards	44,496,899.00			44,496,899.00
reserve of equity investments	17,015,985.20			17,015,985.20
Others	671,317,255.67	663,566,110.70		1,334,883,366.37
Total	9,776,193,360.38	855,877,010.70	2,289,646,020.00	8,342,424,351.08

In 2022, the increase in other capital reserves amounting to RMB 663,566,110.70 was due to the capital increase of the minority shareholders of Chongqing Changan New Energy Vehicle Technology Co., Ltd., an associate company of the Company.

39. Treasury stock

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Treasury stock	655,812,327.60			655,812,327.60
Total	655,812,327.60			655,812,327.60

40. Other comprehensive income

In RMB Yuan

Item	Beginning balance	Amount for this reporting period					Amount attributable to minority interests	Ending balance
		Amount before tax	Deduct: amounts transferred to income statement which were recognized in other comprehensive income in prior period	Deduct: other comprehensive income in the previous period and transferred to retained earnings in the current period	Deduct: Income tax	Amount attributable to owners		
I. Other comprehensive income that cannot be transferred to profit or loss under the equity method	166,196,226.11					166,196,226.11		166,196,226.11
Change in net liability or assets from defined benefit plan	(297,000.00)					(297,000.00)		(297,000.00)
Other comprehensive income that cannot be transferred to profit or loss under the equity method	(3,368,053.89)					(3,368,053.89)		(3,368,053.89)
Changes in the fair value of other equity instrument investments	169,861,280.00					169,861,280.00		169,861,280.00
II. Other comprehensive income will be reclassified to profit or loss in subsequent period	(96,753,756.58)	121,654.81				(96,632,101.77)		(96,632,101.77)
Other comprehensive income that can be transferred to profit or loss under the equity method		146,228.18				146,228.18		146,228.18
Foreign currency translation difference	(96,753,756.58)	(24,573.37)				(96,778,329.95)		(96,778,329.95)
Total	69,442,469.53	121,654.81				69,564,124.34		69,564,124.34

41. Special reserves

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Safety fund	27,988,260.61	46,183,489.83	25,024,594.96	49,147,155.48
Total	27,988,260.61	46,183,489.83	25,024,594.96	49,147,155.48

42. Surplus reserves

In RMB Yuan

Item	Beginning balance	Addition	Deduction	Ending balance
Statutory surplus	2,982,292,413.67			2,982,292,413.67
Total	2,982,292,413.67			2,982,292,413.67

43. Retained earnings

In RMB Yuan

Item	Current period	Prior period
Retained earnings at beginning of the year	35,900,674,525.13	34,315,048,892.26
Add: Profits attributable to parent company for the current year	5,857,626,135.78	1,729,245,208.60
Less: Ordinary share dividend of cash	1,778,856,191.54	1,666,243,360.54
Retained earnings at the end of year	39,979,444,469.37	34,378,050,740.32

44. Operating revenue and cost

In RMB Yuan

Item	Amount for this period		Amount for prior period	
	Revenue	Cost	Revenue	Cost
Main business	55,281,269,652.99	44,486,900,457.55	55,859,466,497.39	47,581,200,934.60
Other business	1,292,298,740.72	873,190,024.65	925,165,401.68	505,476,294.61
Total	56,573,568,393.71	45,360,090,482.20	56,784,631,899.07	48,086,677,229.21

45. Tax and surcharges

In RMB Yuan

Item	Amount for this period	Amount for prior period
Consumption tax	1,469,234,309.60	1,599,192,250.70
City maintenance and construction tax	194,046,087.99	196,961,006.14
Educational surcharge	133,244,356.31	134,489,938.43
Others	149,775,477.87	157,051,471.80
Total	1,946,300,231.77	2,087,694,667.07

46. Operating expenses

In RMB Yuan

Item	Amount for this period	Amount for prior period
Sales service fee	1,151,982,258.69	871,026,270.21
Promotion, advertising fee	552,426,701.41	791,462,570.10
Payroll and welfare	297,621,384.05	240,101,135.80
Transportation and storage fees	205,973,233.78	168,961,271.58
Travelling expenses	30,218,731.48	30,394,898.13
Package expenses	28,619,986.39	14,493,447.37
Others	18,487,525.97	29,675,719.00
Total	2,285,329,821.77	2,146,115,312.19

47. General and administrative expenses

In RMB Yuan

Item	Amount for this period	Amount for prior period
Payroll and welfare	1,766,803,412.30	1,216,671,339.99
Depreciation and amortization	110,312,454.37	117,765,985.28
Traffic expenses and travelling expenses	21,235,281.45	27,865,566.05
Negative points for fuel consumption	-	636,271,194.34
Others	285,683,156.98	218,572,958.84
Total	2,184,034,305.10	2,217,147,044.50

48. Research and development expenses

In RMB Yuan

Item	Amount for this period	Amount for prior period
Payroll and welfare	819,010,682.93	592,150,357.04
Depreciation and amortization	614,117,321.15	607,589,508.63
Subcontract fee	272,218,189.13	147,374,115.88
Material fee	112,662,406.81	70,981,081.39
Travelling research fee	20,043,210.47	12,194,021.56
Test fee	17,479,289.63	35,455,478.77
Others	76,763,044.55	29,838,798.89
Total	1,932,294,144.67	1,495,583,362.16

49. Financial income

In RMB Yuan

Item	Amount for this period	Amount for prior period
Interest income	438,428,075.90	281,294,223.92
Less: Foreign exchange gain or loss	(40,733,323.13)	8,533,687.86
Interest expense	17,892,411.14	26,372,186.29
Others	23,270,638.90	12,611,859.12
Total	437,998,348.99	233,776,490.65

50. Other income

Government subsidies related to daily activities

In RMB Yuan

Item	Amount for this period	Amount for prior period
Production and construction subsidies	186,910,289.65	106,783,041.12

51. Investment income

In RMB Yuan

Item	Amount for this period	Amount for prior period
Long-term equity investment losses accounted for by the equity method	78,821,605.75	250,708,951.37
The investment income of financial asset held for trading during its holding period	2,690,400.00	
Dividend income from remaining investments in other equity instruments	144,222,128.67	70,204,197.65
Gains from the remeasurement of the remaining equity at fair value after the loss of control	2,128,305,938.85	
Interest income from entrusted loan		6,959,316.06
Total	2,354,040,073.27	327,872,465.08

52. Fair value change

In RMB Yuan

Source of income from changes in fair value	Amount for this period	Amount for prior period
Financial assets held for trading	26,136,888.77	15,734,698.73
Total	26,136,888.77	15,734,698.73

53. Impairment loss of credit

In RMB Yuan

Item	Amount for this period	Amount for prior period
Bad debt for account receivable	10,913,106.06	3,471,684.54
Bad debt for other receivables	(138,419.44)	14,557.81
Total	10,774,686.62	3,486,242.35

54. Impairment loss on assets

In RMB Yuan

Item	Amount for this period	Amount for prior period
Impairment of inventory	72,131,985.60	75,510,749.47
Impairment of fixed assets	165,117,956.10	133,683,760.35
Impairment of intangible assets	2,920,133.24	6,685,373.29

Impairment of contract assets	1,657,510.52	(20,192,776.00)
Total	241,827,585.46	195,687,107.11

55. Gain on disposal of assets

In RMB Yuan

Item	Amount for this period	Amount for prior period
Gain on disposal of fixed-assets	60,093,947.79	119,487,419.99
Gain on disposal of intangible assets	8,150,134.49	481,579,441.34
Total	68,244,082.28	601,066,861.33

56. Non-operating income

In RMB Yuan

Item	Amount for this period	Amount for prior period	Amount recognized in current period as non-recurring profit and loss
Fines, penalties and others	54,366,637.51	40,983,845.94	54,366,637.51
Total	54,366,637.51	40,983,845.94	54,366,637.51

57. Non-operating expenses

In RMB Yuan

Item	Amount for this period	Amount for prior period	Amount recognized in current period as non-recurring profit and loss
Donation		10,500,000.00	
Vehicle reward	1,711,728.00		1,711,728.00
Fines and penalties	1,327,232.91	559.05	1,327,232.91
Others	1,831,254.32	3,603,043.24	1,831,254.32
Total	4,870,215.23	14,103,602.29	4,870,215.23

58. Income tax expense**(1) Table of income tax expense**

In RMB Yuan

Item	Amount for this period	Amount for prior period
Current income tax expense	48,946,847.14	188,574,027.41
Deferred income tax expense	(152,226,972.88)	(129,200,581.32)
Total	(103,280,125.74)	59,373,446.09

(2) The relationship between profit before tax and income tax expense

In RMB Yuan

Item	Amount for this period
Tax at the applicable tax rate	5,735,743,241.36
Tax at the applicable tax rate	860,361,486.20
Impact of different tax rates of subsidiaries	-26,497,167.12
Adjustments to current income tax of previous period	-7,652,635.70
Non-taxable income	-409,245,890.83
Non-deductible costs, expenses and losses	7,931,779.52
Usage previous deductible losses	-431,737,260.12
Unrecognized deductible temporary differences and deductible losses	-3,568,697.46
Profit or loss attributable to joint ventures and associates	-11,823,240.86
Additional deduction	-81,048,499.38
Income tax expense	(103,280,125.74)

59. Other comprehensive income

Please refer to notes V, 40.

60. Notes to cash flow statement**(1) Items of cash received relating to other operating activities**

In RMB Yuan

Item	Amount for this period	Amount for prior period
Interest income	438,428,075.90	287,599,749.93
Government grants	401,800,087.37	973,828,265.22
Others	561,189,492.27	536,655,063.79
Total	1,401,417,655.54	1,798,083,078.94

(2) Items of cash paid relating to other operating activities

In RMB Yuan

Item	Amount for this period	Amount for prior period
Selling expense	1,980,235,740.95	1,705,305,653.87
Administrative expense	569,553,555.35	833,833,985.36
Research and development expenses	609,764,742.34	579,603,711.64
Others	379,019,456.72	236,785,445.40
Total	3,538,573,495.36	3,355,528,796.27

(3) Items of cash received relating to other investing activities

In RMB Yuan

Item	Amount for this period	Amount for prior period
Entrusted loan received		300,000,000.00
Total		300,000,000.00

(4) Items of cash paid relating to other investing activities

In RMB Yuan

Item	Amount for this period	Amount for prior period
Cash transferred out from the loss of control of the subsidiary	815,126,333.76	
Total	815,126,333.76	

(5) Items of cash received relating to other financing activities

In RMB Yuan

Item	Amount for this period	Amount for prior period
Withdraw for deposit of bill	715,239,432.26	312,220,372.75
Total	715,239,432.26	312,220,372.75

(6) Items of cash paid relating to other financing activities

In RMB Yuan

Item	Amount for this period	Amount for prior period
Payment for deposit of bill	669,560,830.95	418,351,512.95
Others	29,669,861.07	241,289.74
Total	699,230,692.02	418,592,802.69

61. Supplementary information of cash flow statement**(1) Supplementary information of cash flow statement**

In RMB Yuan

Supplementary information	Amount for this period	Amount for prior period
1. Cash flows from operating activities calculated by adjusting the net profit		
Net profit	5,839,023,367.10	1,804,981,288.95
Add: Impairment provision for assets	252,602,272.08	199,173,349.46
Depreciation of fixed assets	1,435,681,140.90	1,515,838,567.70
Right-of-use assets depreciation	16,605,322.98	12,224,609.69
Amortization of intangible assets	528,117,679.23	545,011,292.13
Amortization of long-term deferred expense	1,826,783.84	2,670,879.81
Increase in deferred income	(139,049,041.50)	438,381,053.36
Disposal income on fixed assets, intangible assets and others	(68,244,082.28)	(601,066,861.33)
Income of fair value movement	(26,136,888.77)	(15,734,698.73)

Financial expense	17,892,411.14	26,372,186.29
Investment income	(2,354,040,073.27)	(327,872,465.08)
Increase in deferred tax assets	(154,489,446.55)	(126,334,690.62)
Decrease in deferred tax liabilities	2,262,473.67	(2,865,890.70)
Decrease in inventory	(244,183,357.63)	1,878,025,569.26
Decrease in operating payables	1,273,807,337.63	(206,172,573.97)
Increase in operating payables	(722,465,767.08)	12,441,654,173.66
Share-based payments cost	192,310,900.00	107,618,400.00
Others	715,388.71	6,922,680.49
Net cash flows from operating activities	5,852,236,420.20	17,698,826,870.37
2. Movement of cash and cash equivalents:		
Ending balance of cash	51,032,267,488.15	46,269,403,600.01
Less: beginning balance of cash	49,517,916,834.99	30,655,968,057.63
Increase in cash and cash equivalents	1,514,350,653.16	15,613,435,542.38

(2) Cash and cash equivalents

In RMB Yuan

Item	Ending balance	Beginning balance
I. Cash		
Including: Cash	6,321.16	36,881.35
Bank deposits that can be readily used	51,032,261,166.99	49,517,879,953.64
II. Ending balance of cash and cash equivalents	51,032,267,488.15	49,517,916,834.99

62. The assets with ownership or right restricted

In RMB Yuan

Item	Ending balance	Explanation
Cash and cash equivalents	2,389,515,751.70	Acceptance bill deposit
Note receivables	8,258,455,824.79	Pledge for issuing bills payable
Fixed assets	32,955,152.32	Collateral to obtain working capital
Intangible assets	17,033,287.44	Collateral to obtain working capital
Total	10,697,960,016.25	

63. Foreign Monetary Item

In RMB Yuan

Item	Original Currency	Exchange Rate	Translated to RMB
Cash			
Including: USD	70,006,606.27	6.7114	469,842,337.32
GBP	27,395,650.46	7.0084	191,999,676.68
EUR	7,877,112.64	8.1365	64,092,127.00
JPY	160,087,076.00	0.0491	7,860,275.43
RUB	88,621,924.78	0.1285	11,387,917.33

BRL	572,874.98	1.2825	734,712.16
THB	4,436,622.85	0.1906	845,620.32
INR	2,411,981.46	0.0852	205,500.82
AED	1.44	1.8275	2.63
Accounts receivable			
Including: USD	62,765,596.93	6.7114	421,245,027.24
EUR	81,481,822.52	7.0084	571,057,204.95
GBP	5,805,891.60	8.1365	47,239,637.00
Other receivables			
Including: USD	93,933.61	6.7114	630,426.03
EUR	13,240,524.98	7.0084	92,794,895.27
GBP	334,950.32	8.1365	2,725,323.28
JPY	12,208,320.00	0.0491	599,428.51
Accounts Payable			
Including: USD	4,883.96	6.7114	32,778.21
EUR	16,652,197.69	7.0084	116,705,262.29
GBP	109,663.79	8.1365	892,279.43
Other Payables			
Including: USD	119,620.00	6.7114	802,817.67
GBP	313,751.00	8.1365	2,552,835.01

64. Government grants

The government grants accounted by the Group with the net method offset the book value of relevant assets and related costs as follows:

In RMB Yuan

	Amount for this period	Amount for prior period
Government grants related to assets	132,421,192.00	143,531,402.87
Write down: Fixed assets	132,421,192.00	143,531,402.87
Intangible assets		
Government grants related to income	177,846,131.22	255,909,824.92
Write down: Operating cost	73,489,574.95	78,668,498.38
Operating expenses	964,950.11	370,369.44
General and administrative expenses	10,761,122.82	9,492,897.61
Research and development expenses	92,433,583.34	167,378,059.49
Financial income	196,900.00	

For other government grants, refer to notes V, 35 and 50.

