

长安汽车 | 科技长安
CHANGAN | 智慧伙伴

**Chongqing Changan Automobile
Company Limited**

2023 Annual Report

April 2024

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 Shi Haifeng, the person-in-charge of the accounting organ hereby guarantee that the financial statements carried in this Report are factual, accurate, and complete.

3. Except the following directors, all the directors have attended the board meeting for reviewing this Report.

Name of the directors absent	Positions	Reasons for the absence	Name of the Trustees
Deng Wei	Director	Work reasons	Jia Lishan
Shi Yaoxiang	Director	Work reasons	Zhang Deyong
Li Keqiang	Independent Director	Work reasons	Tang Guliang

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. Chapter 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. The Board has approved a final dividend plan as follows: Based on 9,917,289,033 shares, a cash dividend of RMB 3.43 (tax included) per 10 shares is to be distributed to all shareholders, without transferring capital reserve to share capital.

This Report have 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. The 2022 Auditor's Report stamped by the accounting firm and signed and stamped by chartered accountants.
- III. 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*.
- IV. Annual Reports disclosed in other securities markets.

Definitions

Items	Refers to	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
Changan Kaicheng	Refers to	Chongqing Changan Kaicheng Automotive Technology Co., Ltd., formerly known as Kaicheng Automotive Technology 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
Changan Technology	Refers to	Chongqing Changan Technology Co., Ltd., a subsidiary company of the Company
Deepal Auto	Refers to	Deepal Automotive Technology Co., Ltd., a subsidiary company of the Company
Avatr	Refers to	Avatr Technology (Chongqing) 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 name in Chinese	重庆长安汽车股份有限公司		
Chinese abbreviation	长安汽车		
Company name in English	Chongqing Changan Automobile Co., Ltd.		
Legal representative	Zhu Huarong		
Registered address	No. 260, East Jianxin Road Jiangbei District, Chongqing		
Post code of the registered address	400023		
Office address	No. 260, East Jianxin Road, Jiangbei District, Chongqing. Building T2, No. 2, Financial City, No. 61 Dongshengmen Road, Jiangbei District, Chongqing.		
Post code of the office address	400023		
Website	http://www.changan.com.cn		
E-mail address	cazqc@changan.com.cn		

II. Contact Information

	Secretary of the Board of Directors	Securities affairs representative
Name	Zhang Deyong, Li Jun	Jie Zhonghua
Contact address	Building T2, No. 2, Financial City, No. 61 Dongshengmen Road, Jiangbei District, Chongqing	Building T2, No. 2, Financial City, No. 61 Dongshengmen Road, Jiangbei District, Chongqing
TEL	023-67594008	023-67594008
FAX	023-67870261	023-67870261
E-mail address	cazqc@changan.com.cn	jiezh@changan.com.cn

III. Information Disclosure and Filing Site

Stock exchange website where this Report is disclosed	http://www.szse.cn
Media and website where this Report is disclosed	<i>China Securities, Journal, Securities Times, Securities Daily, Shanghai Securities News, Hong Kong Commercial Daily</i> and www.cninfo.com.cn
Place where this Report is lodged	Board Office of the Company

IV. Changes of Registration Information

Organization Code	9150000020286320X6
Changes in the main business since the Company's listing	Not applicable
Changes of controlling shareholder since incorporation (if any)	1. In December 2005, according to the restructuring program on automobile business, the Company's actual controller, CSG transferred all state-owned shares of Changan Automobile (Group) Company Limited ("Changan Group") as part of funding for China South Industries Automobile Co., Ltd. In March 2006, all shares held by Changan

	<p>Group have been transferred to China South Industries Automobile Co., Ltd. China South Industries Automobile Co., Ltd. became the majority shareholder of the Company, and Changan Group holds zero share since then.</p> <p>2. In July 2009, with the approval of State Administration for Industry and Commerce, “China South Industries Automobile Co., Ltd.” changed its name to “China Changan Automobile Group Co., Ltd.”. No change occurred in its property, ownership and control of the Company.</p> <p>3. In February 2019, “China Changan Automobile Group LLC” changed its name to “China Changan Automobile Group Co., Ltd.” with the approval of Beijing Administration for Industry and Commerce. The company changed from a joint stock company to a limited liability company.</p>
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V. Other Relevant Information

The audit firm employed by the Company

Name	Lixin Certified Public Accountants (Special General Partnership)
Office address	4th Floor, No. 61 Nanjing East Road, Huang pu District, Shanghai, China
Accountants writing signatures	Zhu Yuqin, Wang Kai

The independent sponsor employed by the Company to exercise constant supervision over the Company in the reporting period

Applicable Not applicable

Name	Office address	Sponsor representative	Supervision period
CITIC Securities Co., Ltd.	21st Floor, CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	He Yang, Chen Shumian	October 26, 2020 - December 31, 2021

Note: CITIC Securities Co., Ltd. is the recommendation institution for the continuous supervision of the company's non-public offering of shares in 2020.

The independent financial advisor employed by the Company to exercise constant supervision over the Company in the reporting period

Applicable Not applicable

VI. Key Accounting Data and Financial Indexes

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

Yes No

Reason: Changes in accounting policies

	2023	2022		YoY change (%)	2021	
		Original	Restated		Restated	Original
Operating revenue (RMB)	151,297,706,646.97	121,252,864,085.40	121,252,864,085.40	24.78%	105,141,877,237.05	105,141,877,237.05
Net profit attributable to shareholders of the Company (RMB)	11,327,463,013.15	7,798,451,093.72	7,798,785,367.38	45.25%	3,552,463,320.03	3,552,631,696.73
Net profit after deduction of non-recurring gains or losses attributable to shareholders of the Company (RMB)	3,781,846,729.11	4,458,919,314.80	3,254,790,124.46	16.19%	1,652,771,338.77	697,701,167.57
Net cash flow from operating activities (RMB)	19,861,466,237.56	5,666,346,858.52	5,666,346,858.52	250.52%	22,971,723,210.84	22,971,723,210.84
Basic earnings per share (RMB/share)	1.15	0.80	0.80	43.75%	0.36	0.36
Diluted earnings per share (RMB/share)	1.13	0.78	0.78	44.87%	0.36	0.36

Weighted average ROE (%)	16.55%	13.07%	13.07%	3.48%	6.53%	6.53%
	31 December 2023	31 December 2022		YoY change (%)	31 December 2021	
		Original	Restated	Restated	Original	Restated
Total assets (RMB)	190,171,127,138.27	146,048,555,951.92	146,049,068,075.25	30.21%	135,404,623,479.63	135,404,791,856.33
Net assets attributable to shareholders of the Company (RMB)	71,853,119,985.49	62,858,105,705.70	62,858,608,356.06	14.31%	55,732,932,103.72	55,733,100,480.42

Reasons for changes in accounting policies:

From January 1st, 2023, the provisions of the Interpretation No. 16 of the Accounting Standards for Business Enterprises will be implemented, and the information for comparable periods will be adjusted. For details, please refer to "(31) Changes in Significant Accounting Policies and Accounting Estimates" in Note 3 "Important Accounting Policies and Accounting Estimates" to the financial statements.

The lower of the Company's net profit before and after deduction of non-recurring gains and losses in the most recent three fiscal years is negative, and the audit's report of last year shows that the Company's ability to continue operations is uncertain.

Yes No

The lower of the net profit before and after non-recurring gains and losses is negative.

Yes No

VII. 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

VIII. Key Financial Indexes of 2023 by Quarter

Unit: RMB

	First Quarter	Second Quarter	Third Quarter	Forth Quarter
Operating revenues	34,556,094,707.75	30,936,004,161.26	42,714,220,563.67	43,091,387,214.29
Net profit attributable to shareholders of the Company	6,970,203,078.41	682,776,268.39	2,229,425,232.97	1,445,058,433.38
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	1,481,090,757.20	27,967,266.80	2,103,408,917.03	169,379,788.08
Net cash flow from operating activities	3,383,283,790.67	3,572,172,922.92	10,523,163,408.37	2,382,846,115.60

Whether there are significant differences between the above-mentioned financial indexes or its total number and the relevant

financial indexes disclosed in the Company's quarterly report and semi-annual report

Yes No

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

Applicable Not applicable

Unit: RMB

Items	2023	2022	2021	Explanation
Gains or losses on disposal of non-current assets (inclusive of impairment allowance write-offs)	441,000,628.40	74,862,481.00	745,601,530.26	
Government subsidies charged to current gains or losses (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	1,463,381,979.58	1,134,358,181.32	1,335,952,105.80	
In addition to the effective hedging business related to the normal operation of the company, the fair value change gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities	-955,029.68	3,570,229.29	42,078,804.00	
Income generated from mergers of enterprises not under the same control	5,021,482,128.74			The company formed a non common control enterprise merger through additional investment in the original joint venture Shenlan Automobile (formerly Chongqing Changan New Energy Vehicle Technology Co., Ltd.), as detailed in the Announcement on the Acquisition of Partial Equity of Changan New Energy (Announcement No. 2022-78). The equity delivery procedures for this transaction were completed on February 1, 2023. Please refer to the Progress Announcement on Acquiring Partial Equity of Chang'an New Energy (Announcement No.: 2023-05) for details. According to Article 48 of Enterprise Accounting Preparation No. 33- Consolidated Financial Statements, the company recognized an investment income of 5.021 billion yuan in the first quarter of 2023 based on the financial information on the purchase date.
Capital occupation fees charged to non-financial enterprises through profit or loss for the current period	66,074,620.29	40,505,154.81	11,853,260.69	
Gains and losses on entrusted loans			6,959,316.00	
Reversal of impairment provision for accounts receivable	21,286,713.50	2,847,641.57		

subject to separate impairment testing				
Gains from remeasuring remaining equity at fair value after losing control		2,128,313,646.36		
Other non operating income and expenses other than the above items	141,715,255.35	77,519,377.00	90,085,373.52	
Other profit and loss items that meet the definition of non recurring gains and losses (note)	673,232,447.45	1,204,463,464.00	955,238,547.90	
Minus: influenced amount of income tax	255,466,128.30	94,817,746.44	196,630,848.39	
Non-controlling interests effects (after tax)	26,136,331.29	27,627,185.99	136,207,560.62	
Total	7,545,616,284.04	4,543,995,242.92	2,854,930,529.16	

Particulars about other gains and losses that meet the definition of non-recurring gain/loss

Applicable Not applicable

Note: In this year, due to the implementation of the Interpretation Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non recurring Gains and Losses, in accordance with the spirit of the announcement documents, adjustments have been made to the non recurring gains and losses of the invested units accounted for under the equity method from 2021 to 2022 based on their respective shares.