VIII. The change of consolidation scope

1. Business combination not under the Same Control

Applicable Not Applicable

2. Combination under the same control

Applicable Not Applicable

3. Counter purchase

Applicable Not Applicable

4. Disposing subsidiary

Whether there is a single disposal of the subsidiary company investment that is the loss of control of the situation

Applicable Not Applicable

Whether there is a situation of the loss of control over the period of the investment and the loss of control of the subsidiary company through multiple transactions

Applicable Not Applicable

5. Change of consolidation scope due to other reasons**(1) Newly established subsidiary companies during the reporting period**

Company name	Registered place	Nature of business	Registered capital (ten thousand yuan)	The total shareholding ratio of the Group
Chongqing Xingzhi Technology Co., Ltd.	Chongqing	Sale	4,900.00	100%

(2) Subsidiary clearing during the reporting period

AVATR. Co., Ltd has changed from the company's holding subsidiary to an associate, and is no longer included in the company's consolidated financial statements. The equity method is used for subsequent accounting, which has a significant impact on the company. For details, please refer to www.cninfo.com.cn (Announcement No.: 2022-29).

IX. Stake in other entities**1. Rights in subsidiaries**

The subsidiaries of the Company are as follows:

Company name	Main operating place	Registered place	Nature of business	Registered capital (ten thousand)	Total proportion of shareholders (%)	
					Direct	Indirect
I. The subsidiary formed by establishment or investment						
Chongqing Changan International Automobile Sales Co., Ltd.	Chongqing	Chongqing	Sales	1,376.00	100.00	-
Chongqing Changan Vehicle Networking Technology Co., Ltd.	Chongqing	Chongqing	Lease	8,850.00	100.00	-
Chongqing Changan Special Automobile Sales Co., Ltd (Note 1)	Chongqing	Chongqing	Sales	2,000.00	50.00	-
Chongqing Changan Automobile Supporting Service Co., Ltd.	Chongqing	Chongqing	Sales	3,000.00	99.00	1.00
Chongqing Changan New Energy Automobile Co. Ltd.	Chongqing	Chongqing	R&D	2,900.00	100.00	-
Chongqing Changan Europe Design Academy Co., Ltd.	Turin, Italy	Turin, Italy	R&D	EUR 1,738	100.00	-
Changan United Kingdom R&D Center Co., Ltd.	Nottingham, United Kingdom	Nottingham, United Kingdom	R&D	GBP 2,639	100.00	-
Beijing Changan R&D Center Co., Ltd.	Beijing	Beijing	R&D	100.00	100.00	-
Changan Japan Designing Center Co.,Ltd	Habin	Habin	R&D	JYP1,000	100.00	-

Changan United States R&D Center Co., Ltd.	Troy, United states	Troy, United states	R&D	USD154	100.00	-
Changan Automobile Russia Co., Ltd.	Moscow, Russia	Moscow, Russia	Sales	RUB 220,382	100.00	-
Changan Brazil Holdings Limited	St. Paul, Brazil	St. Paul, Brazil	Sales	BRL 100	99.00	1.00
Changan Automobile Investment (Shenzhen) Co., Ltd.	Changan Automobile Investment (Shenzhen) Co., Ltd.	Changan Automobile Investment (Shenzhen) Co., Ltd.	Changan Automobile Investment (Shenzhen) Co., Ltd.	23,789.00	100.00	
Nanjing Changan New Energy Automobile Sales & Service Co., Ltd.	Nanjing	Nanjing	Sales	5,000.00	100.00	-
Chongqing Anyi Automotive Technology Service Co., Ltd.	Chongqing	Chongqing	Sales	200.00	100.00	-
Xiamen Changan New Energy Automobile Sales & Service Co., Ltd.	Xiamen	Xiamen	Sales	200.00	100.00	-
Guangzhou Changan New Energy Automobile Sales & Service Co., Ltd.	Guangzhou	Guangzhou	Sales	400.00	100.00	-
Chongqing Chehemei Technology Co., Ltd.	Chongqing	Chongqing	Sales	1,000.00	100.00	
Chongqing Changan Kaicheng Automobile Technology Co., Ltd.	Chongqing	Chongqing	Sales	100,000.00	83.64	
Chongqing Changan Automobile Software Technology Co., Ltd.	Chongqing	Chongqing	R&D	9,900.00	100.00	
Chongqing Chehemei Technology Co., Ltd.	Chongqing	Chongqing	Sales	4,900.00	100.00	
II. The subsidiary formed by business combination not under common control						
Nanjing Changan Automobile Co., Ltd.(Note 2)	Nanjing	Nanjing	Manufacturing	60,181.00	84.73	-
Chongqing Lingyao Automobile Co., Ltd.	Chongqing	Chongqing	Manufacturing	133,764.00	100.00	-
III. The subsidiary formed by business combination under common control						
Hefei Changan Automobile Co.,Ltd.	Hefei	Hefei	Manufacturing	227,500.00	100.00	-

Note 1: The remaining shareholders of Chongqing Changan Special Automobile Co., Ltd. made an agreement with the Company that the remaining shareholders are to vote in accordance with the Company. The main financial and operating policies have been controlled by the Company, so it is included in the scope of consolidated financial statements.

Note 2: The Company owns 91.53% of voting shares of Nanjing Changan Automobile Co., Ltd., the difference between proportion of voting shares and proportion of shares held is due to the voting right consigned from minority shareholders.

As at June 30, 2022, the Group has no subsidiaries with important minority interests.

2. Transactions result in change of holdingshare proportion but no effect in control of subsidiaries

Applicable Not applicable

3. Stakes in joint ventures and associates

(1) Significant joint ventures or associates

Company name	Registered place	Nature of business	Registered capital (ten	Total proportion of shareholders (%)	Accounting treatment
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	Main operating place			(thousand)	Direct	Indirect	
I. Joint ventures							
Changan Ford Automobile Co., Ltd.	Chongqing	Chongqing	Manufacture and sale of automobiles, and components	USD24,100	50.00	-	Equity
Changan Mazda Automobile Co., Ltd.	Nanjing	Nanjing	Manufacture and sale of automobiles, and components	USD11,097	47.50	-	Equity
Changan Mazda Engine Co., Ltd. (Note 1)	Nanjing	Nanjing	Manufacture and sale of automobiles, and components	USD20,996	50.00	-	Equity
Jiangling Investment Co., Ltd.	Nanchang	Nanchang	Manufacture and sale of automobiles, and components	100,000	50.00	-	Equity
II. Associates							
Chongqing Changan Kuayue Automobile Co., Ltd.	Chongqing	Chongqing	Develop, product and sale of automobile and components; import and export goods.	6,533.00	34.30	-	Equity
Chongqing Changan Kuayue Automobile Sales Co., Ltd.	Chongqing	Chongqing	Sale of Changan Kuayue's automobile and agricultural cars and components. Technical advisory services for automobile	300.00	34.30	-	Equity
Chongqing Changan New Energy Automobile Technology Co., Ltd.	Chongqing	Chongqing	Sales	32,810.83	40.6559	-	Equity
Beijing Fang'an Taxi Co., Ltd.	Beijing	Beijing	For the car loan business	2,897.96	22.24	-	Equity
Chongqing Auto Finance Co., Ltd.	Chongqing	Chongqing	Provide car loan; provide vehicle loans and operating equipment loans to car dealers, including the construction loans of exhibition hall, spare parts loans and maintenance equipment loans, etc.	476,843.10	28.66	-	Equity
Hainan Anxinxing Information Technology Co., Ltd.	Chengmai County	Chengmai County	Software and hardware technology development, technical consulting, auto parts sales	3,000.00	30.00	-	Equity
Nanjing Chelai Travel Technology Co., Ltd.	Nanjing	Nanjing	Car sales, leasing, software technology development, technical services	10,000.00	10.00	-	Equity
Hunan Guoxin Semiconductor Technology Co., Ltd.	Zhuzhou	Zhuzhou	Technology development consulting, technical services, technology transfer in the field of power semiconductors	50,000.00	25.00	-	Equity
Beijing Wutong Chelian Technology Co., Ltd.	Beijing	Beijing	Technology development, technical consulting, technical services, technology transfer	56,055.88	-	27.05	Equity
Anhe (Chongqing) Equity Investment Fund Management Co., Ltd.	Chongqing	Chongqing	Equity investment management	1,260.00	-	23.81	Equity
Hangzhou Chelizi Intelligent Technology Co., Ltd.	Hangzhou	Hangzhou	Car travel service	630.00	-	20.00	Equity
Pakistan Master Motors Co., Ltd.	Lahore, Pakistan	Lahore, Pakistan	Manufacture and sale of automobiles, and components	PKR75,000		30.00	Equity
Jiangling Holding Co., Ltd.	Nanchang	Nanchang	Manufacture and sale of automobiles, and components	200,000.00	25.00	-	Equity
Nanjing Leading Equity Investment Partnership	Nanjing	Nanjing	Equity investment and related services	976,000.00	16.39	-	Equity
Nanjing Leading Equity Investment Management Co., Ltd.	Nanjing	Nanjing	Private equity investment fund management and related services	1,000.00	15.00	-	Equity
Zhongqi Chuangzhi Technology Co., Ltd.	Nanjing	Nanjing	R&D	1,600,000.00	3.125	-	Equity
Chongqing Changxin	Chongqing	Chongqing	Equity Investment	50,200.00	49.80	-	Equity

Zhiqi Private Equity Investment Fund Partnership (Limited Partnership)							
AVATR. Co., Ltd	Nanjing	Nanjing	R&D	117,224.26	39.018		Equity

(2) Key financial information of significant joint ventures

Changan Ford Automobile Co., Ltd. is the important joint venture to the Group and makes great influence in the share of profit and loss in joint venture and associates, the Group adopts equity method to deal with the investment to it.

The table below shows the financial status of Changan Ford Automobile Co., Ltd., and all the information has been adjusted to eliminate the difference of the accounting policies.

In RMB Yuan

	Ending balance/Amount for this period	Beginning balance/Amount for prior period
Current assets	14,444,919,999.92	13,985,198,069.48
Including: cash and cash equivalent	4,673,625,631.71	5,495,088,974.00
Non-current assets	25,978,566,147.38	26,699,638,720.51
	40,423,486,147.30	40,684,836,789.99
Total assets	25,000,894,365.01	28,816,791,001.00
Non-current liabilities	8,398,429,884.54	5,889,087,187.00
Total liabilities	33,399,324,249.55	34,705,878,188.00
Minority interests	-	-
Equity attributable to owners	7,024,161,897.75	5,978,958,603.00
Net asset owned according to share proportion	3,512,080,948.88	2,989,479,301.50
Adjustment	(54,343,996.72)	(54,603,257.51)
Book value of investment	3,457,736,952.16	2,934,876,043.99
Operating income	23,377,802,470.94	26,114,465,788.42
Financial expenses	228,432,281.92	252,032,973.23
Income tax expense	158,336,533.41	59,987,347.20
Net profit	1,045,203,295.40	726,486,736.96

(3) The financial status of the less important joint ventures and associates

In RMB Yuan

	Ending balance	Beginning balance
Joint venture:		
Total book value of the investment	4,249,902,992.19	4,332,804,092.02
Total amount calculated by shareholding proportion		
--Net profit	340,098,900.17	374,325,525.72
--Other comprehensive income		
--Total comprehensive income	340,098,900.17	374,325,525.72
Associates:		
Total book value of the investment	9,596,972,338.40	5,977,694,724.54
Total amount calculated by shareholding		

proportion		
--Net profit	(784,138,202.60)	(486,569,024.38)
--Other comprehensive income	146,228.18	
--Total comprehensive income	(783,991,974.42)	(486,569,024.38)

(4) Excessive losses incurred by joint ventures or associates

As at 30 June 2022, since the Group has no obligation to undertake the extra loss of Chongqing Changan Kuayue Automobile Sales Co., Ltd, Beijing Fang'an crescent taxi Co., Ltd., Chongqing Wutong Chelian Technology Co., Ltd and Hainan Anxinxing Information Technology Co., Ltd. When extra loss occurs, the Group writes down the long-term investment to zero without recognizing the extra loss.

X. Risks associated with financial instruments

1. Classification of financial instruments

As at balance sheet day, the book values of financial instruments are as follows:

Financial assets

In RMB Yuan

2022.6.30	Financial assets measured at fair value and whose changes are recorded in the current profit and loss (standard required)	Financial assets measured at amortized cost	Financial assets measured at fair value and whose changes are recorded in Other comprehensive income (specified)	Total
Cash		53,421,783,239.85		53,421,783,239.85
Financial assets for trading	305,967,574.57			305,967,574.57
Notes receivable		21,178,905,132.66		21,178,905,132.66
Accounts receivable		3,597,002,110.54		3,597,002,110.54
Other receivables		509,614,847.86		509,614,847.86
Other current assets		9,626,784.09		9,626,784.09
Investment in other equity instrument			701,409,600.00	701,409,600.00
Total	305,967,574.57	78,716,932,115.00	701,409,600.00	79,724,309,289.57

In RMB Yuan

2021.12.31	Financial assets measured at fair value and whose changes are recorded in the current profit and loss (standard required)	Financial assets measured at amortized cost	Financial assets measured at fair value and whose changes are recorded in Other comprehensive income (specified)	Total
Cash		51,976,242,149.37		51,976,242,149.37
Financial assets for trading	195,798,300.00			195,798,300.00
Notes receivable		24,267,633,416.65		24,267,633,416.65
Accounts receivable		1,675,427,534.87		1,675,427,534.87
Other receivables		632,122,942.37		632,122,942.37
Other current assets		3,723,435.08		3,723,435.08

Investment in other equity instrument			701,409,600.00	701,409,600.00
Total	195,798,300.00	78,555,149,478.34	701,409,600.00	79,452,357,378.34

Financial liabilities

In RMB Yuan

	2022.6.30	2021.12.31
Short-term loans	46,166,500.00	19,000,000.00
Notes payable	26,921,406,502.22	24,292,268,371.12
Accounts payable	23,994,999,761.80	23,650,604,870.98
Other payables	5,116,328,239.99	4,562,626,344.69
Non-current liabilities due within 1 year	887,576,604.11	533,839,583.57
Long-term loan	40,000,000.00	600,000,000.00
Lease liabilities	28,202,020.25	38,679,735.59
Long-term payables	467,780,397.91	642,513,537.69
Total	57,502,460,026.28	54,339,532,443.64

2. Transfer of financial assets

The transferred financial assets that entirely derecognized but continuing involved

As at June 30, 2022, the book value of the bank acceptance bill that the Group has endorsed to the supplier to settle accounts payable is RMB 1,854,716,065.23 (December 31, 2021: RMB 2,391,567,055.84). On June 30, 2022, its maturity date is 1 to 6 months. According to the relevant provisions of the "Negotiable Instruments Law", if the accepting bank refuses to pay, its holder has the right to recourse against the Group ("continued involvement"). The Group believes that the Group has transferred almost all of its risks and rewards, and therefore, terminates the confirmation of the book value of the settlement accounts payable and the related accounts payable. The maximum loss and undiscounted cash flow of continuing involvement and repurchase are equal to its book value. The Group believes that continued involvement in fair value is not significant.