Explanation of why the Company reclassifies non-recurrent gain/loss as a recurrent 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. Industry Overview in 2023

1. The industry analysis

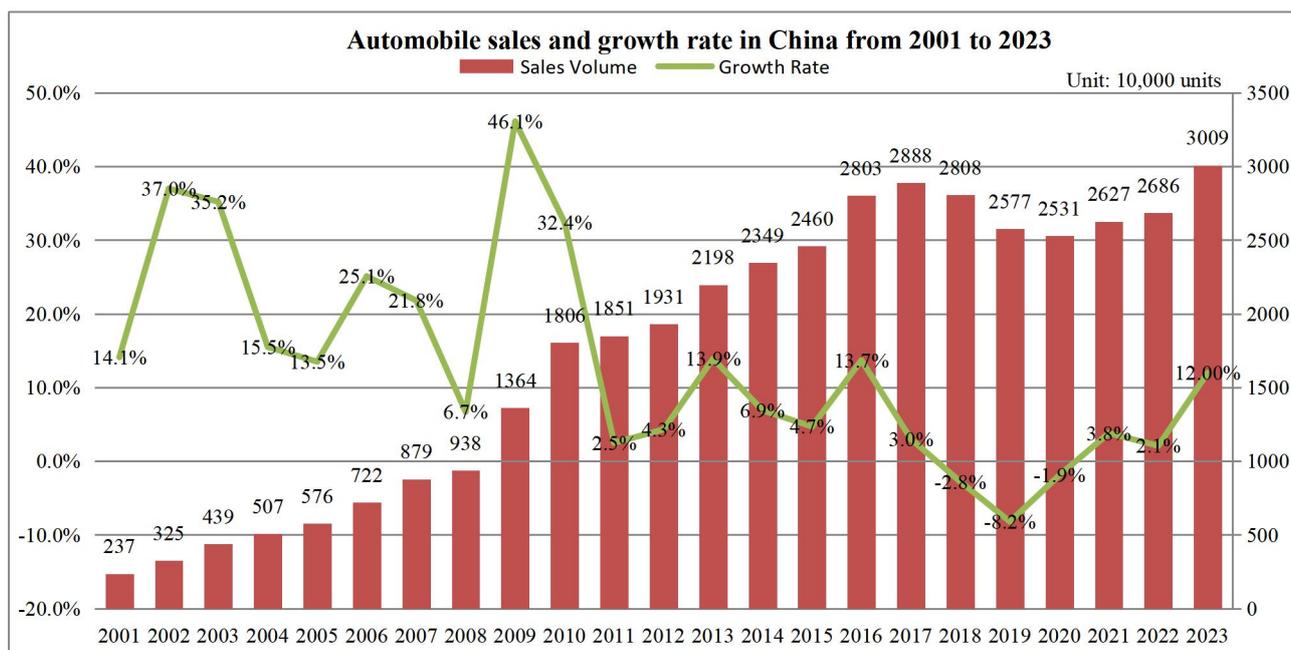
In 2023, the global economic growth rate slowed down, the world economic recovery still has uncertainty. At the same time, 2023 was also the beginning year of fully implementing the spirit of the 20th National Congress of the Communist Party of China. This year, China's economy has rebounded and high-quality development has been solidly promoted. Although there were still unfavorable factors such as insufficient effective demand and weak social expectations, the favorable conditions for China's development were stronger than the unfavorable factors, and the basic trend of economic recovery and long-term improvement has not changed. This year, with the gradual economic recovery and further release of consumer demand, the high-quality development of the automotive industry has achieved new results. The annual production and sales scale continue to expand, with double-digit year-on-year growth, effectively driving domestic economic growth. The specific industry situation during the reporting period is as follows:

The automotive industry has exceeded 30 million units in cumulative production and sales in 2023, with sales reaching 30.094 million units, a year-on-year increase of 12.0%. The overall market sales throughout the year showed a fluctuating upward trend, competitive landscape is constantly intensifying.

From the perspective of segmented markets, the cumulative sales of passenger cars reached 26.063 million units, a year-on-year increase of 10.6%. The cumulative sales of commercial vehicles reached 4.031 million units, a year-on-year increase of 22.1%, significantly better than the overall industry and showing a significant recovery momentum.

The performance of the new energy vehicle market remained impressive, continued to maintain strong growth momentum. In 2023, the sales of new energy vehicles reached 9.495 million units, a year-on-year increase of 37.9%. From the perspective of segmented markets, with the continuous efforts of the supply side within the year and the marginal impact of the EV scale growth, the growth rate of XEV models of the narrow definition passenger vehicles was significantly higher than that of EV models, and the sales proportion of XEV of the narrow definition passenger vehicles has increased by 4.3 percentage points year-on-year. The main share of the narrow definition new energy passenger car market was still dominated by Chinese brands, with Chinese brands supporting 80% of its share. It is worth noting that from the sales ranking of the new energy narrow definition passenger car group, the market pattern has changed compared to 2022. In the EV sector, the market share of industry leading enterprises has increased year-on-year, and the concentration has further increased; In the XEV sector, with the continuous influx of new entrants, the market share of top companies has loosened and was gradually being eroded by newcomer companies. It can be foreseen that the existing competitive landscape may be further restructured.

The export of automobiles has reached a new level, with over 4.9 million vehicles exported throughout the year, making a significant contribution to the overall market growth. Among them, the export of new energy vehicles exceeded 1.2 million units, a year-on-year increase of over 70%. Among the top ten enterprise groups in terms of export sales, most of them have achieved double-digit or higher year-on-year growth in export volume. Meanwhile, the sales concentration of the top ten enterprise groups in the industry decreased by 3.9 percentage points year-on-year, indicating that as more and more enterprises accelerate their overseas expansion, the export market pattern may further change.



Source: The above data/information comes from the “China Automobile Industry Production and Sales Express” published by the China Association of Automobile Manufacturers and its industry information release

2. Changan Auto’s performance

In 2023, facing complex and severe external environments and increasingly intense market competition, Changan deeply implemented and studied the spirit of the Party’s 20th National Congress, fully implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, firmly promoted “The Third Business Venture- Innovation & Entrepreneurship Program”, and pushed forward the “Three Major Plans” (Electrification-“Mission Of Shangri-La”, Intelligence-“Dubhe Plan” and Globalization-“Vast Ocean Plan”). By overcoming various risks and challenges such as market changes, industry adjustments, and intensified competition, Changan Automobile has ensured overall stability in market share and has successfully completed the annual production and business objectives and tasks. In 2023, the company achieved a total sales volume of 2.553 million vehicles, a year-on-year increase of 8.8%. The company’s new energy and export sales has a excellent performance, with the self-owned brand new energy vehicles selling 474,045 units annually, a year-on-year increase of 74.8%; exports reached 358,454 units, a year-on-year increase of 43.9%.

3. Industrial policies

July 20th, 2023, the National Development and Reform Commission and other 13 departments issued “Several Measures to Promote Automobile Consumption” including optimizing automobile purchase restrictions, supporting the update consumption of aged automobiles, accelerating the development of the used car market, strengthening the construction of new energy vehicle supporting facilities, focusing on improving the carrying capacity of rural power grids, reducing the cost of purchasing and using new energy vehicles, promoting the increase in the procurement quantity of new energy vehicles in public areas, strengthening financial services for automobile consumption, encouraging automobile enterprises to develop economy-friendly models, and continuously alleviating parking difficulties and chaos.

4. Major laws and regulations

(1) Market access

Intelligent connected vehicles are a strategic direction for the development of the automobile industry. China attaches great importance to the technological innovation and application of intelligent connected vehicles. On November 17, 2023, the Ministry of Industry and Information Technology (MIIT), the Ministry of Public Security (MPS), the Ministry of Housing and Urban-Rural Development (MOHURD), and the Ministry of Transportation (MOT) jointly issued the “Notice on Carrying out Pilot Work for Market Access and Road Access of Intelligent Connected Vehicles”. Changan Automobile is applying for the pilot program, and the application proposal has been submitted to the authorities.

(2) Standards

Changan's vehicle models are in strict accordance with the national regulations and standards for development and manufacturing. All of Changan's products are in line with the regulations and standards. As for the new standards that have been implemented, Changan has completed the product upgrade and switch according to the time requirements, among which the standards for 2023 are as follows.

(A) GB 17675-2021 "Basic Requirements for Automotive Steering System" was released in February 2021. For vehicles applying for type approval, it has been effective since January 1, 2022. For models that already had type approval, it has been effective since January 1, 2023. This standard defines the term definition, technical requirements and test methods of automobile steering system, and adds that the electrical control of steering system should meet the requirements of electromagnetic compatibility, functional safety, failure alarm, etc.

(B) GB 39732-2020 "Automobile Event Data Recording System" was released in December 2020. Vehicles applying for type approval, from January 1, 2022, shall meet the requirements of this standard except for the elements of class B and article 4.4, and from January 1, 2024 shall meet all the requirements. The standard mainly specifies the terms and definitions, technical requirements, test methods, appearance and marking of automobile event data recording system.

(C) GB 19578-2021 "The Fuel Consumption Limits for Passenger Vehicles" was issued in February 2021 and has been applied to vehicles that already had type approval since January 1, 2023. The standard mainly specifies the fuel consumption limit requirements based on the total mass of passenger vehicles under WLTC cycle conditions.

(D) GB 9656-2021 "Technical Specification for Glass Safety of Motor Vehicles" was issued in April 2021. From January 1, 2023, the glass of vehicles applying for type approval shall meet the requirements of field of vision safety, strength safety, and damage safety, etc.

(E) GB 16897-2022 "Brake Hose Structure, Performance Requirements and Test Methods" was released in August 2022. For vehicles applying for type approval, it has been effective since January 1, 2023. For models that already had type approval, it has been effective since July 1, 2023. This standard mainly adds the hydraulic brake hose fast tensile strength, pneumatic brake hose flexure fatigue requirements, etc.

(F) GB 15084-2022 "Performance and Installation Requirements for Indirect Vision Devices of Motor Vehicles" was released in December 2022. The standard mainly adds the requirements for the use of electronic rearview mirrors, frameless rearview mirrors, etc. The standard has been effective since July 1, 2023 for vehicles applying for type approval.

(G) GB 18352.6-2016 "Pollutant Emission Limits and Measurement Methods for Light-Duty Vehicles (China Stage 6)" was released in December 2016, which stipulates the requirements for the type inspection of pollutant emission of light-duty vehicles in Stage 6, the requirements for production consistency and in-use conformity inspection, and the method of determination. Starting from July 1, 2023, all light-duty vehicles sold and registered shall comply with the requirements of this standard, of which the Type I test shall comply with the requirements of the Stage 6b limits and the Type II test (RDE) shall comply with the limits. On May 8, 2023, the Ministry of Ecology and Environment, the Ministry of Industry and Information Technology, the Ministry of Commerce, the General Administration of Customs, and the State Administration for Market Regulation jointly issued the "Announcement on Matters Relating to the Implementation of the National VI Emission Standard for Automobiles", which permits the sale of some light-duty vehicle National VIb models with "test only" results from the real driving emissions (RDE) test until December 31, 2023.

(H) GB 4785-2019 "Installation Requirements for Exterior Lighting and Light Signaling Devices for Automobiles and Trailers" was published in December 2019. From July 1, 2023, for vehicles applying for type approval, when equipped with daytime running lights and operating as specified, the low beams shall be automatically turned on or off in accordance with the standard requirements, depending on the environmental conditions.

II. Analysis of Core Businesses in 2023

As an automobile manufacturer, Changan Automobile's businesses cover R&D, manufacturing, and sales of 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.

Changan always adheres to the mission of "leading auto culture and benefiting human life", firmly promotes the "Third Business Venture — Innovation & Entrepreneurship Program", accelerates the transformation towards an intelligent low-carbon mobility technology company, and strives to build itself into a world-class auto brand. Changan actively develops intelligent connected new energy vehicles and has established five major independent automobile brands: AVATR, DEEPAL, NEVO, UNI, and Kaicheng, promoting the electrification transformation of self-owned brands. At the same time, joint venture companies such as Changan Ford and Changan Mazda produce and sell joint venture brand models. In the field of ICE vehicles, Changan has launched a series of classic self-owned brand models, including the CS series, EADO series, UNI series, etc. The joint ventures have multiple well-known products, including EDGE L, Explorer, the all-new Mondeo, the all-new Nautilus, Corsair, Zephyr, CX-50, CX-5 and Axela. In the field of new energy vehicles, Changan has made great efforts to create NEV models such as the AVATR 11, AVATR 12, DEEPAL SL03, DEEPAL S7, NEVO A07, Lumin, which are highly popular in the market and loved by consumers.

Changan adopts the business model of "equal emphasis on self-owned and joint venture brands", and carries out entity operation of its own auto brand business, such as UNI, NEVO, DEEPAL, and Kaicheng and firmly builds its own classic brands. We manage investment over joint ventures such as Changan Ford and Changan Mazda, and continue to deepen mutual trust and cooperation with

partners.

1. The Company's business development in 2023

(1) Adhere to strategic orientation and solidly promote strategic transformation

In 2023, Changan worked together with its partners to vigorously implement strategy. The “Mission of Shangri-La” for electrification has taken a new step forward, building and forming three intelligent NEV brands: AVATR, DEEPAL, and NEVO, which laid a brand foundation for global competition in the future. Changan also actively optimized its industrial layout, and explored in-depth cooperation throughout the battery industry chain. Times Changan Power Battery Co., Ltd., a joint venture established by Changan and CATL, has officially started production, with a designed production capacity of 30GWh and an automation rate of over 95%. The “Dubhe Plan” for intelligent development has made new breakthroughs, continuously building a “new automobile and new ecosystem”. The third Science and Technology Ecosystem Conference was held, and the first digital intelligent car CD701 based on the SDA platform architecture was officially unveiled, and the central + zonal ring network architecture entered the vehicle integration verification stage, opening a new era of digital cars. Changan signed a Memorandum of Investment Cooperation with Huawei, which will accelerate the construction of a complete, autonomous and leading full-stack intelligent vehicle capability for the intelligent era. New progress was achieved in the “Vast Ocean Plan” for global business. Five global business units were established. DEEPAL S07, DEEPAL L07 were officially launched in Thailand, embarking on a new journey into the Southeast Asian market. The construction of factory in Thailand has begun, and the global production layout has entered a new stage.

(2) Adhere to innovation-driven development and continue to produce key core results

In 2023, Changan Automobile has launched 29 products in total, including 7 brand-new products, and the product line-up was continuously improved. AVATR 12 made its global debut at the Munich IAA Mobility, and it has received more than 20,000 orders in the first month after its launch, with an average order price of more than 350,000 yuan, which has gradually made a stable stance in the premium market. DEEPAL S7 went to market equipped with the latest-generation CTP technology. In the 2023 Tour of Qinghai Lake (International) Electric Vehicle Rally, it won the championship in six categories, including the best range, and its average monthly sales volume exceeded 5,000 units. NEVO A07 and Q05 were released successively, making the product supply even more sound; and the launch of the world's first super range-extended pickup truck, Changan Hunter, attracted widespread attention. Continuously mastering the core technology of new energy vehicles, Changan has released a new self-developed battery brand—Changan “Golden Shield”. The entire Changan battery series uses high standard new insulation materials, with insulation performance superior to industry standards. The first standard battery cell product of Times Changan Power Battery has been officially launched, with advanced manufacturing technology and battery performance in the industry. It integrates 4C fast charging technology, and the battery can be charged from 20% to 80% in just 10 minutes. Changan also launched industry-leading technologies such as high-frequency pulse heating, next-generation battery integration, and new high-efficiency thermal management. Intelligent technology achievements continued to turn results. NID3.0+APA7.0 Navigation Technology was mass produced on DEEPAL's two models, helping DEEPAL SL03 win the gold medal in the 2023 World Intelligent Driving Challenge. Changan successfully obtained 17 L3 autonomous driving test licenses for high-speed highways, becoming the earliest enterprise that obtained the most test licenses in a single batch. The National Key Laboratory of Intelligent Vehicle Safety Technology has been approved to operate, promoting the development of high-value technologies such as intelligent safety driving and high safety onboard chips.

(3) Adhere to the user-centered and product-oriented approach and quickly carry out market response actions

Changan actively invested marketing resources to cope with industry competition, and launched the “Changan Preferential Car Purchase Season” activity, ensuring the stability of Changan's automotive industry position. We innovatively revitalized the ICE market, achieving a strong market share in segments. Changan ranked first in the Chinese brand passenger car market (retail), with sales of over 190,000 units for the CS75PLUS series, ranking among the top in its segment. The sales of EADO PLUS have exceeded 160,000 units, ranking first in the retail market segment, The sales of UNI-V exceeded 156,000 units, with an average monthly sales of over 12,000 units. Rapidly advancing in the new energy market, the annual sales of DEEPAL's two vehicle models exceeded 128,000 units. Among them, the DEEPAL SL03 won the German Red Dot 2023 Product Design Award. Within two months, NEVO launched three new cars, setting industry records. Within three months of launch, the cumulative sales volume reached 40,000 units, rapidly occupying the market share in the intelligent new car track. The annual sales of Changan Lumin, a popular commute vehicle, exceeded 144,000 units, ranking among the top in its segment. Changan's global brand communication has been gradually strengthened, and the “Belt and Road Global Tour” has been carried out jointly with Xinhua News Agency to show the world the new image of “Made in China Intelligently”, enhance the international influence of the brand. We have promoted the transformation of the marketing system, deepened the development model of thousands of channels, implemented the “three centers” marketing model reform, built over 4,000 new order, delivery, and service centers throughout the year, formed more than 9,000 global sales and service outlets, and had nearly 120,000 professional service personnel. Changan ranked first in J.D. Power's 2023 China Sales and Service Satisfaction (SSI) among Chinese brands.

(4) Adhere to the user-centered and product-oriented approach and quickly carry out market response actions

Changan continuously deepened partnership, Changan Ford New Energy Vehicle Technology Co., Ltd. was established and its first strategic product CX810 was being proceeded in an orderly manner. We established closer communication mechanisms with Mazda, cooperated on multiple vehicle projects such as J90A and J90K, and continuously extended the scope of cooperation. Changan established Chongqing Changxian Intelligent Technology Co., Ltd. with Horizon, and signed strategic cooperation agreements with 15 partners including Huawei, Tencent, SMIC, and China Mobile, as well as carried out strategic cooperation with more than 30 leading enterprises such as CATL, Ganfeng Lithium Industry and Baidu, focusing on high-value technology breakthroughs and building core competitiveness in the new energy and intelligent fields.

2. Blockbuster products to be launched in 2023



AVATR 12

AVATR 12, jointly built by Changan, Huawei and CATL, is positioned as a “future smart premiums sedan” and is the second model built on CHN’s new-generation smart electric vehicle technology platform. Designed with the concept of “future aesthetics”, it has a unique shape and is extremely elegant. It comes standard with three lidars, equipped with the HUAWEI ADS 2.0 high-end intelligent driving assistance system and the Harmony cockpit developed based on HarmonyOS 4.