In the first half of 2022, the Group did not recognize gains or losses on its transfer date. The Group shall continue to be involved in the proceeds or expenses of the year in which the recognition of financial assets has been terminated and the cumulative recognition thereof. Endorsements occur roughly and evenly during the year.

3. Risks of financial instruments

The Group faces risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and price risk). The main financial instruments of the Group include monetary funds, equity investments, loans, bills receivable, accounts receivable, bills payable, accounts payable, lease liabilities, etc. The risks associated with these financial instruments and the risk management strategies adopted by the Group to reduce these risks are described below.

The Group has formulated risk management policies to identify and analyze the risks faced by the Group, set appropriate risk acceptance levels and design corresponding internal control procedures to monitor the Group's risk levels. The Group will periodically re-examine these risk management policies and related internal control systems to adapt to changes in market conditions or the Group's operating activities. The internal audit department also regularly and irregularly checks whether the implementation of the internal control system complies with the risk management policy.

Credit risk

The Group only deals with recognized and reputable customers. In accordance with the Group's policy, a credit review is required for all customers who require credit transactions. In addition, the Group continuously monitors the balance of accounts receivable to ensure that the Group does not face significant bad debt risk. For transactions that are not settled with the relevant business unit's bookkeeping standard currency, the Group does not provide credit transaction conditions unless specifically approved by the Group's credit control

department.

Since the counterparties of monetary funds and bank acceptance receivables are reputable banks with higher credit ratings, these financial instruments have lower credit risk.

With respect to credit risk arising from the other financial assets of the Group, which comprise accounts receivable, other receivables, dividend receivables and certain derivatives financial instruments, the Group's exposure to credit risk arising from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments, listed as book value of financial assets in consolidated financial statements. In 2021, there was no credit risk arising from financial guarantee.

Since the Group only trades with approved and reputable customers, there is no need for collateral. Credit risk is centralized and managed according to customers. As at the balance sheet date, the Group has a specific concentration of credit risks. 56.55% of the Group's accounts receivable (December 31, 2021: 48.92%) originated from the top five customers with the balance of accounts receivable. The Group does not hold any collateral or other credit enhancements for the balance of accounts receivable.

Judgment criteria for significant increase in credit risk

The Group evaluates on each balance sheet date whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition. In determining whether credit risk has increased significantly since the initial recognition, the Group considers that reasonable and evidence-based information can be obtained without unnecessary additional cost or effort, including qualitative and quantitative analysis based on the Group's historical data, external credit risk ratings and forward-looking information. Based on a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics, the Group compares the default risk of financial instruments on the balance sheet date with the default risk on the initial confirmation date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative or qualitative criteria are triggered, the Group believes that the credit risk of financial instruments has significantly increased:

- the quantitative criterion is that the default probability of the remaining duration on the report date increases by more than a certain percentage compared with the initial confirmation;
- qualitative criteria mainly include material adverse changes in the operating or financial situation of the debtor, early warning customer list, etc.;

Definition of assets that have incurred credit impairment

In order to determine whether credit impairment occurs, the Group adopts a definition standard consistent with the internal credit risk management objectives for relevant financial instruments, and considers both quantitative and qualitative indicators. The Group mainly takes the following factors into consideration when evaluating whether the debtor has credit impairment:

- significant financial difficulties of the issuer or debtor;
- debtor breaches the contract, such as default or overdue payment of interest or principal;
- the creditor gives the debtor concessions that the debtor would not have made under any other circumstances for economic or contractual reasons related to the debtor's financial difficulties;
- the debtor is likely to go bankrupt or undergo other financial restructuring;
- the financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset;
- purchase or source a financial asset at a substantial discount that reflects the fact that a credit loss has occurred.

The credit impairment of financial assets may be caused by the joint action of multiple events, but not by events that can be identified separately.

A parameter for measuring expected credit losses

According to whether the credit risk has significantly increased and whether the credit impairment has occurred, the Group measures the impairment provision for different assets with the expected credit loss of 12 months or the whole duration respectively. The key parameters of expected credit loss measurement include default probability, default loss rate and default risk exposure. The Group takes into account the quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method and types of collateral, repayment method, etc.) to establish default probability, default loss rate and default risk exposure models.

The relevant definition is as follows:

- probability of default is the probability that the debtor will not be able to meet its repayment obligations in the next 12 months or throughout the remaining period. The default probability of the Group is adjusted based on the results of the historical credit loss model and forward-looking information is added to reflect the default probability of the debtor in the current macroeconomic environment.
- the default loss rate refers to the Group's expectation of the extent of losses from default risk exposure. Default loss rates also vary depending on the type of counterparty, the type and priority of recourse, and the collateral. The default loss rate is the percentage of the risk exposure loss at the time of default, calculated on the basis of the next 12 months or the whole duration;
- default exposure is the amount that should be paid to the Group at the time of default over the next 12 months or throughout the remaining duration.

The assessment of a significant increase in credit risk and the calculation of expected credit losses involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risks and expected credit losses of each business type.

Liquidity risk

The Group adopts cycle liquidity planning instrument to manage capital shortage risks. The instrument takes into consideration the maturity date of financial instruments plus estimated cash flow from the Group's operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility and sufficient cash to support operating capital through financing functions by the use of bank loans, debentures, etc.

Market risk

Interest rate risk

The Group's revenue and operating cash flows are seldomly influenced by the interest fluctuation. As at 30 June 2022, the Group's loans are bearing fixed interest rate and the Group is not hedging the risk currently.

Foreign currency risk

The Group's exposures to fluctuation in foreign currency exchange rate mainly arise from operating activities where transactions are settled in currencies other than the units' functional currency and net investment to offshore subsidiary.

In 30 June, 2022, the Group only has limited transactional currency exposures of its total revenue that is valued in currencies other than the units' functional currency. The estimated influence of fluctuation of foreign currency is insignificant; therefore, the Group hasn't carried out large amount of hedging to reduce the risk.

Equity instruments investment price risk

The price risk of equity instrument investment refers to the risk that the fair value of equity securities is reduced due to changes in the level of stock indexes and changes in the value of individual securities. On June 30, 2022, the Group's listed equity instrument investment (Note VII 2) was listed on the Shanghai Stock Exchange and measured on the basis of market quotes on the balance sheet date. The following table illustrates the sensitivity of the Group's net profit and loss to every 5% change in the fair value of equity instrument investments (based on the book value at the balance sheet date) under the assumption that all other variables remain constant.

In RMB Yuan

	Carrying amount of equity investments	Change in fair value	Increase/(decrease) in equity
2022.6.30			
Shanghai- Equity investment included in financial assets at fair value through profit or loss	302,911,174.57	5%	12,873,724.92
Shanghai- Equity investment included in financial assets at fair value through profit or loss	302,911,174.57	-5%	(12,873,724.92)
2021.12.31			
Shanghai- Equity investment included in financial assets at	177,902,700.00	5%	7,560,864.75

fair value through profit or loss			
Shanghai- Equity investment included in financial assets at fair value through profit or loss	177,902,700.00	-5%	(7,560,864.75)

4. Capital management

The main goal of the Group's capital management is to ensure that the ability of continuous operation and maintain healthy capital ratios in order to support business development, and to maximize shareholder value.

The Group manages the capital structure and adjusts it with the change of economy trend and the risk feature of the assets. To maintain or adjust the capital structure, the Group can rectify dividend distribution, return capital to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements constraints. The goal, principle and procedure of capital management stay the same in 2021 and 30, June 2022.

The Group's leverage ratio on the balance sheet date is as follows:

	June 30, 2022	December 31, 2021
Leverage ratio	56.19%	58.74%

XI. Disclosure of fair value

1. Assets and liabilities measured at fair value

June 30, 2022

In RMB Yuan

	Input measured at fair value			
	Quoted price in active market (The first level)	Important and observable input (The second level)	Important but unobservable input (The third level)	Total
Trading financial assets				
Equity instrument investment	133,511,100.00	169,400,074.57		302,911,174.57
Derivative financial assets			3,056,400.00	3,056,400.00
Other equity instruments			701,409,600.00	701,409,600.00
Total	133,511,100.00	169,400,074.57	704,466,000.00	1,007,377,174.57

December 31, 2021

In RMB Yuan

	Input measured at fair value			
	Quoted price in active market (The first level)	Important and observable input (The second level)	Important but unobservable input (The third level)	Total
Trading financial assets				
Equity instrument investment	177,902,700.00			177,902,700.00
Derivative financial assets			17,895,600.00	17,895,600.00
Other equity instruments			701,409,600.00	701,409,600.00
Total	177,902,700.00		719,305,200.00	897,207,900.00

2. Fair value estimation

Management has assessed and concluded accounts, including cash, notes receivable, accounts receivable, other receivables, other payables, notes payable and accounts payable and so on, whose fair value equals to book value because of its short term to overdue.

Financial assets and financial liabilities are measured at the amount that an asset could be exchanged for or by which a liability could be incurred or settled by knowledge, willing parties in a current arm's-length transaction, other than liquidation or unwilling sales. Methods and hypothesis followed are used for determining fair value.

Long-term loans and long-term payables use discounted cash flow method to determine its fair value, with discount rate in accordance with market return of other financial instruments based on similar terms, credit risks and remaining terms. As at 31 December 2021, the default risk of long-term loans and short-term loans were considered immaterial.

The equity instruments listed by the Group are ordinary shares with unrestricted sale conditions, and their fair value is determined at the quoted market price. The Group's unlisted equity instruments use a series of valuation models to estimate the fair value, and the assumptions used are not supported by observable market prices or interest rates. The Group mainly refers to the evaluation reports of independent qualified professional appraisers. The Group believes that the fair value and its changes estimated by valuation techniques are reasonable and are also the most appropriate value on the balance sheet date.

The Group entered into a derivative financial instrument contract with the bank. The Group's derivative financial instruments are foreign exchange forward contracts, which are measured using valuation techniques similar to the present value method. The observable input value of the market covered by the model is the forward exchange rate. The book value of a foreign exchange forward contract is the same as the fair value.

3. Unobservable input

The following is an overview of the important unobservable input value of the third level fair value measurement:

	Fair value	Valuation techniques	Non-observable input value
Investment in other equity instrument			
2022.6.30	701,409,600.00	Market approach/ Income approach	Comparable transaction value multiplier / Post-tax discount rate
2021.12.31	701,409,600.00	Market approach/ Income approach	Comparable transaction value multiplier / Post-tax discount rate
Financial asset held for trading-Others			
2022.6.30	3,056,400.00	Expected yield as per the contract	Expected yield contained in the contract
2021.12.31	17,895,600.00	Expected yield as per the contract	Expected yield contained in the contract

XII. Related party relationships and transactions

1. Parent company of the Company

Parent company	Place of registration	Nature of the business	Registered capital	Proportion of shares in the Company (%)	Proportion of voting rights in the company (%)
China Changan Automobile Group Co.,Ltd.	Beijing	Manufacture and sale of automobiles, engine, and components	6,092,273,400.00	20.80%	20.80%

The Final controlling party is China South Industries Group corporation

2. Subsidiaries

See subsidiaries in IX (1) . Stake in other entities.

3. Joint ventures and associates

See Joint ventures and associates in IX (3) Stake in other entities.