DEEPAL S7

DEEPAL S7 is the first SUV built based on the EPA1 all-electric digital platform, which is equipped with a super range-extender system with pure electric drive, long battery life, low energy consumption, and 190kW ultra-high power FORCE ultra-integrated electric drive. The CLTC pure electric range is up to 200 kilometers and the comprehensive range is up to 1,120 kilometers. DEEPAL S7 brings an unparalleled travel experience to the users, with its technological sports styling, full-roof flow lamp combination, yacht-style wrap-around design, and intelligent ecosystem built on Qualcomm 8155 chip, including programmable intelligent interactive lamps, intelligent cockpit, dual zero-gravity seats in the front row, AR-HUD, 15.6-inch sunflower screen.



DEEPAL SL03i

DEEPAL SL03i is the first mass-produced smart driving sedan of DEEPAL brand, which has a dynamic vehicle design, leading intelligent technology, and powerful rear-wheel drive control. Equipped with NID high-speed navigation intelligent driving assistance, APA remote valet parking assistance, 35 sensing components and a high-precision sub-meter positioning system, it is powerful in sensor detection, data calculation, parking space recognition, and full-scenario driving assistance. At the same time, it is equipped with a full-sensory digital cockpit with technological configurations such as efficient voice interaction, AR-HUD, and 14.6-inch sunflower screen to satisfy a variety of car usage scenarios for young people.

**NEVO A07**

NEVO A07 is positioned as a “medium-to-large advanced digital intelligent executive vehicle” and is available in both pure electric and range-extended versions. It adopts Fuguang design aesthetics and is equipped with a high-efficiency digital electric drive, with a maximum power of 190kW, a peak torque of 320N·m, and electric drive efficiency up to 95%. The entire series comes standard with L2 IACC intelligent pilot system and iBC digital battery management system. It has 33 digital intelligence standard features, including frameless doors, electric hatchback tailgate, 4-door electronic inward opening, Snapdragon 8155 high-performance chip, and 540° full-field view image.

**NEVO A05**

NEVO A05 is positioned as a “digital intelligent AI electric drive super-saving family sedan”. It adopts a digitally intelligent bionic smile front face and hidden door handles, giving it a stylish and pleasing appearance. The entire series is equipped with configurations such as 13.2-inch high-definition touch console screen, L2 IACC integrated adaptive cruise control system, and 540° high-definition panoramic images. It is equipped with NEVO Digital Intelligence AI electric drive, 1.5L high-efficiency BlueCore hybrid engine, iEM Intelligent Energy Management Mode, and IP67-grade high-strength protection battery, which is comprehensively capable of handling diversified family car scenarios in the digital intelligent era.

**NEVO Q05**

NEVO Q05 is the first plug-in hybrid SUV of NEVO brand. The exterior adopts a trendy inductive design, and the interior adopts a “sail” shape design. It has a smart cockpit and intelligent configurations such as 540° high-definition panoramic images, steep slope vision assistance, APA 5.0, and L2 intelligent assisted driving system. The longest pure electric range can reach 125 kilometers, and the comprehensive range 1,215 kilometers.

**2023 Changan UNI-V**

The 2023 Changan UNI-V is positioned as a “future aesthetic sports coupe”. Equipped with 2.0T+8AT and 1.5T+7DCT BlueCore engines, it brings consumers a brand new power experience with stronger performance and smoother power output. UNI-V iDD (intelligent Dual Drive system) is equipped with a maximum power of 125kW, and the BlueCore NE1.5T hybrid special engine has a peak torque of 260N·m. The system’s comprehensive maximum torque is 590N·m, the maximum wheel-end torque is 4,470N·m, and the acceleration time from zero to 100 kilometers is only 6.5 seconds, with strong power. Changan UNI-V injects new vitality into the A+ class sedan market with its comprehensive advanced smart technology and sports aesthetics.



2024 Changan UNI-K

The 2024 Changan UNI-K is a medium and large SUV that integrates luxury, comfort and intelligence. In terms of appearance, it has a technical and fashionable spacious interior, sporty and exquisite new wingspan quilting, and 64-color stepless adjustment of front and rear ambient lights, showing a sense of luxury; in terms of powertrain, with the BlueCore new generation 2.0T+8AT power combination, it provides strong power output and smooth shifting experience.



The 3rd-generation CS55PLUS

The 3rd-generation CS55PLUS has become a “100,000 yuan-level premium SUV for home enjoyment” with its good looks, good fuel efficiency, good intelligence, and good quality, making the CS55 series more competitive. The entire series is equipped with new generation BlueCore NE 1.5T engine, L2 intelligent assisted driving system, steep slope vision assist function, 540° high-definition panoramic image and other practical intelligent features, which are more practical and considerate.



The 3rd-generation CS75PLUS

The 3rd-generation CS75PLUS is positioned as the “Future Vehicle”. The entire series is equipped with an Aisin 8-speed automatic transmission, offering two power options, i.e., BlueCore new generation NE 1.5T engine and 2.0T engine. It has four driving modes (Normal/ECO/Sport/Custom) to create a more personalized driving experience.



Changan LAMORE

Changan LAMORE is positioned as a “compact family sedan”. With a brand new design language, it is equipped with a source code digital front grille, digital cursor LED light group, and hidden door handles, etc. Mounted with BlueCore new generation NE1.5T high-pressure direct injection engine, 7-speed wet dual clutch transmission, 540° high-definition panoramic imaging, IMS/DMS intelligent cabin monitoring system, and super large intelligent interactive dual screens, it provides users with a comfortable, considerate, and high-quality driving experience.



Changan HUNTER PRO

Changan HUNTER PRO is positioned as a “sporty off-road pickup truck”. Equipped with 2.0T BlueCore power, ZF 8-speed automatic transmission, BorgWarner four-wheel drive system, five free driving modes, and high-performance off-road suspension, all terrain locking system, 18 inch all terrain off-road tires, a maximum 800mm high wading hose, 14,000 pound electric winch, and a 2.5-ton towing qualification, it delivers the desired pickup truck life for users who are brave in exploration and full of passion.

3. Key models planned for 2024

In 2024, the company will launch a number of new and modified products, including more than 8 new energy products, accelerating the pace of transformation towards an intelligent low-carbon mobility technology company.

(1) Strengthen the new energy vehicles line-up and create new digital and intelligent vehicles. In 2024, a total of eight new products such as E07, C798, DEEPAL G318, AVATR 15, and modified products such as NEVO A07, DEEPAL SL03, DEEPAL S7 will be launched one after another, which will further strengthen Changan’s position in the new energy market. E07 is positioned as a medium and large digital intelligence new vehicle, based on SDA platform, with variable body shape, leading intelligent driving and intelligent services, to provide users with outdoor mobile third space. C798 is positioned as a new benchmark for medium and large SUVs to create digital intelligence products with superior digital intelligence, leapfrog space, leading comfort and leading electric drive to meet the needs of mainstream family users. DEEPAL G318 is positioned as an off-road compact SUV, with tough styling, intelligent driving, intelligent interaction and intelligent ecology as the highlights to meet the differentiated and intelligent needs of young users. AVATR 15 is positioned as a high-end multi-person smart electric vehicle, with forward-looking styling design, changeable smart space, and full-scene intelligent driving as the product selling points to meet the full-scene travel needs of high-end smart electric vehicle users.

(2) Consolidate the foundation and expand new market for ICE vehicle products to lead in their market segments. In 2024, Changan ICE vehicles will focus on the core market, and all IP products will be renewed to create blockbuster products. The company will launch five new products, including C928 and EADO series, focusing on the two labels of “BlueCore Power” and “Standard Intelligent Driving” to further strengthen their competitive leadership and consolidate their position in ICE vehicle market. C928 is positioned as a compact classic SUV, with a new exterior design, second-generation BlueCore power and standard intelligent driving, providing users with high-quality and efficient travel tool that is “good-looking, easy to drive, and energy-saving”.

Note: The features and configurations mentioned in “II. Analysis of Core Business in 2023” in Chapter 3 are not a true representation of the features and configurations of actual vehicles. The actual configuration and functions of the model shall be subject to the official product configuration table.

Vehicle manufacturing production and operation during the reporting period

√ Applicable □ Not applicable

Production and sales of vehicles

	Production Volume (Unit)			Sales Volume (Unit)		
	2023	2022	YoY increase/decrease (%)	2023	2022	YoY increase/decrease (%)
By Region						
Domestic	2,583,215	2,298,419	12.39%	2,194,598	2,096,982	4.66%
Overseas	0	0	0	358,454	249,169	43.86%

Note: 1. The above sales and production volume includes vehicles produced and sold by the Company and its JVs and associates.

2. Production capacity: In 2023, the design capacity is 2.14 million vehicles. The capacity utilization rate reached 87.31%. In the past three years, the backward production capacity for 0.63 million vehicles and 0.99 million engines have been shut down. Upgrade the capacity for 0.57 million intelligent connected and new energy vehicles, and build 0.21 million sets for PACK, 0.45 sets for electric drive, and 0.3 million sets for electric control production capacity. The capacity structure is gradually adjusted to new energy.

Cause description of over 30% year-on-year increase/decrease

√ Applicable □ Not applicable

Mainly due to the following reasons: firstly, Chinese automotive companies are increasingly valuing the development of overseas markets and accelerating their "overseas" layout speed; Secondly, in recent years, Chinese brands represented by Changan Automobile have gradually established competitive advantages in the fields of new energy and intelligence, and their comprehensive product strength has significantly increased; Thirdly, the large-scale export of new energy vehicles drives the overall export growth.

Construction of parts supporting system

Changan Automobile's main models, such as the CS series, UNI series, AVATR, DEEPAL, and NEVO are equipped with parts that combine in-house production and external procurement. Key components, such as Changan new generation 7-in-1 ultra-integrated electric drive (industry first, 163 patents) are independently developed by the company, which can effectively control costs and enhance the quality control of key parts through self-production; We have cooperated with over 800 international and domestic first-class parts and components enterprises, such as Huawei autonomous driving and intelligent cockpit, CATL new energy battery, Chongqing Qingshan Industry 7-speed wet dual clutch transmission, TINNOVE intelligent system, etc. We have established a cooperative relationship of mutual trust, transparency and collaboration with partners, concentrating on "optimal product", "lowest cost", "strongest flexibility", and "strongest partnership" to build an independent, controllable, safe, and reliable supply chain.

Our supplier system capability was solidly improved and more than 1,322 people studied QCA (Changan Automobile Supplier Quality Capability Assessment System) series courses. We completed 72 QCA certification audits, 87 supplier laboratory accreditation and 114 on-site evaluation of manufacturing process capabilities in 2023. We established quality capability evaluation strategies and implemented hierarchical management to continuously promote the improvement of supplier quality management capabilities.

The production and operation of auto parts during the reporting period

Applicable Not applicable

The company conducts auto finance business

Applicable Not applicable

The company conducts NEV-related business

Applicable Not applicable

Production and operation of new energy vehicles and parts

By Category	Production Capacity (unit)	Production Volume (unit)	Sales Volume (unit)
New Energy Passenger Vehicle	1,200,000	450,087	439,531
New Energy Commercial Vehicle	170,000	35,287	34,514

Note: The revenue from the sales of new energy vehicles within the scope of the company's consolidated financial statements is RMB 38,545 million in the reporting period.

III. Core Competence Analysis

(1) Scientific and technological R&D capability. The company has always insisted on leading high-quality development with scientific and technological innovation. It has realized a number of industry-leading technologies and initiated mass production based on the driving force featuring "user demand + technological innovation", and has further strengthened its independent innovation capability. In the field of new energy technology, the first standard electric core product of Changan's "Golden Shield" officially rolled off the production line, equipped with a number of cutting-edge technologies in the industry, such as "fast-ion ring graphite" and "ultra-high-conductivity electrolyte". The "Golden Shield" battery has been installed in many products of NEVO and DEEPAL Automobile; Force ultra-integrated electric drive and intelligent dual drive (iDD) transmission have been awarded "World's Top 10 Electric Drive", "World's Top 10 New Energy Vehicle Powertrain" and "World's Top 10 Hybrid Powertrain". The key technology of hydrogen fuel engine gained another milestone, which means that the second generation of hydrogen engine was successfully ignited. In the field of intelligence, the first digital intelligent new car equipped with the SDA platform architecture labeled "Smart Brain", "Smart Body" and "Smart Service" made its debut. We have made breakthroughs in APA 7.0 remote valet parking, NID 3.0 navigation assisted driving, end-to-cloud integrated communication, display enhancement, and other technologies. Some of these technologies have already been mass-produced and deployed. As of December 2023, the company owned 9,322 domestic and international patents, including 2,704 invention patents. Its R&D strength has ranked first in the industry in the evaluation of national enterprise technology centers for seven consecutive terms spanning 14 years.

(2) Product definition capability. The company adheres to a user-centric and innovation-driven approach to build a world-class product definition capability system. Against the backdrop of increasingly diversified user demands and market changes, the product

definition business breaks traditional rules by disrupting and leapfrogging innovation, reconstructing the product definition capability system, and facilitating faster, more accurate, and more aggressive product-definition. The company optimizes its user research insight capabilities by adopting innovative and immersive research methods to uncover users' implicit needs, ensuring more precise user insights. It also optimizes product-definition capabilities by continuously improving and advancing EMD (Experience-Driven Design) scenario definitions, creating high-value differentiated scenarios. Additionally, it introduces software service definitions to build unified, iterative, and profitable platform-oriented software service products, ensuring differentiation in homogeneous competition. In 2023, the company's key products performed well, with Changan's ICE vehicle UNI achieving sales exceeding one million units. The CS75 series and EADO series performed excellently in their respective segments of the ICE vehicle market. New energy products experienced rapid growth, surpassing industry growth rates. Key products such as the DEEPAL SL03, DEEPAL S7, and NEVO A07 were well-received in the market, quickly gaining traction upon their launch. The company will continue to focus on user experience, concentrate on core scenarios, seize the window of opportunity for intelligent new cars, accelerating the realization of strategic goals for electrification transformation.

(3) Global deployment capability. The company has launched the Vast Ocean Plan, pressing the accelerator key for Changan Automobile's overseas expansion. The annual overseas export sales reached 358,000 units, an increase of 43.9% year-on-year. Company has clearly defined the overseas development goals, establishing five regional business units. Overseas deployment is becoming increasingly sophisticated. The company hosted a brand launch event in Southeast Asia, officially introducing DEEPAL's two vehicle models into Thailand, expanding its footprint globally and initiating a new chapter in expanding global markets. It has also established its first overseas production base—Changan Automobile Thailand Manufacturing Base, truly achieving localized operations. In countries such as Saudi Arabia, Chile, and Mexico, the market sales rank among the forefront of Chinese brands. In the future, the company will integrate resources, accelerate its overseas expansion, speed up the layout and channel construction in the five major global markets, further enhance its overseas market capabilities, and remain committed to providing excellent technology products and ultimate service experiences for global users. It aims to contribute to the construction of global economic integration, promote high-quality joint construction of the Belt and Road Initiative, and make new and greater contributions.

(4) Brand upward capability. The company's brand image has further elevated to a new level, continuously building outstanding brands with distinctiveness, value, long-term viability, and recognition. In terms of brand enhancement, the brand image continues to improve, with the establishment of five major brand architectures, completing the layout of three major intelligent electric vehicle brands: AVATR, DEEPAL and NEVO. The company has released the Vast Ocean Plan, moving towards becoming a world-class brand. It has deepened the Mission of Shangri-La for new energy vehicles, launching the Changan "Golden Shield" battery brand. The intelligent "Dubhe Plan" has been put in place to continuously build a "new auto species, new ecosystem". We have seized the opportunities in the smart new car arena, showcased Changan's technology and achievements in new cars, and achieved brand leapfrogging. In terms of brand promotion, the company has held brand launch event in Southeast Asia, releasing strategic plans for the Thai market, with cumulative overseas communication covering 171 million people, enhancing brand awareness in the Thai market. We collaborated with Xinhua News Agency to launch the "Belt and Road Global Tour" IP cooperation, showcasing "Made in China" as a new calling card to the world, helping to further implement Changan's overseas strategic plan and enhance brand international influence. Changan had an intensive cooperation with the "Three Body Problem" IP and became the exclusive title sponsor of the Bilibili "Three Body Problem" animation, with a viewership of 620 million, and a cumulative exposure of 4.66 billion across the entire network, effectively enhancing the brand's youthfulness and perception of intelligence. We have innovatively incubated the "SDA Technology Laboratory" proprietary IP, comprehensively and systematically showcasing Changan Automobile as a leader in the era of smart new cars, building Changan Automobile's image as a technology enterprise, with a cumulative exposure exceeding 530 million.

(5) Cultural leadership capability. The company deeply practices advanced culture and releases the cutting-edge cultural concept 4.0, making culture a core competitive advantage. By telling a good story of Changan and promoting Changan culture, as well as conducting learning and promotional activities and organizing competitions, it provides cultural leadership for the Vast Ocean Plan. Around the key areas of production and operation, it organizes educational activities on situational tasks and oath-taking meetings to consolidate the force of advancement. It practices the "dual caring" concept, deepens the "five assistance" support, addresses employees' urgent needs and concerns, and continuously undertakes practical and beneficial tasks for employees, enhancing their sense of achievement, happiness, and security. It has resolutely fulfilled the social responsibility of state-owned enterprises, and provided immediate aid to disaster areas such as North China's heavy rain and earthquakes in Gansu, with a total donation of 16.5 million yuan. It has given comprehensive assistance to Yunnan's Luxi, Yanshan counties, and Chongqing's Youyang, continuously improving the quality and effectiveness of assistance, with a total allocated fund of 10.6 million yuan. It has fully implemented the rural revitalization strategy, deepening assistance to the tea oil industry in Youyang, forming a Changan development model featuring "enterprises join hands to drive industry development", which has been included in the State Council's innovative cases of rural revitalization.

(6) Talent organization capability. The company adheres to the strategy of strengthening the enterprise with talents, continuously optimizing its organization, strengthening its talent pool, and further solidifying support for strategic transformation. Regarding talent, it focuses on both internal development and external recruitment, creating a global hub for outstanding talent to gather and grow. It has brought in foreign vice presidents to empower the management team with a global perspective. In important areas such as design, autonomous driving, battery technology, and big data, widely introduce industry-leading and senior talents, and achieve full coverage of senior talents in important fields. It has strengthened the cultivation of young cadres, continuously rejuvenating the structure of deputy general managers and managers. In terms of organization, the company ensures that its organizational structure is aligned with its strategy in a timely manner. Regarding mechanisms, it has continuously innovated incentive and constraint mechanisms, incorporating efficiency into comprehensive evaluations, stimulating the powerful vitality of enterprise talents.

IV. Analysis of Main Business

1. Overview

Compared with 2022, the company's operating revenue was 151.298 billion yuan, a year-on-year increase of 24.78%; The net operating cash flow was 19.861 billion yuan, a year-on-year increase of 250.52%. The net profit attributable to shareholders of the listed company during the reporting period was 11.327 billion yuan, a year-on-year increase of 45.25%. The net profit attributable to shareholders of the listed company after deducting non recurring gains and losses was 3.782 billion yuan, a year-on-year increase of 16.19%, mainly due to the increase in sales volume and improvement in operating quality.

Please refer to "II Analysis of Main Business" under this chapter.