4. Other related parties

Related parties	Relationship
Chongqing Tsingshan Industrial Co., Ltd.	Controlled by the same ultimate holding company
Anhui Wanyou Automobile Sales Service Co., Ltd.	Controlled by the same ultimate holding company
Bazhong Wanyou Auto Sales & Service Co., Ltd.	Controlled by the same ultimate holding company
Chengdu Huachuan Electric Equipment Co., Ltd.	Controlled by the same ultimate holding company
Chengdu Wanyou Trading Co., Ltd.	Controlled by the same ultimate holding company
Chengdu Wanyou Auto Sales and Service co.,Ltd.	Controlled by the same ultimate holding company
Chengdu Wanyou Auto Trade Service Co., Ltd.	Controlled by the same ultimate holding company
Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.	Controlled by the same ultimate holding company
Guizhou Wanyou Auto Sales and Service Co., Ltd.	Controlled by the same ultimate holding company
Harbin Dongan Auto Engine Co., Ltd.	Controlled by the same ultimate holding company
Harbin Dongan Automotive Engine Manufacturing Co., Ltd.	Controlled by the same ultimate holding company
Jiangsu Wanyou Automobile Sales Service Co., Ltd.	Controlled by the same ultimate holding company
Luzhou Wanyou Automobile Service Co., Ltd.	Controlled by the same ultimate holding company
Panzhuhua Wanyou Auto Sales & Service Co., Ltd.	Controlled by the same ultimate holding company
Sichuan Jian'an Industrial Co.,Ltd.	Controlled by the same ultimate holding company
Sichuan Ningjiang Shanchuan Machinery Co, Ltd.	Controlled by the same ultimate holding company
Wanyou Automobile Investment Co., Ltd.	Controlled by the same ultimate holding company
Ya'an Wanyou Auto Sales and Service Co., Ltd.	Controlled by the same ultimate holding company
Yunnan Wanyou Auto Sales and Service Co., Ltd.	Controlled by the same ultimate holding company
China South Industries Group Financial Leasing Co., Ltd.	Controlled by the same ultimate holding company
China Changan Automobile Group Hefei Investment Co., Ltd.	Controlled by the same ultimate holding company
China Changan Automobile Group Tianjin Sales Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Anfu Automobile Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Wanyou Economic Development Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd.	Controlled by the same ultimate holding company
Beijing Beiji Mechanical and Electrical Industry Co., Ltd.	Controlled by the same ultimate holding company
China South Industry Group Finance Co., Ltd.	Controlled by the same ultimate holding company
Chengdu Jialing Huaxi Optical & Precision Machinery Co., Ltd.	Controlled by the same ultimate holding company
Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.	Controlled by the same ultimate holding company
Chengdu Wanyou Filter Co., Ltd.	Controlled by the same ultimate holding company
Hubei Huazhong Marelli Automobile Lighting Co., Ltd.	Controlled by the same ultimate holding company
Hubei Xiaogan Huazhong Automobile Light Co., Ltd.	Controlled by the same ultimate holding company
Yunnan Xiyi Industries Co., Ltd.	Controlled by the same ultimate holding company
China South Industries Group Commercial Factoring Co., Ltd.	Controlled by the same ultimate holding company
China South Industries Group Information Center Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Dajiang Jiexin Forging Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Jianshe Automobile Air-conditioner Co., Ltd.	Controlled by the same ultimate holding company
Chongqing construction industry (Group) Co., Ltd	Controlled by the same ultimate holding company
Chongqing Construction Tongda Industrial Co., Ltd.	Controlled by the same ultimate holding company

Related parties	Relationship
Chongqing Shangfang Automobile Fittings Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Qingshan Transmission Sales Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Changfeng Jiquan Machinery Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Chang'an industry (Group) Co., Ltd	Controlled by the same ultimate holding company
Chongqing Changan Property Management Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Changan Construction Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Changan Intelligent Industrial Technology Service Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Pingshan Tk Carburetor Co., Ltd.	Controlled by the same ultimate holding company
Longchang Shanchuan Precision Welded Tube Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Changrong Machinery Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Yihong Engineering Plastic Products Co., Ltd.	Controlled by the same ultimate holding company
Yunnan Wanxing Auto Sales Service Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Qingshan transmission branch of China Chang'an Automobile Group Co., Ltd	Controlled by the same ultimate holding company
Hunan Tianyan Machinery Co., Ltd	Controlled by the same ultimate holding company
Chongqing Changan Minsheng Dingjie Logistics Co.,Ltd.	Controlled by the same ultimate holding company
Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd.	Controlled by the same ultimate holding company
China Ordnance News Agency	Controlled by the same ultimate holding company
Chongqing Wanyou Advertising Co.,Ltd.	Controlled by the same ultimate holding company
Chongqing Jialing Yimin Special Equipment Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Xiyi Automobile Connecting Rod Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Jianshe Mechanical & Electrical Equipment Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Dajiang Xinda Vehicles Shares Co., Ltd.	Controlled by the same ultimate holding company
Chengdu Lingchuan Special Industry Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Automobile Air-conditioner Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Changjiang Electrician Industry Group Co.,Ltd.	Controlled by the same ultimate holding company
Guangxi Wanyou Auto Sales and Service Co., Ltd.	Controlled by the same ultimate holding company
Ya'an Changan Affordable Housing Construction Co., Ltd.	Controlled by the same ultimate holding company
SIAMC Management Co., Ltd.	Controlled by the same ultimate holding company
Hunan Tianyan Machinery Co., Ltd	Participated by the Ultimate holding company
CDGM Tanaka Environmental Catalyst Co.,Ltd.	Participated by the Ultimate holding company
Hafei Motor Co., Ltd.	Participated by the Ultimate holding company
Chengdu Ningjiang Zhaohe Automobile Components Co., Ltd.	Participated by the Ultimate holding company
Southern Fojiya Auto Parts Co., Ltd.	Participated by the Ultimate holding company
South Tianhe Chassis System Co., Ltd.	Participated by the Ultimate holding company
South Inter Air-conditioner Co.,Ltd.	Participated by the Ultimate holding company
Chongqing Chang'an Minsheng Boyu Logistics Co., Ltd.	Participated by the Ultimate holding company
Chongqing Changan Minsheng Logistics Co. Ltd.	Participated by the Ultimate holding company
Chongqing Dajiang Yuqiang Plastic Co., Ltd.	Participated by the Ultimate holding company
Chongqing Nexteer Steering System Co.,Ltd.	Participated by the Ultimate holding company
Beijing Zhongbing Insurance Brokerage Co., Ltd.	Participated by the Ultimate holding company
Lear Chang'an (Chongqing) Automotive System Co., Ltd	Participated by the Ultimate holding company
United Automotive Electronics (Chongqing) Co., Ltd	Participated by the Ultimate holding company
Nattiefu transmission system (Chongqing) Co., Ltd	Participated by the Ultimate holding company
Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd	Participated by the Ultimate holding company
Changan Laisi (Chongqing) robot intelligent equipment Co., Ltd	Participated by the Ultimate holding company

Related parties	Relationship
Chongqing Dajiang Tongyang Plastics Co., Ltd.	Participated by the Ultimate holding company
Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd.	Participated by the Ultimate holding company
Dajiang Yapp Automotive Systems Co., Ltd.	Participated by the Ultimate holding company
Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.	Participated by the Ultimate holding company
Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.	Participated by the Ultimate holding company
Beijing Wutong Chelian Technology Co., Ltd.	Companies in which the company participates
Nanjing LingHang Technology Co., Ltd.	Companies in which the company participates
Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.	Companies in which the company participates

5. Related-party transaction

(1) Transactions of goods and services

Goods purchased and services received

In RMB Yuan

Related parties	Nature of the transaction	Current amount	Approved transaction amount	Whether it exceeds the transaction amount	Prior-period amount
Changan Ford Automobile Co., Ltd.	Procurement of parts	33,177.65	1,921,855.70	No	186,186.55
Jiangling Holdings Co., Ltd.	Accept labor	585,345.00	-	Yes	737,706.14
Changan Auto Finance Co., Ltd.	Accept labor	154,563,517.61	123,988,448.87	Yes	8,153,781.57
Hangzhou Chelizi Intelligent Technology Co., Ltd.	Procurement of parts	-	3,750,000.00	No	-
Chongqing Changan New Energy Vehicles Technology Co., Ltd.	Purchasing parts and accepting labor services	716,672,719.94	3,011,467,834.39	No	82,033,905.11
Beijing Wutong Chelian Technology Co., Ltd.	Purchasing parts and accepting labor services	67,885,814.09	199,395,069.81	No	38,062,628.50
China Changan Automobile Group Co., Ltd.	Accept labor	-	180,000.00	No	60,000.00
Chongqing Qingshan transmission branch of China Chang'an Automobile Group Co., Ltd.	Procurement of parts	-	928,269.34	No	-
Anhui Wanyou Automobile Sales Service Co., Ltd.	Accept labor	2,284,126.26	3,758,297.12	No	626,024.86
Bazhong Wanyou Auto Sales & Service Co., Ltd.	Accept labor	-	111,000.00	No	73,330.36
Chengdu Huachuan Electric Equipment Co., Ltd.	Procurement of parts	201,518,601.15	805,483,679.59	No	227,227,857.41
Chengdu Ningjiang Zhaohe Automobile Components Co., Ltd.	Procurement of parts	7,248,464.81	148,609,447.22	No	39,951,396.48
Chengdu Wanyou Trading Co., Ltd.	Accept labor	22,527.44	58,417.52	No	12,164.16
Chengdu Wanyou Auto Sales and Service co.,Ltd.	Accept labor	368,483.54	281,414.61	Yes	-
Chengdu Wanyou Auto Trade Service Co., Ltd.	Accept labor	5,421,148.49	11,584,348.61	No	3,584,234.21

Related parties	Nature of the transaction	Current amount	Approved transaction amount	Whether it exceeds the transaction amount	Prior-period amount
Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.	Accept labor	6,376,107.26	15,596,129.17	No	5,262,969.51
Guizhou Wanyou Auto Sales and Service Co., Ltd.	Accept labor	6,881,968.71	20,824,040.79	No	6,240,583.45
Harbin Dongan Auto Engine Co., Ltd.	Purchasing parts and accepting labor services	263,267,944.07	1,231,859,413.46	No	417,231,892.67
Harbin Dongan Automotive Engine Manufacturing Co., Ltd.	Purchasing parts and accepting labor services	653,853,009.25	2,527,626,318.31	No	855,901,689.16
Hunan Tianyan Machinery Co., Ltd.	Procurement of parts	2,617,013.13	124,012,774.49	No	52,452,744.77
Jiangsu Wanyou Automobile Sales Service Co., Ltd.	Accept labor	2,015,418.16	3,553,700.27	No	651,038.61
Luzhou Wanyou Automobile Service Co., Ltd.	Accept labor	307,508.81	1,079,823.97	No	380,083.72
Southern Fojiya Auto Parts Co., Ltd.	Procurement of parts	252,639,803.32	1,000,969,656.80	No	280,222,308.44
South Tianhe Chassis System Co., Ltd.	Procurement of parts	459,025,340.96	1,950,314,552.53	No	486,779,984.60
South Inter Air-conditioner Co., Ltd.	Procurement of parts	202,161,276.20	863,478,799.74	No	200,511,859.90
Panzhuhua Wanyou Auto Sales & Service Co., Ltd.	Accept labor	257,324.00	771,827.92	No	263,159.87
Sichuan Jian'an Industrial Co., Ltd.	Purchasing parts and accepting labor services	534,985,354.14	1,645,997,268.09	No	483,719,852.19
Sichuan Ningjiang Shanchuan Machinery Co., Ltd.	Procurement of parts	159,762,835.80	560,841,224.45	No	171,000,224.81
Ya'an Wanyou Auto Sales and Service Co., Ltd.	Accept labor	846,681.30	2,612,656.06	No	908,456.37
Yunnan Wanyou Auto Sales and Service Co., Ltd.	Accept labor	13,728,699.67	31,476,537.76	No	10,743,446.13
Yunnan Wanxing Auto Sales Service Co., Ltd.	Accept labor	92,971.05	1,839,395.79	No	132,323.01
China Changan Automobile Group Hefei Investment Co., Ltd.	Accept labor	-	1,794,366.59	No	951,991.17
China Changan Automobile Group Tianjin Sales Co., Ltd.	Accept labor	692,160.09	3,014,067.66	No	111,409.95
Chongqing Tsingshan Industrial Co., Ltd.	Purchasing parts and accepting labor services	3,637,088,928.81	11,430,694,983.63	No	2,700,637,434.06
Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.	Accept labor	2,584,670.89	5,504,274.33	No	1,721,447.53
Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.	Accept labor	716,753.30	3,916,714.79	No	1,092,633.98
Chongqing Wanyou Economic Development Co., Ltd.	Purchasing parts and accepting labor services	40,779,608.17	1,009,788,555.92	No	369,796,951.53
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd.	Procurement of parts	114.95	-	Yes	-

Related parties	Nature of the transaction	Current amount	Approved transaction amount	Whether it exceeds the transaction amount	Prior-period amount
Chongqing Chang'an Minsheng Boyu Logistics Co., Ltd.	Logistics cost	-	71,441.28	No	-
Chongqing Changan Minsheng Logistics Co. Ltd.	Purchasing parts and accepting labor services	1,760,470,945.02	6,545,621,081.26	No	1,388,787,441.14
Beijing Beiji Mechanical and Electrical Industry Co., Ltd.	Procurement of parts	18,410.18	6,092.98	Yes	2,086.86
Chengdu Jialing Huaxi Optical & Precision Machinery Co., Ltd.	Procurement of parts	1,538,164.71	17,353,897.32	No	6,216,741.79
Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.	Purchasing parts and accepting labor services	18,148,367.15	67,178,945.71	No	17,816,531.05
Chengdu Wanyou Filter Co., Ltd.	Procurement of parts	76,561,417.56	252,486,835.70	No	84,479,587.54
Hubei Huazhong Marelli Automobile Lighting Co., Ltd.	Procurement of parts	473,880,131.14	2,221,189,276.10	No	465,100,075.04
Hubei Xiaogan Huazhong Automobile Light Co., Ltd.	Procurement of parts	51,876,744.41	202,976,991.90	No	61,893,517.73
Yunnan Xiyi Industries Co., Ltd.	Procurement of parts	53,637,731.83	204,846,321.43	No	59,269,771.21
China South Industries Group Information Center Co., Ltd.	Accept labor	-	42,000.00	No	-
Chongqing Dajiang Jiexin Forging Co., Ltd.	Procurement of parts	1,845,245.27	10,924,319.90	No	3,022,294.47
Chongqing Dajiang Yuqiang Plastic Co., Ltd.	Procurement of parts	344,226.01	77,509,963.48	No	88,514,947.10
Chongqing Jianshe Automobile Air-conditioner Co., Ltd.	Procurement of parts	38,555,506.77	306,037,760.69	No	105,174,591.95
Chongqing construction industry (Group) Co., Ltd	Procurement of parts	726,973.62	7,075,684.69	No	780,297.42
Chongqing Construction Tongda Industrial Co., Ltd.	Procurement of parts	16,331,004.84	84,644,649.65	No	19,335,699.51
Chongqing Nexteer Steering System Co.,Ltd.	Procurement of parts	400,416,384.73	1,701,967,636.08	No	378,981,317.38
Chongqing Shangfang Automobile Fittings Co., Ltd.	Procurement of parts	52,075,600.58	198,487,628.70	No	51,123,910.13
Chongqing Qingshan Transmission Sales Co., Ltd.	Procurement of parts	18,687,536.60	36,131,038.29	No	10,226,693.15
Chongqing Yihong Engineering Plastic Products Co., Ltd.	Procurement of parts	14,407,672.87	45,640,634.47	No	8,668,811.99
Chongqing Changfeng Jiquan Machinery Co., Ltd.	Procurement of parts	-	10,881.36	No	-
Chongqing Chang'an industry (Group) Co., Ltd	Accept labor	6,341,330.87	196,627,170.00	No	4,811,062.11
Chongqing Changan Property Management Co., Ltd.	Accept labor	1,928,927.46	6,265,367.91	No	1,911,249.38
Beijing Zhongbing Insurance Brokerage Co., Ltd.	Purchasing parts and accepting labor services	45,762.00	285,274.84	No	5,554.42
Lear Chang'an (Chongqing) Automotive System Co., Ltd	Procurement of parts	229,595,709.77	1,000,861,210.19	No	297,535,098.14