2. Income and cost

(1) Revenue

	2023		2022		YoY increase/decrease (%)
	Amount (RMB)	Proportion of operating revenue (%)	Amount (RMB)	Proportion of operating revenue (%)	
Operating revenue	151,297,706,646.97		121,252,864,085.40		24.78%
By industry					
Automotive business	151,297,706,646.97	100%	121,252,864,085.40	100%	24.78%
By product					
Vehicles	145,303,581,062.21	96.04%	114,066,406,439.25	94.07%	27.39%
Services and others	5,994,125,584.76	3.96%	7,186,457,646.15	5.93%	-16.59%
By region					
China	130,761,245,570.53	86.43%	107,841,417,091.18	88.94%	21.25%
Overseas	20,536,461,076.44	13.57%	13,411,446,994.22	11.06%	53.13%
By sales model					
Distribution	132,864,188,744.96	87.82%	103,713,980,228.17	85.53%	28.11%
Direct selling	12,439,392,317.25	8.22%	10,352,426,211.08	8.54%	20.16%
Others	5,994,125,584.76	3.96%	7,186,457,646.15	5.93%	-16.59%

Note: The Company has 3,913 dealers at the end of the reporting period.

(2) The business, products, regions and sales model 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 industry						
Automotive business	151,297,706,646.97	123,522,656,353.72	18.36%	24.78%	28.12%	-2.13%
By product						
Vehicles	145,303,581,062.21	119,133,386,315.31	18.01%	27.39%	30.05%	-1.68%
By region						
China	130,761,245,570.53	108,069,640,682.38	17.35%	21.25%	28.91%	-4.91%
By sales model						
Distribution	132,864,188,744.96	107,715,814,183.91	18.93%	28.11%	31.51%	-2.09%

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

(3) Whether revenue from physical sales is higher than service revenue√ Yes No

By business	Item	2023	2022	YoY increase/decrease (%)
Automotive business	Sales volume (unit)	2,553,052	2,346,151	8.82%
	Production volume (unit)	2,583,215	2,298,419	12.39%
	Inventory volume (unit)	66,387	54,900	20.92%

Note: The above sales, production and inventory volume includes vehicles produced and sold by the Company and its JVs and associates. The analysis over market share is based on the data from China Automobile Industry Association.

Cause description of over 30% year-on-year increase/decrease Applicable Not applicable**(4) Performance of major sales and purchase contracts as of the end of the reporting period** Applicable Not applicable**(5) Cost**

By business	Item	2023		2022		YoY increase/decrease (%)
		Amount (RMB)	Proportion of operational cost (%)	Amount (RMB)	Proportion of operational cost (%)	
Automotive business	Products	119,133,386,315.31	96.45%	91,604,889,306.21	95.02%	30.05%
	Services and others	4,389,270,038.41	3.55%	4,804,721,567.55	4.98%	-8.65%
Total		123,522,656,353.72	100.00%	96,409,610,873.76	100.00%	28.12%

(6) Whether the scope of consolidation was changed during the reporting period√ Applicable Not applicable

During the reporting period, the company has acquired the equity of Deepal Automotive Technology Co., Ltd. from Chongqing Changxin Equity Investment Fund Partnership Enterprise (Limited Partnership) and Chongqing Liangjiang New Area Equity Investment Fund Partnership Enterprise (Limited Partnership), with a shareholding ratio of 51.00%. It will be transferred from a joint venture to a subsidiary for accounting purposes and included in the scope of consolidation.

(7) Major changes or adjustment in business, product or service of the Company in the reporting period Applicable Not applicable**(8) Major customers and suppliers****Major customers**

Total sales revenue from top five customer (RMB)	11,855,261,791.88
Proportion of total sales revenue from top 5 customers in annual total sales revenue (%)	7.84%
Proportion of total sales revenue from affiliated parties in the top five customers in annual total sales revenue (%)	6.04%

The top 5 customers

No.	Customer	Revenue (RMB)	Proportion of annual total sales revenue (%)
1	Customer One	3,005,944,066.62	1.99%

2	Customer Two	2,728,785,805.44	1.80%
3	Customer Three	2,615,879,134.66	1.73%
4	Customer Four	1,767,117,262.72	1.17%
5	Customer Five	1,737,535,522.44	1.15%
Total		11,855,261,791.88	7.84%

Other information regarding major customers√ Applicable Not applicable

One of the above customers is a joint venture of the Company, and these customers are controlled by the same ultimate holding company. Please refer to item 5 of Note 10 "Related Party Relationships and Transactions" in Chapter 10.

Major suppliers

Total purchase amount from top five suppliers (RMB)	22,980,559,004.09
Proportion of total purchase amount from top five suppliers in annual total purchase amount (%)	18.60%
Proportion of total purchase amount from affiliated parties of the top five suppliers in total annual total purchase amount (%)	12.60%

Top 5 suppliers

No.	Supplier	Purchase amount (RMB)	Proportion of annual total purchase amount (%)
1	Supplier One	7,909,257,881.61	6.40%
2	Supplier Two	5,232,393,837.67	4.24%
3	Supplier Three	5,165,658,104.43	4.18%
4	Supplier Four	2,501,907,444.50	2.02%
5	Supplier Five	2,171,341,735.88	1.76%
Total		22,980,559,004.09	18.60%

Other information regarding major suppliers√ Applicable Not applicable

One of the above suppliers is a joint venture of the Company, two suppliers are controlled by the same ultimate holding company. Please refer to item 5 of note 10 "Related Party Relationships and Transactions" in Chapter 10.

3. Expenses

Item	2023	2022	YoY Change (%)	Explanation of major changes
Selling expenses (RMB)	7,645,205,592.88	5,138,270,162.95	48.79%	Mainly due to the acquisition of Deepal Auto, its sales expenses were included in the merger and increased
Administrative expenses (RMB)	4,097,537,529.67	3,532,458,198.76	16.00%	
Financial costs (RMB)	-897,343,739.80	-1,017,305,743.08	11.79%	
R&D expenses (RMB)	5,979,844,653.23	4,315,444,864.76	38.57%	Mainly due to the acquisition of Deepal Auto, the R&D expenses increased due to inclusion in the merger

4. Research and Development Investment√ Applicable Not applicable

Projects	Purpose	Progress	Goals	Expected impact on the future development of the Company
Advanced Comfort Car Development	The first product in a brand new series, enhancing market	Complete the annual	Develop new electric vehicle models and launch them for	Develop new products to enhance market

	competitiveness	development task	sale as planned	competitiveness
Development of super fun electric SUVs	New electric SUV products, expanding the lineup of deep blue car models, and enhancing market competitiveness	Complete the annual development task	Develop new electric vehicle models and launch them for sale as planned	Develop new products to enhance market competitiveness
The all-new generation of plug-in hybrid models	The new generation of smart electric sedans enhances market competitiveness	Complete the annual development task	Develop a new generation of plug-in hybrid models and launch them for sale as planned	Develop new products to enhance market competitiveness
Research on Energy Consumption Technology for New Automobile Vehicles	Creating a "ultra-low power consumption" technology label that balances user experience in working conditions	Complete the annual development task	Continuously improving Chang'an's positive research and development system for electricity consumption	Support the "dual carbon" strategy and complete the storage of electricity consumption technology shelves
Development of high-performance and scalable fluid simulation and optimization software for automotive development	Development and validation of high-performance and scalable fluid simulation and optimization software for automotive research and development	Complete the annual development task	Complete research tasks for each section, high-performance and scalable fluid simulation	Realize independent and controllable software code, avoid software supply interruption and bottleneck risks, and break foreign software monopolies
Development of intelligent electric digital platform	Building a leading software and hardware platform	Complete the annual development task	The essential features of the platform's first model have been defined and 98% of the features have been developed	New car transformation and upgrading

R&D staff

	2023	2022	Change over the previous year (%)
Number of R&D staff (person)	10,972	7,899	38.90%
Proportion of R&D personnel	22.34%	18.42%	3.92%
Education background	--	--	--
High School diploma or below (person)	180	262	-31.30%
Bachelor's degree (person)	7,794	5,819	33.94%
Master's degree (person)	2,903	1,738	67.03%
Doctor's degree (person)	95	80	18.75%
Age structure	--	--	--
Aged below 30 (person)	3,718	2,217	67.70%
Aged 30 - 40 (person)	6,096	4,682	30.20%
Aged above 40 (person)	1,158	1,000	15.80%

R&D Input

	2023	2022	Change over the previous year (%)
Amount of R&D Input (RMB)	9,007,550,532.89	5,677,807,968.36	58.64%
Proportion of R&D Input in Operating Revenue (%)	5.95%	4.68%	1.27%
Amount of Capitalized R&D Expenditure (RMB)	3,027,705,879.66	1,362,363,103.60	122.24%
Proportion of Capitalized R&D Expenditure in R&D Input (%)	33.61%	23.99%	9.62%

Cause and effects of significant changes in composition of the R&D staff

Applicable Not applicable

The company's R&D personnel increased by 38.9% year-on-year, mainly due to the increase in the number of R&D personnel as a result of the merger and acquisition of DEEPAL Auto. DEEPAL is the core carrier of the company's Mission of Shangri-La, carrying Changan Automobile's strategic mission of transitioning to new energy. The merger can strengthen the strategic integration and resource coordination between Changan Auto and DEEPAL Auto, accelerating to building Changan's new energy brands into the industry's leading digital electric vehicle brands.