Related parties	Nature of the transaction	Current amount	Approved transaction amount	Whether it exceeds the transaction amount	Prior-period amount
United Automotive Electronics (Chongqing) Co., Ltd	Purchasing parts and accepting labor services	411,241,559.03	958,944,741.07	No	237,298,829.56
Nattiefu transmission system (Chongqing) Co., Ltd	Procurement of parts	210,241,479.79	715,778,771.46	No	192,065,903.94
Nanjing LingHang Technology Co., Ltd.	Purchasing parts and accepting labor services	304,110.83	600,000.00	No	-
Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd	Purchasing parts and accepting labor services	30,942,900.59	80,962,093.44	No	29,000,980.23
Changan Laisi (Chongqing) robot intelligent equipment Co., Ltd	Procurement of parts	-	34,390,957.65	No	601,568.93
Chongqing Dajiang Tongyang Plastics Co., Ltd.	Procurement of parts	191,978,923.57	541,885,026.38	No	4,831,358.42
Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd.	Procurement of parts	167,524,798.04	635,843,953.00	No	135,836,367.95
Dajiang Yapp Automotive Systems Co., Ltd.	Procurement of parts	167,401,222.48	714,950,383.10	No	176,074,670.02
Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.	Procurement of parts	71,943,120.72	348,601,720.25	No	117,174,891.64
Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.	Procurement of parts	67,077,513.30	205,879,742.29	No	61,042,625.94
Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd	Accept labor	513,085.15	955,650.00	No	-
Chongqing Changan Minsheng Dingjie Logistics Co.,Ltd.	Procurement of parts	-	183,402.83	No	-
Chongqing Pingshan Tk Carburetor Co., Ltd.	Procurement of parts	113,625.19	384,399.00	No	-
Longchang Shanchuan Precision Welded Tube Co., Ltd.	Procurement of parts	16,006,962.03	55,926,791.60	No	-
Chongqing Changrong Machinery Co., Ltd.	Procurement of parts	105,095,477.66	431,805,778.38	No	108,378,855.15
Chongqing Wutong Chelian Technology Co., Ltd.	Accept labor	18,867,924.00	-	Yes	-
Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd.	Procurement of parts	643,025.04	-	Yes	-
Chongqing Yihong Engineering Plastic Products Co., Ltd.	Procurement of parts	495,852.05	-	Yes	-
China Ordnance News Agency	Accept labor	8,235.84	-	Yes	-
Chongqing Wanyou Advertising Co.,Ltd.	Procurement of parts	144,000.00	-	Yes	-
Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.	Procurement of parts	2,081,065.28	-	Yes	-
Total:		12,077,344,092.00	44,660,420,679.68		10,563,387,032.07

Goods sold and services offered

In RMB Yuan

Related parties	Nature of the transaction	Current amount	Prior-period Amount
Changan Ford Automobile Co., Ltd.	Sales of materials and parts	1,977,509.38	1,855,571.93
Jiangling Holdings Co., Ltd.	Training fee	384,888.69	-
Changan Automobile Financing Co., Ltd.	Financial service fee	233,886,141.47	235,922,452.68
Hainan Anxinxing Information Technology Co., Ltd.	warehouse service charge	28,301.89	180,405.38
Chongqing Changan Kuayue Automobile Co., Ltd.	Sales of engines	35,175,120.00	25,113,180.83
Chongqing Changan Kuayue Automobile Sales Co., Ltd.	Selling parts	84,044.68	-
Chongqing Changan New Energy Vehicles Technology Co., Ltd.	Sales of complete vehicles and parts	941,495,311.87	1,507,513,718.25
Anhui Wanyou Automobile Sales Service Co., Ltd.	Sales of complete vehicles and parts	101,714,909.87	94,893,670.51
Chengdu Huachuan Electric Equipment Co., Ltd.	Training fee	-	51,886.79
Chengdu Wanyou Trading Co., Ltd.	Sales of materials and parts	8,176.99	-
Chengdu Wanyou Auto Sales and Service Co., Ltd.	Sales of complete vehicles and parts	472,725.21	34,563.77
Chengdu Wanyou Auto Trade Service Co., Ltd.	Sales of complete vehicles and parts	312,041,141.75	316,249,425.28
Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.	Sales of complete vehicles and parts	699,738,917.76	794,544,935.13
Guizhou Wanyou Auto Sales and Service Co., Ltd.	Sales of complete vehicles and parts	501,259,585.12	588,046,422.66
Harbin Dongan Auto Engine Co., Ltd.	Sales of materials and parts, maintenance services	1,173.00	15,930.30
Harbin Dongan Automotive Engine Manufacturing Co., Ltd.	Sales of materials and parts	24,251,252.09	31,522,892.41
Jiangsu Wanyou Automobile Sales Service Co., Ltd.	Sales of complete vehicles and parts	105,718,270.77	104,011,720.99
Luzhou Wanyou Automobile Service Co., Ltd.	Sales of materials and parts	450,709.55	519,692.06
Panzhuhua Wanyou Auto Sales & Service Co., Ltd.	Sales of materials and parts	383,700.50	263,050.52
Sichuan Ningjiang Shanchuan Machinery Co, Ltd.	Training fee	-	51,886.79
Wanyou Automobile Investment Co., Ltd.	Sales of complete vehicles	327,743,125.35	349,917,081.21
Ya'an Wanyou Auto Sales and Service Co., Ltd.	Sales of complete vehicles and parts	889,767.43	655,115.77
Yunnan Wanyou Auto Sales and Service Co., Ltd.	Sales of complete vehicles and parts	546,916,400.91	671,843,881.62
Yunnan Wanxing Auto Sales Service Co., Ltd.	Sales of complete vehicles and parts	18,951,586.08	46,605,045.84
China South Industries Group Financial Leasing Co., Ltd.	service charge	7,077,169.81	47,547.17
China Changan Automobile Group Hefei Investment Co., Ltd.	Sales of complete vehicles and parts	-	41,156,064.45
China Changan Automobile Group Tianjin Sales Co., Ltd.	Sales of complete vehicles and parts	113,428,610.55	137,135,092.41
Chongqing Anfu Automobile Co., Ltd.	Sales of complete vehicles and parts	7,775,221.22	6,189,380.58
Chongqing Tsingshan Industrial Co., Ltd.	Sales of materials and parts	72,087,696.68	35,512,076.07

Related parties	Nature of the transaction	Current amount	Prior-period Amount
Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.	Sales of materials and parts	1,472,801.11	1,161,570.19
Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.	Sales of materials and parts	853,360.20	697,236.79
Chongqing Wanyou Economic Development Co., Ltd.	Sales of complete vehicles and parts	924,172,360.80	1,049,808,179.31
Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd.	Sales of materials and parts	319,697,765.86	206,745,318.62
Chongqing Chang'an Minsheng Boyu Logistics Co., Ltd.	Sales of complete vehicles and training expenses	23,716.98	85,818,614.19
Chongqing Changan Minsheng Logistics Co. Ltd.	Sales of materials and parts, utilities	1,018,913.85	928,663.27
China South Industry Group Finance Co., Ltd.	Others	550,714.07	-
Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.	Sales of materials and parts	938,416.81	938,476.80
Yunnan Xiyi Industries Co., Ltd.	Sales of materials and parts	663,752.00	2,746,914.24
China South Industries Group Commercial Factoring Co., Ltd.	service charge	44,333.22	84,853.12
Chongqing Dajiang Yuqiang Plastic Co., Ltd.	Sales of materials and parts	131,400.00	-716,798.50
Chongqing Jianshe Automobile Air-conditioner Co., Ltd.	testing expenses	11,946.90	-
Chongqing construction industry (Group) Co., Ltd	Sales of materials and parts	193,218.11	171,959.13
Chongqing Nexteer Steering System Co.,Ltd.	Sales of materials and parts	1,552,230.09	-
Nanjing LingHang Technology Co., Ltd.	operating charges	1,873,252.38	-
Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.	operating charges	13,010,318.55	-
Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd	Sales of materials and parts	2,651,092.85	6,228,241.00
Chongqing Dajiang Tongyang Plastics Co., Ltd.	Sales of materials and parts	533,842.98	1,181,692.00
Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd.	Outsourcing processing, sales materials and parts	14,217,387.85	10,746.64
Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.	Sales of materials and parts	1,214,708.00	9,518,232.82
Avita Technology (Chongqing) Co., Ltd.	Technical commissions	52,471,011.00	-
Pakistan Master Automobile Co., Ltd.	Sales of complete vehicles and parts	686,073,063.37	-
Total:		6,077,311,065.60	6,355,176,591.02

(2) Related-party leasing

Rent assets to related parties

In RMB Yuan

Lessee	Type of leased assets	Report period Amount	Same period of last period Amount
South Inter Air-conditioner Co.,Ltd.	Vehicle	67,752.21	-

Chongqing Changan Industries Group Co. Ltd.	Building	3,397,373.71	3,283,373.71
Nanjing LingHang Technology Co., Ltd.	Vehicle	63,932,417.73	45,919,893.28
Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.	Vehicle	2,696,360.42	-
Chongqing Changan New Energy Vehicles Technology Co., Ltd.	Building, land and battery Workshop	10,675,075.50	9,829,396.15
Chongqing Changan Minsheng Logistics Co. Ltd.	Building	354,900.63	356,642.49
Chongqing Wanyou Economic Development Co., Ltd.	Building and land	321,100.92	321,100.92
Total		81,444,981.12	59,710,406.55

Rent assets from related parties

In RMB Yuan

Lessor	Type of leased assets	Rent paid	
		Report period Amount	Same period of last period Amount
Chongqing Chang'an Minsheng Logistics Co., Ltd	Land	1,730,062.80	251,047.99

(3) Other related transactions

Integrated service charges

In RMB Yuan

Related parties	Nature of the transaction	Report period Amount	Same period of last period Amount
Changan Industries (Group) Co. Ltd	Payment of land rental fees	3,091,095.90	8,592,223.08
	Payment of building rental fees	1,197,968.00	1,197,968.00
	Payment of utilities	27,574,790.98	34,902,256.18
	Others	513,677.67	1,234,867.44
Total		32,377,532.55	45,927,314.70

Purchase of project materials

In RMB Yuan

Related parties	Report period Amount	Same period of last period Amount
Chongqing Chang'an Minsheng Logistics Co., Ltd	8,150.95	1,266,884.27
Changan Laisi (Chongqing) robot intelligent equipment Co., Ltd	7,830,088.50	5,616,000.00
Total	7,838,239.45	6,882,884.27

Staff expenses for technical supporting

In RMB Yuan

Related parties	Report period Amount	Same period of last period Amount
Chang'an Mazda Automobile Co., Ltd	222,474.38	5,349,433.96
Changan Ford Motor Co., Ltd	7,943,502.33	8,106,439.00
Changan Mazda Engine Co., Ltd.	242,821.56	-
Hainan Anxinxing Information Technology Co., Ltd.	634,354.87	-
Chongqing Chang'an New Energy Vehicle Technology Co., Ltd	-	1,223,495.73
Chongqing Shangfang Auto Parts Co., Ltd	-	53,900.00
Total	9,043,153.14	14,733,268.69

Technology development service charges

In RMB Yuan

Related parties	Report period Amount	Same period of last period Amount
Chongqing Tsingshan Industrial Co., Ltd.	-	2,558,531.66

Collection of trademark use rights fees

In RMB Yuan

Related parties	Report period Amount	Same period of last period Amount
Chongqing Changan Kuayue Automobile Co., Ltd.	270,188.68	-

Related party monetary funds

In RMB Yuan

Related parties	Ending Amount	Beginning Amount
China South Industries Group Finance Co., Ltd	16,862,815,259.42	19,652,980,551.77
Changan Automobile Finance Co., Ltd	10,500,000,000.00	12,000,000,000.00
Total	27,362,815,259.42	31,652,980,551.77

In 2022, the annual interest rate of deposits deposited with related parties is 0.35% - 2.25%, and the term is 0-12 months.

BorrowingShort-term borrowing

In RMB Yuan

Related parties	Ending Amount	Beginning Amount
China South Industries Group Finance Co., Ltd	140,466,500.00	73,300,000.00

Interest income of deferred payment

In RMB Yuan

Related parties	Report period Amount	Same period of last period Amount
Wanyou Automobile Investment Co., Ltd	-	15,340.71
Chengdu Wanyou Xiangyu Automobile Sales Service Co., Ltd	-	50,616.82
Chengdu Wanyou Automobile Trade Service Co., Ltd	-	58,781.86
Yunnan Wanyou Automobile Sales Service Co., Ltd	-	31,071.82
Guizhou Wanyou Automobile Sales Service Co., Ltd	-	70,417.82
Anhui Wanyou Automobile Sales Service Co., Ltd	-	1,862.83
Jiangsu Wanyou Automobile Sales Service Co., Ltd	-	199.12
Chongqing Wanyou Economic Development Co., Ltd	6,588.40	21,953.77
China Changan Automobile Group Hefei Investment Co., Ltd	-	-
China Changan Automobile Group Tianjin Sales Co., Ltd.	2,489.29	-
Total	9,077.69	250,244.75

6. Payment and receivables of related parties**(1) Payment receivables of related listed companies**

In RMB Yuan

Items	Related parties	Ending balance		Beginning balance	
		Book balance	Provision for bad-debts	Book balance	Provision for bad-debts
Notes receivable	Chongqing Chang'an Kuayue Vehicle Co., Ltd	-	-	13,841,516.24	-
Notes receivable	Chongqing Changan Kuayue Automobile Sales Co., Ltd.	1,850,000.00	-	1,450,000.00	-
Notes receivable	Chongqing Changan New Energy Vehicles Technology Co., Ltd.	875,195,214.16	-	1,707,657,373.40	-
Notes receivable	Harbin Dongan Automotive Engine Manufacturing Co., Ltd.	23,354,574.52	-	9,132,765.60	-
Notes receivable	Wanyou Automobile Investment Co., Ltd.	1,417,640,000.00	-	2,175,240,000.00	-
Notes receivable	Chongqing Changan Minsheng Logistics Co. Ltd.	-	-	1,895,178.03	-
Notes receivable	Chongqing Wanyou Economic Development Co., Ltd.	15,000,000.00	-	25,500,000.00	-
Notes receivable	Chengdu Wanyou Auto Trade Service Co., Ltd.	9,700,000.00	-	24,800,000.00	-
Notes receivable	Yunnan Wanyou Auto Sales and Service Co., Ltd.	24,000,000.00	-	47,000,000.00	-

Items	Related parties	Ending balance		Beginning balance	
		Book balance	Provision for bad-debts	Book balance	Provision for bad-debts
Notes receivable	Guizhou Wanyou Auto Sales and Service Co., Ltd.	3,950,000.00	-	5,500,000.00	-
Notes receivable	Chongqing Tsingshan Industrial Co., Ltd.	38,121,507.00	-	7,995,373.20	-
Subtotal		2,408,811,295.68	-	4,020,012,206.47	-
Account receivable	Changan Ford Automobile Co., Ltd.	1,197,831.91	-	27,571,894.33	-
Account receivable	Chang'an Mazda Automobile Co., Ltd	10,664,563.95	-	10,443,141.10	-
Account receivable	Chongqing Chang'an Kuayue Vehicle Co., Ltd	39,757,144.90	-	31,600,512.92	-
Account receivable	Chongqing Changan Kuayue Automobile Sales Co., Ltd.	-	-	128,646.00	-
Account receivable	Changan Auto Finance Co., Ltd.	56,057,800.00	-	27,000,000.00	-
Account receivable	Beijing Fang'an crescent taxi Co., Ltd.	38,600,000.00	-	38,600,000.00	-
Account receivable	Jiangling Holdings Co., Ltd.	39,202,448.16	-	43,263,418.79	-
Account receivable	Chongqing Changan New Energy Vehicles Technology Co., Ltd.	1,677,622,417.76	-	664,390,126.60	-
Account receivable	Harbin Dongan Automotive Engine Manufacturing Co., Ltd.	2,114,270.93	-	21,179,345.59	-
Account receivable	Chongqing Chang'an industry (Group) Co., Ltd	3,640,174.57	-	192,632.17	-
Account receivable	Chongqing Changan Minsheng Logistics Co. Ltd.	16,394,639.72	-	32,259,206.05	-
Account receivable	China South Industries Group Commercial Factoring Co., Ltd.	1,841.34	-	1,841.34	-
Account receivable	Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd	0.03	-	0.03	-
Account receivable	Chongqing Tsingshan Industrial Co., Ltd.	17,242,386.53	-	15,547,355.69	-
Account receivable	Nanjing LingHang Technology Co., Ltd.	19,626,985.18	-	16,622,454.93	-
Account receivable	Pakistan Master Automobile Co., Ltd.	54,883,729.42	-	70,424,616.57	-
Account receivable	Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.	3,046,887.28	-	-	-
Account receivable	Chongqing Nexteer Steering System Co.,Ltd.	1,754,020.00	-	-	-
Account receivable	Avita Technology (Chongqing) Co., Ltd.	40,037,966.09	-	-	-
Subtotal		2,021,845,107.77	-	999,225,192.11	-
Other receivable	Chongqing Changan New Energy Vehicles Technology Co., Ltd.	-	-	25,935,000.00	-
Other receivable	Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership)	-	-	26,670,000.00	-
Other receivable	Hafei Automobile Co., Ltd	1,500,000.00	-	1,500,000.00	-

Items	Related parties	Ending balance		Beginning balance	
		Book balance	Provision for bad-debts	Book balance	Provision for bad-debts
Other receivable	Chongqing Chang'an industry (Group) Co., Ltd	1,157,446.69	-	1,157,446.69	-
Other receivable	Chongqing Changan Minsheng Logistics Co. Ltd.	-	-	596,131.62	-
Other receivable	Nanjing LingHang Technology Co., Ltd.	-	-	1,027,352.32	-
Other receivable	China South Industry Group Finance Co., Ltd.	143,925,948.49	-	-	-
Other receivable	Changan Mazda Engine Co., Ltd.	41,500,000.00	-	-	-
Other receivable	Changan Auto Finance Co., Ltd.	66,943,616.44	-	-	-
Other receivable	China South Industries Group Financial Leasing Co., Ltd.	411,666.67	-	-	-
Subtotal		255,438,678.29	-	56,885,930.63	-
Advanced payment	Chongqing Changan New Energy Vehicles Technology Co., Ltd.	7,436,914.50	-	5,660,917.50	-
Advanced payment	Beijing Wutong Chelian Technology Co., Ltd.	13,221,118.24	-	21,982,556.75	-
Advanced payment	Chongqing Nexteer Steering System Co.,Ltd.	50,000,000.00	-	50,000,000.00	-
Advanced payment	Chongqing Tsingshan Industrial Co., Ltd.	180,000,000.00	-	180,000,000.00	-
Advanced payment	Chongqing Shangfang Automobile Fittings Co., Ltd.	800,000.00	-	-	-
Subtotal		251,458,032.74	-	257,643,474.25	-

(2) Accounts payable to related parties of listed companies

In RMB Yuan

Items	Related parties	Ending balance	Beginning balance
Notes payable	Chongqing Changan New Energy Vehicles Technology Co., Ltd.	73,653,575.22	100,200,000.00
Notes payable	South Inter Air-conditioner Co.,Ltd.	154,858,407.08	76,300,000.00
Notes payable	South Tianhe Chassis System Co., Ltd.	30,657,216.00	33,896,189.65
Notes payable	Harbin Dongan Auto Engine Co., Ltd.	84,212,389.38	144,790,000.00
Notes payable	Harbin Dongan Automotive Engine Manufacturing Co., Ltd.	317,309,734.51	449,050,000.00
Notes payable	Chengdu Ningjiang Zhaohe Automobile Components Co., Ltd.	2,486,725.66	29,530,000.00
Notes payable	Sichuan Ningjiang Shanchuan Machinery Co, Ltd.	60,891,849.56	71,204,039.75
Notes payable	Chongqing Changan Minsheng Logistics Co. Ltd.	127,360,601.45	293,970,489.20
Notes payable	Chongqing Changan Construction Co., Ltd.	-	2,417,746.00
Notes payable	Chongqing Shangfang Automobile Fittings Co., Ltd.	47,265,458.94	40,747,850.00
Notes payable	Chongqing Yihong Engineering Plastic Products Co., Ltd.	424,778.76	7,990,000.00
Notes payable	Hubei Xiaogan Huazhong Automobile Light Co., Ltd.	23,964,601.77	15,230,000.00

Items	Related parties	Ending balance	Beginning balance
Notes payable	Chongqing Jianshe Automobile Air-conditioner Co., Ltd.	32,477,876.11	57,320,000.00
Notes payable	Chengdu Wanyou Filter Co., Ltd.	26,495,575.22	34,230,000.00
Notes payable	Chengdu Jialing Huaxi Optical & Precision Machinery Co., Ltd.	2,115,044.25	4,420,000.00
Notes payable	Chongqing Dajiang Jiexin Forging Co., Ltd.	1,469,026.55	2,230,000.00
Notes payable	Chongqing Nexteer Steering System Co.,Ltd.	397,106,194.69	345,500,000.00
Notes payable	Southern Fojiya Auto Parts Co., Ltd.	47,407,079.65	27,690,000.00
Notes payable	Chongqing Construction Tongda Industrial Co., Ltd.	13,920,353.98	12,789,350.84
Notes payable	Hubei Huazhong Marelli Automobile Lighting Co., Ltd.	195,194,690.27	115,860,000.00
Notes payable	Hunan Tianyan Machinery Co., Ltd.	-	45,800,000.00
Notes payable	Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd	16,132,743.36	9,110,000.00
Notes payable	Dajiang Yapp Automotive Systems Co., Ltd.	175,796,460.18	172,180,000.00
Notes payable	Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.	60,973,451.33	83,160,000.00
Notes payable	Nattiefu transmission system (Chongqing) Co., Ltd	118,628,318.58	76,420,000.00
Notes payable	Chongqing Tsingshan Industrial Co., Ltd.	1,469,914,925.37	997,630,000.00
Notes payable	Chongqing Dajiang Tongyang Plastics Co., Ltd.	231,237,035.40	72,710,000.00
Notes payable	Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.	52,238,938.05	50,210,000.00
Notes payable	Changan Reis (Chongqing) Robotic Intelligent Equipment Co., Ltd.	2,332,739.20	16,298,837.60
Notes payable	Longchang Shanchuan Precision Welded Tube Co., Ltd.	3,168,141.59	700,000.00
Notes payable	Sichuan Jian'an Industrial Co.,Ltd.	188,739.00	-
Notes payable	Hunan Tianyan Machinery Co., Ltd	2,761,061.95	-
Notes payable	Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd.	750,000.00	-
Subtotal		3,773,393,733.06	3,389,584,503.04
Account payable	Changan Ford Automobile Co., Ltd.	1,876,397.28	1,943,909.28
Account payable	Chongqing Chang'an Kuayue Vehicle Co., Ltd	1,382.56	5,271,250.56
Account payable	Jiangling Holdings Co., Ltd.	-	37,578,608.85
Account payable	Chongqing Changan New Energy Vehicles Technology Co., Ltd.	569,161,014.38	45,785,722.56
Account payable	Beijing Wutong Chelian Technology Co., Ltd.	1,890,124.42	5,798,358.99
Account payable	Sichuan Jian'an Industrial Co.,Ltd.	77,788,415.77	114,453,923.31
Account payable	South Inter Air-conditioner Co.,Ltd.	73,709,692.40	156,165,656.54
Account payable	South Tianhe Chassis System Co., Ltd.	100,903,509.05	218,042,109.95
Account payable	Hafei Automobile Co., Ltd	585,059.89	949,114.25
Account payable	Harbin Dongan Auto Engine Co., Ltd.	80,984,236.14	155,019,007.24

Items	Related parties	Ending balance	Beginning balance
Account payable	Harbin Dongan Automotive Engine Manufacturing Co., Ltd.	61,479,413.92	79,164,395.58
Account payable	Chengdu Huachuan Electric Equipment Co., Ltd.	37,181,494.47	42,505,846.09
Account payable	Chengdu Ningjiang Zhaohe Automobile Components Co., Ltd.	2,216,025.30	8,406,255.55
Account payable	Sichuan Ningjiang Shanchuan Machinery Co, Ltd.	20,879,087.61	24,528,900.28
Account payable	Chongqing Chang'an industry (Group) Co., Ltd	230,300.45	601,702.05
Account payable	Chongqing Changan Minsheng Logistics Co. Ltd.	15,738,483.05	26,921,418.99
Account payable	Chongqing Shangfang Automobile Fittings Co., Ltd.	13,992,129.08	26,347,971.01
Account payable	Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.	8,136,111.93	16,297,923.33
Account payable	Chongqing Yihong Engineering Plastic Products Co., Ltd.	8,402,004.46	1,278,419.64
Account payable	Hubei Xiaogan Huazhong Automobile Light Co., Ltd.	14,894,483.07	22,108,475.58
Account payable	Yunnan Xiyi Industries Co., Ltd.	11,932,179.26	1,815,316.79
Account payable	Chongqing Jianshe Automobile Air-conditioner Co., Ltd.	14,076,145.30	22,265,092.41
Account payable	Chongqing Wanyou Economic Development Co., Ltd.	5,873,696.66	3,256,626.28
Account payable	Chengdu Wanyou Filter Co., Ltd.	24,009,421.78	14,085,492.47
Account payable	Chongqing Dajiang Yuqiang Plastic Co., Ltd.	4,817,919.08	4,627,147.80
Account payable	Chongqing Changrong Machinery Co., Ltd.	42,596,502.91	48,459,589.80
Account payable	Chengdu Jialing Huaxi Optical & Precision Machinery Co., Ltd.	223,713.10	1,137,544.54
Account payable	Chongqing Dajiang Jiexin Forging Co., Ltd.	202,240.50	103,404.61
Account payable	Chongqing Jialing Yimin Special Equipment Co., Ltd.	92,474.78	104,496.50
Account payable	Chongqing Nexteer Steering System Co.,Ltd.	244,007,757.31	303,819,542.94
Account payable	Southern Fojiya Auto Parts Co., Ltd.	77,443,544.95	111,176,628.27
Account payable	Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.	20,842.80	20,842.80
Account payable	Chongqing Xiyi automobile connecting rod Co., Ltd	34,001.89	38,422.14
Account payable	Chongqing Construction Tongda Industrial Co., Ltd.	9,123,901.09	16,219,154.70
Account payable	Hubei Huazhong Marelli Automobile Lighting Co., Ltd.	109,758,388.95	276,099,169.78
Account payable	Hunan Tyen Machinery Co., Ltd.	-	2,083,314.54
Account payable	Tiannak Lingchuan (Chongqing) exhaust system Co., Ltd	-	8,304,368.73

Items	Related parties	Ending balance	Beginning balance
Account payable	Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd.	5,077,519.43	14,889,297.76
Account payable	Dajiang Yapp Automotive Systems Co., Ltd.	106,359,451.72	130,308,165.60
Account payable	United Automotive Electronics (Chongqing) Co., Ltd	73,333,178.48	43,729,758.05
Account payable	Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.	26,538,929.09	22,651,086.10
Account payable	Lear Chang'an (Chongqing) Automotive System Co., Ltd	47,581.98	59,478,481.96
Account payable	Nattiefu transmission system (Chongqing) Co., Ltd	54,552,553.70	67,131,433.77
Account payable	Chongqing Tsingshan Industrial Co., Ltd.	491,172,400.35	289,136,235.05
Account payable	Chongqing Dajiang Tongyang Plastics Co., Ltd.	55,435,639.23	122,247,111.17
Account payable	Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.	32,841,577.74	23,129,987.81
Account payable	Changan Reis (Chongqing) Robotic Intelligent Equipment Co., Ltd.	14,909,734.42	129,036.87
Account payable	Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.		1,544.70
Account payable	Guizhou Wanyou Auto Sales and Service Co., Ltd.		-
Account payable	Chongqing Jianshe Mechanical & Electrical Equipment Co., Ltd.	41,828.24	47,265.91
Account payable	Longchang Shanchuan Precision Welded Tube Co., Ltd.	2,617,874.56	2,359,553.08
Account payable	CDGM Tanaka Environmental Catalyst Co.,Ltd.	-	83,175.03
Account payable	Chongqing Dajiang Xinda Vehicles Shares Co., Ltd.	56,251.08	56,251.08
Account payable	Chongqing Changfeng Jiquan Machinery Co., Ltd.	-	1,850,577.35
Account payable	China Changan Automobile Group Co., Ltd.	-	14,756.94
Account payable	Chongqing Qingshan Transmission Sales Co., Ltd.	9,814,025.62	10,260,951.97
Account payable	Beijing Beiji Mechanical and Electrical Industry Co., Ltd.	10,471.18	29,268.25
Account payable	Chengdu Lingchuan Special Industry Co., Ltd.	317,173.63	325,142.83
Account payable	Chongqing Automobile Air-conditioner Co., Ltd.	205,041.51	205,041.51
Account payable	Chongqing Pingshan Tk Carburetor Co., Ltd.	12,590.46	70,083.18
Account payable	Chongqing Jianshe Industry (Group) Co., Ltd.	723,638.35	857,195.55
Account payable	Hangzhou Chelizi Intelligent Technology Co., Ltd.	12,350.00	12,350.00
Account payable	Chongqing Changjiang Electrician Industry Group Co.,Ltd.	8,995.09	-
Account payable	Chongqing Changan Minsheng Dingjie Logistics Co.,Ltd.	5,005.12	-