Cause for significant changes in the proportion of total R&D investment in operating revenue from the previous year

Applicable Not applicable

Cause and Reasonable Explanation of the major changes of the capitalization rate of R&D investment

Applicable Not applicable

5. Cash Flow

Unit: RMB

Item	2023	2022	YoY Change (%)
Subtotal of cash inflows from operating activities	174,083,254,307.51	127,195,228,996.80	36.86%
Subtotal of cash outflows from operating activities	154,221,788,069.95	121,528,882,138.28	26.90%
Net cash flows from operating activities	19,861,466,237.56	5,666,346,858.52	250.52%
Subtotal of cash inflows from investing activities	6,989,273,666.33	2,492,217,372.08	180.44%
Subtotal of cash outflows from investing activities	13,197,419,195.66	5,446,189,241.05	142.32%
Net cash flows from investing activities	-6,208,145,529.33	-2,953,971,868.97	-110.16%
Subtotal of cash inflows from financing activities	1,018,615,006.28	2,792,324,450.65	-63.52%
Subtotal of cash outflows from financing activities	3,146,923,971.81	2,567,894,182.64	22.55%
Net cash flows from financing activities	-2,128,308,965.53	224,430,268.01	-1048.32%
Net increase in cash and cash equivalents	11,434,522,853.37	2,973,518,212.75	284.55%

Description of major influence factors of significant change of relevant data on a year-on-year basis

Applicable Not applicable

In 2023, the net cash flow generated from operating activities increased by 14.195 billion yuan compared to the previous year, mainly due to sales growth and the inclusion of Deepal Auto in the merger this year.

The net cash flow generated from investment activities decreased by 3.254 billion yuan compared to the previous year. Firstly, the dividends of joint ventures decreased compared to the previous year, resulting in a decrease in "cash received from obtaining investment income". Secondly, according to the business development plan, the expenditure on purchasing and constructing fixed assets increased compared to the previous year, resulting in an increase in "cash paid for purchasing fixed assets, intangible assets, and other long-term assets". Thirdly, there were new term deposits that could not be withdrawn in advance, resulting in an increase in "other cash paid related to investment activities" compared to the previous year. Fourthly, the cash balance of Deepal Auto on the purchase date exceeded the portion of the company's cash offer to purchase its equity, resulting in an increase in "other cash received related to investment activities".

The net cash flow generated from financing activities decreased by RMB 2.353 billion compared to the previous year, mainly due to the issuance of bonds of RMB 1 billion in the previous year, which was not present in the current year. This resulted in a decrease in "cash received from borrowing" compared to the previous year, as well as an increase in dividend expenses, leading to an increase in "cash paid for distributing dividends, profits, or paying interest" compared to the previous year.

Cause for the significant difference between net cash flows from operating activities and net profit in the reporting period

Applicable Not applicable

As for the significant difference between net cash flows from operating activities and net profit in the reporting period, please refer to the Item 64, Note 5 "Supplementary Information of the Cash Flow Statement" in the Auditor's Report.

V. Analysis of Non-Main Business

Applicable Not applicable

	Amount (RMB)	Proportion of profits (%)	Explanation	Whether it is sustainable or not
Return on investment	3,050,413,045.10	28.81%	Please refer to the Item 5, Note 54 "Supplementary Information of the Cash Flow Statement" in the Auditor's Report.	Except for the income of 5.021 billion yuan generated by the company's merger of enterprises not under the same control as Deepal Auto, other sustainable activities
Profits or losses of fair value change	-19,061,189.53	-0.18%		No
Impairment losses on assets	-813,828,346.53	-7.69%	Please refer to the Item 5, Note 57 "Supplementary Information of the Cash Flow Statement" in the Auditor's Report.	No
Non-operating income	169,793,538.35	1.60%		No

Non-operating expenses	28,073,391.83	0.27%	No
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VI. Analysis of Assets and Liabilities

1. Major Changes in Asset Composition

	31 December 2023		31 December 2022		Increase/Decrease in Proportion (%)	Description of significant changes
	Amount (RMB)	Proportion of total assets (%)	Amount (RMB)	Proportion of total assets (%)		
Monetary fund	64,871,042,747.88	34.11%	53,530,183,827.34	36.65%	-2.54%	
Receivables	2,411,796,419.07	1.27%	3,068,414,415.29	2.10%	-0.83%	
Contract assets	1,442,876,966.30	0.76%	458,389,187.10	0.31%	0.45%	
Inventories	13,465,847,696.93	7.08%	5,823,307,512.90	3.99%	3.09%	
Investment property	6,196,003.48	0.00%	6,422,715.04	0.00%	0.00%	
Long-term equity investment	13,787,391,985.47	7.25%	14,406,662,456.28	9.86%	-2.61%	
Fixed assets	19,994,084,908.14	10.51%	19,346,764,691.44	13.25%	-2.74%	
Construction in progress	1,914,345,359.83	1.01%	1,387,898,218.64	0.95%	0.06%	
Right-of-use assets	209,480,676.04	0.11%	100,813,386.01	0.07%	0.04%	
Short-term loans	30,039,416.74	0.02%	29,000,000.00	0.02%	0.00%	
Contract liabilities	7,923,792,852.77	4.17%	5,655,256,792.66	3.87%	0.30%	Mainly due to increased sales and an increase in advance payments from distributors
Long-term loans	72,000,000.00	0.04%	36,000,000.00	0.02%	0.02%	
Lease liabilities	134,254,398.07	0.07%	60,205,397.98	0.04%	0.03%	
Other current assets	9,735,453,361.32	5.12%	1,054,779,668.19	0.72%	4.40%	Mainly due to the addition of fixed deposits that cannot be withdrawn in advance this year, the impact of reclassification
Intangible assets	15,045,563,649.79	7.91%	4,446,385,255.68	3.04%	4.87%	Mainly due to the acquisition of Deep Blue Motors, increasing intangible assets
Notes payable	37,456,669,928.07	19.70%	22,072,793,864.83	15.11%	4.59%	Mainly due to the merger and acquisition of Deep Blue Automobile, the increase in its notes payable was included in the merger
Other current liabilities	8,897,936,399.92	4.68%	6,627,044,667.62	4.54%	0.14%	Mainly due to the acquisition of Deep Blue Motors, the provision for expenses was included in the merger and increased
Estimated liabilities	6,277,041,416.79	3.30%	4,589,299,321.49	3.14%	0.16%	Mainly due to the acquisition of Deep Blue Automobile, its expected liabilities will be included in the merger and increase

Foreign assets account for a relatively high proportion

Applicable Not applicable

2. 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								
Financial assets held for trading (excluding derivative financial assets)	280,315,571.09	-19,061,189.53				93,735,034.27		167,519,347.29
Investments in other equity instruments	489,950,000.00		14,240,082.71					504,190,082.71
Subtotal financial assets	770,265,571.09	-19,061,189.53	14,240,082.71			93,735,034.27		671,709,430.00
Others	-	-	-			-		-
Total	770,265,571.09	-19,061,189.53	14,240,082.71			93,735,034.27		671,709,430.00
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 5 of Auditor’s Report .

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

Yes No

3. Limitation of asset rights as of the end of the reporting period

Unit: RMB

Item	Book Value at the End of Period	Limitation Reason
Monetary fund	945,084,846.77	Acceptance bill deposit
Bill receivable	7,309,419,058.87	Pledge for issuing payable bills
Total	8,254,503,905.64	

VII. Analysis of Investments

1. Overall situation

Applicable Not applicable

Investment amount for the reporting period (RMB)	Investment amount for the previous reporting period (RMB)	YoY Change (%)
8,798,279,380.10	8,135,765,655.11	8.14%

Joint investment between the Company and professional investment institutions:

Name of investment institutions	Subscribed capital contribution (RMB)	Subscription ratio (%)	Actual capital contribution (RMB)	Progress
Chongqing Changyu Private Equity Investment Fund Partnership Enterprise (Limited Partnership)	348,000,000	23.20%	69,600,000	The fund completed the registration work of the China Securities Investment Fund Industry Association on December 7th, 2023, with the registration code SACR66
Chongqing Changan Innovation Private Equity Investment Fund Partnership Enterprise (Limited Partnership)	300,000,000	46.08%	70,230,769	As of the end of the reporting period, Chongqing Changan Innovation Private Equity Investment Fund Partnership Enterprise (Limited Partnership) increased its capital by 150 million yuan to the company's joint venture Avrta in 2023

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. Financial assets investment

(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 (RMB)	Accumulated fair value changes included in equity (RMB)	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
Stock	301215	Southwest Securities	98,999,997.80	Fair value measurement	125,052,628.80	35,692,104.47	0.00	0.00	0.00	37,098,946.54	160,744,733.27	Trading financial assets	Self-owned funds
Stock	600369	China Automobile Corporation	50,000,000.00	Fair value measurement	126,112,500.00	5,349,310.72	0.00	0.00	131,461,810.72	5,349,310.72	0.00	Trading financial assets	Self-owned funds
Total			148,999,997.80	--	251,165,128.80	41,041,415.19	0.00	0.00	131,461,810.72	42,448,257.26	160,744,733.27	--	--

(2) Derivative investments

Applicable Not applicable

1) Derivative investments for hedging purposes during the reporting period

Applicable Not applicable

Unit: 10,000 RMB

Investment type of derivatives	Initial derivatives investment amount	Initial investment amount	Profit and loss from changes in fair value in the current period	Accumulated changes in fair value included in equity	Amount of purchase in the reporting period	Amount of sales in the reporting period	Investment amount at the end of the reporting period	Proportion of investment amount at the end of the reporting period to net assets of the Company
Forward Exchange	85,419	85,419	-6,008	-4,197	238,576	232,022	91,973	1.28%
Total	85,419	85,419	-6,008	-4,197	238,576	232,022	91,973	1.28%
Explanation of changes of the accounting policies and accounting principles of the Company's hedging during the reporting period compared with the previous reporting period	Not applicable							
Description of actual gains/losses during the reporting period	During the reporting period, RMB 2,320.22 million was sold, and the actual transaction profit was RMB 18.11 million.							
Description of hedging effect	Changan Automobile adheres to the principle of risk neutrality in carrying out forward foreign exchange settlement and sales business, based on normal production and operation, locks in income and cost through forward foreign exchange transactions, avoids the risk of exchange rate fluctuations, reduces the uncertainty of operating profits, and ensures the realization of annual operating objectives.							
Source of funds	Self-owned funds							
Risk analysis and control measures for derivatives investment during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	Risk analysis 1. Market risk: In the case of large changes in the exchange rate, the difference between the exchange rate of the forward exchange contract and the actual exchange rate on the expiration date may cause the Company to lose money. 2. Liquidity risk: Due to inaccurate predictions, the delivery date signed for foreign exchange hedging business is inconsistent with the actual delivery date, resulting in insufficient funds available for delivery, leading to liquidity risks and inability to deliver on schedule. 3. Default risk: Due to inaccurate forecasts, the delivery date signed by the forward exchange transaction is inconsistent with the actual delivery period, resulting in the delayed delivery risk caused by the failure of the forward exchange transaction to be delivered at the agreed time. 4. Operational risk: Risks may arise due to inadequate internal control mechanisms and unprofessional operators.							