Items	Related parties	Ending balance	Beginning balance
Account payable	Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd.	726,118.30	-
Account payable	Hunan Tianyan Machinery Co., Ltd	938,809.93	-
Account payable	Nanchang Jiangling Group Tianren Auto Parts Co., Ltd.	40,473.56	-
Subtotal		2,510,061,308.36	2,591,788,876.25
Contract liabilities	Changan Mazda Engine Co., Ltd.	3,256,185.92	3,060,368.00
Contract liabilities	Chongqing Anfu Automobile Co., Ltd.	-	73,268.00
Contract liabilities	Hafei Automobile Co., Ltd	670,500.00	670,500.00
Contract liabilities	China Changan Automobile Group Tianjin Sales Co., Ltd.	28,700,026.13	37,209,408.83
Contract liabilities	Wanyou Automobile Investment Co., Ltd.	19,883,325.74	68,334,467.34
Contract liabilities	Chongqing Shangfang Automobile Fittings Co., Ltd.	12,979.98	12,979.98
Contract liabilities	Chongqing Wanyou Economic Development Co., Ltd.	127,296,062.70	269,281,235.61
Contract liabilities	Chengdu Wanyou Auto Trade Service Co., Ltd.	10,551,862.75	51,006,262.19
Contract liabilities	Yunnan Wanyou Auto Sales and Service Co., Ltd.	45,547,345.95	101,043,742.82
Contract liabilities	Guizhou Wanyou Auto Sales and Service Co., Ltd.	43,657,174.14	133,567,022.54
Contract liabilities	Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.	82,528,018.07	118,480,778.11
Contract liabilities	Yunnan Wanxing Auto Sales Service Co., Ltd.	-	15,033,974.67
Contract liabilities	Panzhuhua Wanyou Auto Sales & Service Co., Ltd.	25,444.47	17,855.01
Contract liabilities	Ya'an Wanyou Auto Sales and Service Co., Ltd.	59,061.55	23,611.57
Contract liabilities	Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.	91,454.74	21,566.76
Contract liabilities	Chongqing Wanyou Xingjian Auto Sales & Service Co., Ltd.	81,681.75	68,346.03
Contract liabilities	Luzhou Wanyou Automobile Service Co., Ltd.	33,250.36	50,528.84
Contract liabilities	Chengdu Wanyou Auto Sales and Service co.,Ltd.	70,485.86	30,005.78
Contract liabilities	Bazhong Wanyou Auto Sales & Service Co., Ltd.	50,426.48	50,426.48
Contract liabilities	China Changan Automobile Group Hefei Investment Co., Ltd.	10,273.00	10,273.00
Contract liabilities	Chongqing Hanon Jianshe Automotive Thermal Systems Co., Ltd.	-	147,080.20
Contract liabilities	Jiangling Holdings Co., Ltd.	-	6,854,200.00
Contract liabilities	Anhui Wanyou Automobile Sales Service Co., Ltd.	12,059,637.03	36,775,197.75

Items	Related parties	Ending balance	Beginning balance
Contract liabilities	Jiangsu Wanyou Automobile Sales Service Co., Ltd.	17,289,631.06	41,137,071.23
Contract liabilities	Chongqing Chang'an Minsheng Boyu Logistics Co., Ltd.	593,181.33	2,646,426.62
Contract liabilities	Guangxi Wanyou Auto Sales and Service Co., Ltd.	-	302.40
Contract liabilities	Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd.	12,497,423.10	22,362,432.39
Contract liabilities	Ya'an Changan Affordable Housing Construction Co., Ltd.	-	10,000.00
Contract liabilities	Chongqing Chang'an industry (Group) Co., Ltd	114,000.00	-
Contract liabilities	Pakistan Master Automobile Co., Ltd.	13,261,676.93	-
Contract liabilities	Chengdu Wanyou Trading Co., Ltd.	11,564.00	-
Contract liabilities	Chongqing Changan Minsheng Logistics Co. Ltd.	37,040.33	-
Contract liabilities	Nanchang Jiangling Group Tianren Auto Parts Co., Ltd.	6,854,200.00	-
Subtotal		425,243,913.37	907,979,332.15
Other payables	Chongqing Chang'an Kuayue Vehicle Co., Ltd	163,007,855.00	163,007,855.00
Other payables	Jiangling Holdings Co., Ltd.	-	1,182,839.61
Other payables	Chongqing Changan New Energy Vehicles Technology Co., Ltd.	699,271,551.58	28,204,667.10
Other payables	Sichuan Jian'an Industrial Co.,Ltd.	62,545.95	709,839.37
Other payables	Chongqing Anfu Automobile Co., Ltd.	100,000.00	200,000.00
Other payables	South Inter Air-conditioner Co.,Ltd.	-	425,490.20
Other payables	South Tianhe Chassis System Co., Ltd.	553,186.42	606,242.21
Other payables	Harbin Dongan Auto Engine Co., Ltd.	-	4,839.23
Other payables	Harbin Dongan Automotive Engine Manufacturing Co., Ltd.	1,180,233.02	1,258,466.14
Other payables	Chengdu Huachuan Electric Equipment Co., Ltd.	-	356,673.20
Other payables	Chongqing Chang'an industry (Group) Co., Ltd	899,884.90	2,010,787.85
Other payables	Chongqing Changan Minsheng Logistics Co. Ltd.	415,254,444.97	123,243,509.52
Other payables	Chongqing Changan Construction Co., Ltd.	26,375,786.10	26,391,448.08
Other payables	Chongqing Changan Property Management Co., Ltd.	1,450,735.65	1,587,169.00
Other payables	Chongqing Shangfang Automobile Fittings Co., Ltd.	22,600.00	3,390.00
Other payables	Hubei Xiaogan Huazhong Automobile Light Co., Ltd.	-	1,349.36

Items	Related parties	Ending balance	Beginning balance
Other payables	Yunnan Xiyi Industries Co., Ltd.	-	25,130.48
Other payables	Chongqing Wanyou Economic Development Co., Ltd.	122,799.84	245,798.56
Other payables	Chengdu Wanyou Auto Trade Service Co., Ltd.	69,894.53	1,296,988.78
Other payables	Chengdu Wanyou Filter Co., Ltd.	153,622.59	143,553.10
Other payables	Yunnan Wanyou Auto Sales and Service Co., Ltd.	136,272.10	3,756,167.26
Other payables	Guizhou Wanyou Auto Sales and Service Co., Ltd.	71,521.60	828,912.03
Other payables	Panzhuhua Wanyou Auto Sales & Service Co., Ltd.	13,141.40	24,646.80
Other payables	Ya'an Wanyou Auto Sales and Service Co., Ltd.	8,309.50	733,079.80
Other payables	Chongqing Wanyou Ducheng Auto Sales Service Co., Ltd.	-	42,215.90
Other payables	Luzhou Wanyou Automobile Service Co., Ltd.	5,399.80	4,401.62
Other payables	Chengdu Wanyou Auto Sales and Service co.,Ltd.	-	350,000.00
Other payables	Chongqing Construction Tongda Industrial Co., Ltd.	-	21,164.90
Other payables	Hubei Huazhong Marelli Automobile Lighting Co., Ltd.	-	530,196.00
Other payables	Hunan Tyen Machinery Co., Ltd.	-	951,324.40
Other payables	United Automotive Electronics (Chongqing) Co., Ltd	317,527.48	263,423.01
Other payables	Nattiefu transmission system (Chongqing) Co., Ltd	1,072,449.10	89,857.60
Other payables	Chongqing Tsingshan Industrial Co., Ltd.	1,721,008.08	565,792.16
Other payables	Chongqing Dajiang Tongyang Plastics Co., Ltd.	-	1,067,850.00
Other payables	Chongqing Lingchuan Auto Parts Manufacturing Technology Co., Ltd.	56,239.83	332,961.91
Other payables	Changan Reis (Chongqing) Robotic Intelligent Equipment Co., Ltd.	517,902.06	18,027,403.31
Other payables	Chengdu Wanyou Xiangyu Auto Sales and Service Co., Ltd.	-	5,204,000.00
Other payables	Jiangsu Wanyou Automobile Sales Service Co., Ltd.	548.00	504,400.00
Other payables	Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd	1,101,001.00	1,507,567.09
Other payables	Chongqing Dajiang Xinda Vehicles Shares Co., Ltd.	-	50,000.00
Other payables	China Changan Automobile Group Co., Ltd.	1,000.00	1,000.00
Other payables	Chengdu Wanyou Trading Co., Ltd.	1,795.00	12,333.20
Other payables	Ald Fortune Auto Leasing & Renting (Shanghai) Co., Ltd.	9,000,000.00	1,500,000.00

Items	Related parties	Ending balance	Beginning balance
Other payables	SIAMC Management Co., Ltd.	-	253,750,000.00
Other payables	Chongqing Wanyou Zunda Automobile Sales & Service Co., Ltd.	950,000.00	-
Other payables	Hunan Tianyan Machinery Co., Ltd	695,176.00	-
Other payables	Chengdu Lingchuan Vehicle Oil Tank Co., Ltd.	10,227.70	-
Other payables	Chongqing Nexteer Steering System Co.,Ltd.	316,400.00	-
Other payables	Chongqing Dajiang Guoli Precision Machinery Manufacturing Co., Ltd.	423,750.00	-
Subtotal		1,324,944,809.20	641,024,733.78

XIII. Share-based payments

1. General information

Applicable Non-applicable

Unit: share currency: RMB

Total amount of equity instruments granted by the company in the current period	0.00
Total amount of equity instruments exercised by the company in the current period	0.00
Total amount of various equity instruments expired in the current period of the company	0.00
The scope of exercise price of stock options issued by the company at the end of the period and the remaining term of the contract	No
The scope of exercise price of other equity instruments issued at the end of the period and the remaining term of the contract	Restricted shares were granted for the first time in February 2021, the grant price was 6.66 yuan/share (before adjustment), and the remaining term is 44 months; Restricted shares were reserved for grant in November 2021, the grant price was 9.93 yuan/share (before adjustment), and the remaining term is 54 months

2. Equity settled share based payment

Applicable Non-applicable

In RMB Yuan

Determination method of fair value of equity instruments on the grant date	Market price method model calculation
Basis for determining the number of exercisable equity instruments	Based on the best estimate of the number of exercisable equity instruments, the relevant expenses and costs are calculated according to the fair value of the equity instruments on the grant date
Reasons for significant differences between the current estimate and the previous estimate	No
Cumulative amount of equity settled share based payment included in capital reserve	460,850,767.92
Total recognized expenses of equity settled share based payment in the current period	192,310,900.00

3. Cash settled share based payment

Applicable Not applicable

4. Modification and termination of share based payment

Applicable Not applicable

5. Other

Applicable Not applicable

XIV. Commitments and Contingencies**1. Significant commitments**

Contracted, but not provided for

Items	2022.6.30	2021.12.31
Capital commitments	8,259,320,378.94	9,188,776,086.05
Investment commitments	1,319,000,000.00	1,509,000,000.00
Total	9,578,320,378.94	10,697,776,086.05

2. Contingencies

By June 30, 2022, no material contingencies needed to be disclosed.

XV. Events after the balance sheet date

None

XVI. Other important events**1. Segment information**

The Group identifies operating segments based on the internal organization structure, managerial requirements and internal reporting system, and identifies reportable segments based on operating segments and discloses segment information by operating segment.

An operating segment is a component of the Group that meets all the following conditions:

- (1) it engages in business activities from which it may earn revenues and incur expenses;
- (2) its operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and assess its performance; and
- (3) the Group can obtain relevant accounting information such as its financial position, operating results and cash flows.

If two or more segments have similar economic characteristics and meet certain conditions, they can be aggregated into a single operating segment.

The revenue and profit of the Group mainly consist of the automobile manufacturing and domestic sales. The Group's principal assets are in China. The operating performance of the Group has been evaluated as a whole by the management. So the segment report has not been prepared for this year.

2. Lease arrangements

(1) As lessor

The Group leases buildings, machinery and equipment and vehicles for a lease term of 1-15 years, forming an operating lease. Details for investment property and operating leased fixed assets refer to note VII 12 and 13.

The income related to operating leases are listed as follows:

In RMB Yuan	
	Report period Amount
Leasehold Income	145,340,699.18

According to the lease contract signed with the lessee, the minimum lease collection amount of irrevocable lease is as follows:

In RMB Yuan	
	Ending balance
Less than 1 year (including 1 year)	426,395,931.18
1 to 2 years (including 2 years)	700,674,461.93
2 to 3 years (including 3 years)	512,269,235.96
3 to 4 years (including 3 years)	124,012,765.96
4 to 5 years (including 3 years)	8,836,477.17
Over 5 years	27,684,118.42
Total	1,799,872,990.62

(2) As lessee

In RMB Yuan	
	Report period Amount
Interest expense of lease liabilities	1,957,921.01
Short term lease expenses with simplified treatment included in current profit and loss	27,691,557.40
Lease expense of low value assets with simplified treatment included in current profit and loss	1,334,969.44
Total cash outflow related to leasing	64,511,685.33

The leased assets leased by the Group include buildings and other equipment used in the operation activities. The lease term of houses and buildings is usually 1-5 years, and that of other equipment is usually 2-5 years.

XVII. Notes to the main items of the parent company's financial statements

1. Account Receivables

(1) Aging analysis of accounts receivable is as follow:

In RMB Yuan

Account receivable age	Ending balance	Beginning balance
Less than 1 year (including 1 year)	6,254,482,878.15	6,741,369,355.22
1 to 2 years (including 2 years)	818,651,527.87	353,774,325.51
2 to 3 years (including 3 years)	19,917,931.12	227,529,170.91
Over 3 years	323,296,410.52	711,074,867.37
Total	7,416,348,747.66	8,033,747,719.01
Minus: Provision	(102,667,294.30)	(102,237,112.42)
	7,313,681,453.36	7,931,510,606.59

(2) Movements of provision for accounts receivable are as follows:

In RMB Yuan

Items	Beginning balance	Report period Amount				Ending balance
		Accrual	Reversal	Write-off	Others	
2022.6.30	102,237,112.42	1,613,021.49	1,182,839.61			102,667,294.30
2021.12.31	93,484,241.66	8,752,870.76				102,237,112.42

The amount of bad debt provision recovered or reversed in the current period:

In RMB Yuan

Company name	Reversal amount	Reversal way
Jiangling Holdings Co., Ltd.	1,182,839.61	Recover money
Total	1,182,839.61	

(3) Disclosure of accounts receivable

In RMB Yuan

Items	Ending balance				
	Book balance		Provision for bad-debts		Book value
	Amount	(%)	Amount	(%)	
Individual assessment of credit expected loss and provision for bad debts	6,954,854,852.70	93.78	76,456,236.54	1.10	6,878,398,616.16
Assess bad debt provision for expected credit expected loss according to credit risk characteristics combination	461,493,894.96	6.22	26,211,057.76	5.68	435,282,837.20
Total	7,416,348,747.66	100.00	102,667,294.30	1.38	7,313,681,453.36

Items	Beginning balance				
	Book balance		Provision for bad-debts		Book value
	Amount	(%)	Amount	(%)	
Individual assessment of credit expected loss and provision for bad debts	7,844,348,937.41	97.64	77,639,076.15	0.99	7,766,709,861.26
Assess bad debt provision for expected credit expected loss according to credit risk	189,398,781.60	2.36	24,598,036.27	12.99	164,800,745.33

characteristics combination					
Total	8,033,747,719.01	100.00	102,237,112.42	1.27	7,931,510,606.59

2. Other receivables

In RMB Yuan

Items	Ending balance	Beginning balance
Dividends receivable	255,356,145.11	
Other receivables	140,246,934.04	1,756,623,581.93
Total	395,603,079.15	1,756,623,581.93

(1) Dividends receivable

In RMB Yuan

Items (or invested units)	Ending balance	Beginning balance
China South Industry Group Finance Co., Ltd.	143,737,428.00	
China South Industries Group Financial Leasing Co., Ltd.	411,666.67	
China Automotive Power Battery Research Institute Co., Ltd.	73,034.00	
Changan Auto Finance Co., Ltd.	66,943,616.44	
Changan Mazda Engine Co., Ltd.	41,500,000.00	
Southwest Securities Co.,Ltd.	2,690,400.00	
Total	255,356,145.11	

(2) Other receivables

1) Aging analysis of other receivables is as follows:

In RMB Yuan

Account receivable age	Ending balance	Beginning balance
Within 1 year	115,234,097.54	1,745,128,693.03
1 to 2 years	15,575,042.47	1,413,046.51
2 to 3 years	219,332.85	497,065.04
Over 3 years	16,293,996.23	16,804,017.31
Total	147,322,469.09	1,763,842,821.89
Minus: Provision	(7,075,535.05)	(7,219,239.96)
	140,246,934.04	1,756,623,581.93

2) Analysis of other receivables by nature is as follows:

In RMB Yuan

Items	Ending balance	Beginning balance
Energy-saving and new energy subsidy		358,470,077.96

Prepaid equity investment		526,670,000.00
Petty cash	37,672,721.77	21,998,665.75
Disposal income of assets		3,984,842.15
Internal transactions	46,193,815.58	791,370,940.07
Others	56,380,396.69	54,129,056.00
Total	140,246,934.04	1,756,623,581.93

3) The changes in the provision for bad debts for other receivables based on the 12-month expected credit loss and the expected credit loss for the entire duration are as follows:

In RMB Yuan

Items	Beginning balance	Report period Amount				Ending balance
		Accrual	Reversal	Write-off	Others	
2022.6.30	7,219,239.96	59,477.10	203,182.01			7,075,535.05
2021.12.31	7,154,284.79	64,955.17				7,219,239.96

Among them, the amount of bad debt provision reversed or recovered in the current period is important:

In RMB Yuan

Company name	Reversal amount	Reversal way
Jiangling Holdings Co., Ltd.	203,182.01	Recover money
Total	203,182.01	

4) Top five debtors of other receivables are as follows:

In RMB Yuan

Items	Nature of payment	Ending balance	Aging	Proportion of total other receivables (%)	Ending balance of provision
First place	Internal transactions	20,677,497.16	Within 1 year	14.04	
Second place	Electricity expense	10,815,169.74	Within 1 year	7.34	
Third place	Gas costs	6,143,019.88	Within 1 year	4.17	
Fourth place	Margin	3,213,301.80	1 to 2 years	2.18	
Fifth place	Extended insurance premiums	3,000,000.00	Within 1 year	2.04	
Total		43,848,988.58		29.76	

5) Other receivables derecognized due to transfer of financial assets

As of June 30, 2022, the Group had no other receivables derecognized as financial asset transfers (December 31, 2021: None).

3. Long-term equity investment

(1) Investment in subsidiaries

In RMB Yuan

Investee	Opening Balance	Changes during report period				Ending Balance	Ending Balance of provision
		Addition	reduce investment	Provision for impairment	Other reduction		
Nanjing Changan Automobile Co., Ltd.	422,533,259.00					422,533,259.00	
Chongqing Changan International Automobile Sales Co., Ltd.	13,068,581.00					13,068,581.00	
Chongqing Changan Automobile Supporting Service Co., Ltd.	29,700,000.00					29,700,000.00	
Chongqing Changan Special Automobile Co., Ltd.	2,500,000.00					2,500,000.00	
Chongqing Changan Europe Design Academy Co., Ltd.	155,469,913.50					155,469,913.50	
Chongqing Changan New Energy Automobile Co. Ltd.	-						49,194,195.00
Changan United Kingdom R&D Center Co., Ltd.	250,093,850.95					250,093,850.95	
Chongqing Changan Connected Car Technology Co., Ltd.	88,500,000.00					88,500,000.00	
Beijing Changan R&D Center Co., Ltd.	1,000,000.00					1,000,000.00	
Changan United States R&D Center Co., Ltd.	10,243,460.00					10,243,460.00	
Changan Japan Designing Center Co.,Ltd.	1,396,370.15					1,396,370.15	
Hefei Changan Automobile Co.,Ltd.	1,535,367,765.23					1,535,367,765.23	
Changan Automobile Russia Co., Ltd.	251,242,589.15					251,242,589.15	
Chongqing Changan Lingyao Automobile Co., Ltd.	594,949,059.30					594,949,059.30	
Changan Brazil Holdings Limited	2,584,556.97					2,584,556.97	
Changan Automobile Investment (Shenzhen)	235,248,871.00	2,640,640.00				237,889,511.00	

Co., Ltd.							
Chongqing Anyi Automobile Technical Service Co., Ltd.	2,000,000.00					2,000,000.00	
Guangzhou Changan New Energy Automobile Co. Ltd.	4,000,000.00					4,000,000.00	
Xiamen Changan New Energy Automobile Co. Ltd.	2,000,000.00					2,000,000.00	
Chongqing Chehemei Technology Co., Ltd.	10,000,000.00					10,000,000.00	
Nanjing Changan New Energy Automobile Sales & Service Co., Ltd.	50,000,000.00					50,000,000.00	
Chongqing Changan Automobile Software Technology Co., Ltd.	99,000,000.00					99,000,000.00	
Chongqing Changan Kaicheng Automobile Technology Co., Ltd.	977,793,971.55					977,793,971.55	
Avatr Technology (Chongqing) Co., Ltd.	153,841,669.77				(153,841,669.77)		
Chongqing Xingzhi Technology Co., Ltd. (Note 1)							
Total	4,892,533,917.57	2,640,640.00			(153,841,669.77)	4,741,332,887.80	49,194,195.00

Note 1: In May 2022, Chongqing Xingzhi Technology Co., Ltd. was added as a subsidiary.

(2) Investment in associates and joint ventures

In RMB Yuan

Investee	Opening Balance	Changes during report period								Ending Balance
		Addition	reduce investment	Investment income/loss under equity method	Other comprehensive income	Other changes in equity	Dividend of cash declared	Provision for impairment	Others	
1. Joint ventures										
Changan Ford Automobile Co., Ltd.	2,934,876,043.99			522,860,908.17						3,457,736,952.16
Changan Mazda Automobile Co., Ltd.	1,867,086,106.67			236,050,510.98			(381,500,000.00)			1,721,636,617.65
Changan Mazda Engine Co., Ltd.	835,121,564.38			15,784,275.65			(41,500,000.00)			809,405,840.03

Nanchang Jiangling Investment Co., Ltd.	1,630,596,420.97			88,264,113.54					1,718,860,534.51
Subtotal	7,267,680,136.01			862,959,808.34			(423,000,000.00)		7,707,639,944.35
2. Associates									
Jiangling Holding Co., Ltd.	70,492,790.08			(41,202,595.77)					29,290,194.31
Chongqing Changan Kuayue Automobile Co., Ltd.	242,792,196.86			(20,594,524.55)					222,197,672.31
Changan Automobile Finacing Co., Ltd.	2,520,349,332.44			152,764,747.43			(66,943,616.44)		2,606,170,463.43
Chongqing Changan New Energy Vehicles Technology Co., Ltd.	-	1,360,000,000.00		(953,589,718.33)		663,566,110.70			1,069,976,392.37
Avatr Technology (Chongqing) Co., Ltd.		871,119,835.57		(82,620,701.16)	146,228.18				788,645,362.59
Hainan Anxinxing Information Technology Co., Ltd.	-	368,900.00		(368,900.00)					
Nanjing Chelai Travel Technology Co., Ltd.	866,888.90			(97,213.22)					769,675.68
Coresing Semiconductor Technology Co., Ltd.	25,285,116.95			(552,714.09)					24,732,402.86
Nanjing Leading Equity Investment Management Co., Ltd.	1,133,065.60			(9,266.61)					1,123,798.99
Nanjing Leading Equity Investment Partnership (Limited Partnership)	2,424,143,949.52			(42,899.72)					2,424,101,049.80
Zhongqi Chuangzhi Technology Co., Ltd.	190,534,997.15			(9,012,542.48)					181,522,454.67
Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership)	25,007,587.62			(5,754.39)					25,001,833.23
Subtotal	5,500,605,925.12	2,231,488,735.57		(955,332,082.89)	146,228.18	663,566,110.70	(66,943,616.44)		7,373,531,300.24
Total	12,768,286,061.13	2,231,488,735.57		(92,372,274.55)	146,228.18	663,566,110.70	(489,943,616.44)		15,081,171,244.59

4. Operating revenue and cost

In RMB Yuan

Items	Report period		Same period of last year	
	Revenue	Cost	Revenue	Cost
Main business	47,015,290,808.29	39,177,855,123.67	49,511,486,065.29	43,920,794,847.39
Other business	3,275,009,762.83	1,737,129,368.96	3,316,919,115.43	1,592,749,547.20
Total	50,290,300,571.12	40,914,984,492.63	52,828,405,180.72	45,513,544,394.59

5. Investment income

In RMB Yuan

Items	Current amount	Prior-period amount
Long-term equity investment losses accounted for by the cost method	594,000,000.00	
Long-term equity investment losses accounted for by the equity method	(92,372,274.55)	349,815,853.13
The investment income of financial asset held for trading during its holding period	2,690,400.00	
Dividend income from remaining investments in other equity instruments	144,222,128.67	70,204,197.65
Gains from the remeasurement of the remaining equity at fair value after the loss of control	337,513,868.21	
Interest income from entrusted loan		8,099,253.16
Total	986,054,122.33	428,119,303.94

Long-term equity investment income under equity method

In RMB Yuan

Investee	Current amount	Prior-period amount
Changan Ford Automobile Co., Ltd.	522,860,908.17	362,952,450.03
Changan Mazda Engine Co., Ltd.	15,784,275.65	15,721,810.83
Hainan Anxinxing Information Technology Co., Ltd.	(368,900.00)	(1,009,343.24)
Nanjing Chelai Travel Technology Co., Ltd.	(97,213.22)	(134,310.36)
Jiangling Holding Co., Ltd.	(41,202,595.77)	(48,302,837.53)
Changan Mazda Automobile Co., Ltd.	236,050,510.98	280,357,717.64
Chongqing Changan Kuayue Automobile Co., Ltd.	(20,594,524.55)	4,994,618.02
Changan Automobile Finacing Co., Ltd.	152,764,747.43	129,697,153.59
Avatr Technology (Chongqing) Co., Ltd.	(82,620,701.16)	
Coresing Semiconductor Technology Co., Ltd.	(552,714.09)	(514,689.73)
Nanchang Jiangling Investment Co., Ltd.	88,264,113.54	78,245,997.25
Chongqing Changan New Energy Vehicles Technology Co., Ltd.	(953,589,718.33)	(471,341,755.14)
Nanjing Leading Equity Investment Partnership (Limited Partnership)	(42,899.72)	(33,139.50)
Nanjing Leading Equity Investment Management Co., Ltd.	(9,266.61)	(64,190.89)
Zhongqi Chuangzhi Technology Co., Ltd.	(9,012,542.48)	(753,627.84)
Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership)	(5,754.39)	
Total	(92,372,274.55)	349,815,853.13

XVIII. Additional information

1. Non-recurring profit and loss statement of current period

Applicable Non-applicable

In RMB Yuan

Items	Amount	explanation
Profit and loss of non-current assets disposition	68,244,082.28	
Government subsidies counted in current profit and loss (except the government subsidies which are closely related with business events, and given certain amount according to national standards)	525,001,514.96	
Interest on late payment of funds charged to non-financial enterprises	12,993,036.40	
In addition to the effective hedging business related to the company's normal business operations, the fair value changes in gains and losses arising from holding trading financial assets	26,136,888.77	
Gains from the remeasurement of the remaining equity at fair value after the loss of control	2,128,305,938.85	
Other non-operating income and expenses other than the above	49,496,422.28	
Minus: Income tax impact	37,348,447.66	
Minority shareholders' equity impact (after tax)	15,317,119.44	
Total	2,757,512,316.44	--

If the company identifies non-recurring profit and loss defined by *Information Disclosure by Companies Offering Securities to the Public No. 1--non-recurring profit and loss* and non-recurring profit and loss defined by *Information Disclosure by Companies Offering Securities to the Public No. 1--non-recurring profit and loss* as recurring profit and loss, explain the reasons.

2. Return on equity and earnings per share

Profit in report period	Weighted average return on equity (%)	Earnings per share	
		Basic EPS(yuan/share)	Diluted EPS(yuan/share)
Net profit belonging to the Company's common stockholders	10.06	0.60	0.59
Net profit belonging to the Company's common stockholders after deducting non-recurring profit and loss	5.33	0.31	0.31

The group's presentation of return on net assets and earnings per share is in accordance with the preparation rules for information disclosure of companies offering securities to the public No. 9 - Calculation and disclosure of return on net assets and earnings per share (revised in 2010) of the CSRC.

3. Accounting data difference by domestic and foreign accounting standards

(1) Net profit and net asset differences from financial statements by global GAAC and prc GAAC

Applicable Not applicable

(2) Net profit and net asset differences from financial statements by GAAC abroad and PRC GAAP

Applicable Not applicable

(3) Description on accounting data differences by domestic and foreign accounting standards. If auditing institutions abroad have adjusted the data differences, identify the name of the auditing institution abroad.

None

4. Others

Applicable Not applicable