	<p>5. Legal risks: If the terms of the transaction contract are not clear, the Company may face legal risks.</p> <p>Risk control measures</p> <p>1. The Company and its subsidiaries will pay attention to the changes in the exchange rate market, strengthen the study of exchange rates, study the future exchange rate trends, improve the forecasting ability of exchange rates, and reduce the impact of exchange rate fluctuations on the Company.</p> <p>2. In order to prevent delayed transaction settlement of forward exchange, the business management departments of the Company and its subsidiaries will track the progress of payment and collection, avoid overdue payments, and try to reduce the risk to the minimum.</p> <p>3. The Company and its subsidiaries will strengthen business knowledge training, improve the comprehensive business quality of relevant personnel, and improve the ability to identify and prevent exchange rate risks.</p> <p>4. The Company has formulated the "Measures for the Administration of Forward Exchange Trading Business (Trial)", which clearly stipulates the business operation principles, approval authority, internal operation processes and requirements, risk handling procedures, etc., and the operation must be handled in strict accordance with the requirements of the measurements.</p>
Changes in market price or fair value of invested derivatives during the reporting period (the specific methods, relevant assumptions and parameters used in the analysis of the fair value should be disclosed)	The Company's measurement of Financial Instruments follows the "Accounting Standard for Business Enterprises Article 22 - Recognition and Measurement of Financial Instruments", and the fair value is basically measured and recognized with reference to bank pricing. During the reporting period, the gain on the change in fair value of forward exchange contracts was RMB -60.08 million.
Whether it is involved in a lawsuit	Not applicable
Disclosure date of derivatives investment approval board announcement	March 16th, 2023
Disclosure date of derivatives investment approval shareholders meeting announcement	June 29th, 2023
Opinions of independent directors on the Company's derivatives investment and risk control	The company and its subsidiaries carry out foreign exchange hedging business on the basis of normal production and operation, with prudence as the principle, with the purpose of currency hedging and avoiding exchange rate risks. By locking in exchange rates to reduce exchange rate volatility risks, it will not affect the normal development of the main business. The company has formulated the "Management Measures for Forward Foreign Exchange Trading Business (Trial)" and improved relevant internal control processes. The targeted risk control measures taken by the company are feasible and there is no situation that harms the interests of the company, shareholders, especially small and medium-sized shareholders. The deliberation process of this proposal complies with relevant laws and regulations as well as the provisions of the Company's Articles of Association.

2) Derivative investment for the purpose of speculation during the reporting period

Applicable Not applicable

During the reporting period, there was no derivative investment for the purpose of speculation.

5. Use of raised funds

Applicable Not applicable

(1) Overall use of raised funds

Applicable Not applicable

Unit: 10,000 RMB

Year	Types of raise	Total funds raised	Net amount of raised funds	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	600,000.00	598,608.41	127,866.62	597,126.69	0	160,545.86	26.82%	10,914.53	Deposited in a dedicated account for raised funds	0
Total	--	600,000.00	598,608.41	127,866.62	597,126.69	0	160,545.86	26.82%	10,914.53	--	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 net amount of raised funds after deducting other issuance expenses is RMB 5,986.08 million, the actual net amount of raised funds after adjustment is RMB 6,039.30 million. The Company used the raised funds of RMB 3,252.08 million, RMB 747.22 million, RMB 693.30 million and RMB 1,278.67 million respectively in 2020, 2021, 2022 and 2023. As of December 31, 2023, the Company has used a total of RMB 5,971.27 million 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	1,675.50	102,506.51	99.22%	Yes	541,200	Yes	No
Crash Laboratory Capacity Upgrade Project	Yes	11,505.75	8,251.85	300.61	8,342.63	101.10%	Yes	Not applicable	Not applicable	No
CD569 production line construction project	Yes	15,576.22	9,418.59	183.43	9,616.70	102.10%	Yes	46,710	Yes	No
Hefei Changan Automobile Co., Ltd. adjustment and upgrade project	Yes	249,958.06	142,399.78	692.97	133,901.72	94.03%	Yes	129,930	No	No
Supplementary working capital	No	180,000.00	180,000.00	-	180,000.00	100.00%	No	Not applicable	Not applicable	No
New generation energy-saving product transformation and upgrading project	No	-	160,545.86	125,014.11	162,759.13	101.38%	No	Not applicable	Not applicable	No
Total		598,608.41	603,929.76	127,866.62	597,126.69	98.87%	--	--	--	--
The reasons for not reaching the planned progress or expected benefits (by specific projects)	The reasons why the adjustment and upgrading project of Hefei Changan Automobile Co., Ltd. did not achieve the expected revenue are as follows: the penetration rate of new energy continued to increase in 2023, the sales of traditional fuel passenger vehicles declined, and industry competition intensified.									
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 18th, 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's original plan for four fundraising projects, including the H-series Phase V and NE1 series Phase I engine production capacity construction project, collision testing laboratory capacity upgrading construction project, CD569 production line construction project, and Hefei Changan Automobile Co., Ltd. adjustment and upgrading project, resulted in some savings compared to the previous plan. The main reason is that the company reduced the actual investment amount through the localization of imported equipment during the project implementation process; At the same time, in order to continuously improve the quality of operation, the company has continuously optimized the plan during the project construction process and implemented lean investment process management, achieving control over investment scale and pace. Based on the company's long-term strategic planning and current development needs,									

	and after comprehensive analysis, in order to further improve the efficiency of the use of raised funds, the company has adjusted the investment scale of the original raised funds investment project and allocated the remaining funds of RMB 1,605.46 million to the company's new generation energy-saving 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 Construction Project 3. CD569 production line construction project 4. Hefei Changan Automobile Co., Ltd. adjustment and upgrade project	160,545.86	125,014.11	162,759.13	101.38%	In the year of 2024	Not applicable	Not applicable	No
Total	--	160,545.86	125,014.11	162,759.13	101.38%	--	--	--	--
Reasons for change, decision-making procedures and information disclosure (by specific project)	1. The company's original plan for four fundraising projects, including the H-series Phase V and NE1 series Phase I engine production capacity construction project, collision testing laboratory capacity upgrading construction project, CD569 production line construction project, and Hefei Changan Automobile Co., Ltd. adjustment and upgrading project, resulted in some savings compared to the previous plan. The main reason is that the company reduced the actual investment amount through the localization of imported equipment during the project implementation process; At the same time, in order to continuously improve the quality of operation, the company has continuously optimized the plan during the project construction process and implemented lean investment process management, achieving control over investment scale and pace. Based on the company's long-term strategic planning and current development needs, and after comprehensive analysis, in order to further improve the efficiency of the use of raised funds, the company has adjusted the investment scale of the original raised funds investment project and allocated the remaining funds of RMB 1,605.46 million to the company's new generation energy-saving product transformation and upgrading project. 2. Decision-making procedure: The Company held the 38th meeting of the 8th Board of Directors on April 26th, 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. 3. Information disclosure: Please refer to the announcement of "Adjusting and Changing the Use of Part of the Raised Funds" on http://www.cninfo.com.cn (Announcement Number: 2022-23).								
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								

VIII. Sale of significant Assets and Equity

1. Sale of significant assets

Applicable Not applicable

2. Sale of significant equity

Applicable Not applicable

IX. 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
Deepal Automotive Technology Co., Ltd.	subsidiary company	Production and sales of vehicles and parts	32,811	2,286,788	-196,911	2,588,251	-300,254	-299,893
Avatr Technology (Chongqing) Co. Ltd.	Joint Stock Company	Production and sales of vehicles and parts	199,496	1,264,405	209,378	564,536	-368,556	-369,250

Subsidiaries acquired and sold in the reporting period

Applicable Not applicable

During the reporting period, the company has acquired the equity of Deepal Automotive Technology Co., Ltd. from Chongqing Changxin Equity Investment Fund Partnership Enterprise (Limited Partnership) and Chongqing Liangjiang New Area Equity Investment Fund Partnership Enterprise (Limited Partnership), with a shareholding ratio of 51.00%. It will be transferred from a joint venture to a subsidiary for accounting purposes and included in the scope of consolidation.

Name	Acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation and performance
Deepal Automotive Technology Co., Ltd.	Mergers of enterprises not under common control	Significant impact

Description of major holding and participating companies

During the reporting period, Deepal Auto accelerated the development of new energy vehicles, enriched the Deepal brand product line, increased research and development investment, resulting in losses. Avatr is in a strategic investment period, with significant resource investment in product research and development, brand promotion, channel building, and technical talent introduction, resulting in losses.

X. Information of main shareholding and joint stock companies

Applicable Not applicable

XI. Prospects of Future Development

1. Industrial Landscape and Tendency

The overall performance of the automotive market in 2023 was good, serving as an important force in promoting economic recovery. It mainly exhibited the following characteristics:

(1) Overall characteristics of the industry: Industry recovery exceeded expectations, the total production and sales volume of the automobile industry exceeded 30 million units in 2023. Car brands from Europe, the United States, Japan, Germany, South Korea, China used to be the main players in China's auto market, whereas Chinese brand has dominated half of the market share now.

(2) New energy trends: China's new energy vehicle production and sales ranked first in the world for nine consecutive years, and under the dual promotion of policy and market, the market share of new energy vehicles will continue to increase in the future.

(3) Intelligent trends: With the development and application of artificial intelligence, big data and other new technologies, the car has evolved from a traditional transportation tool into a new smart digital vehicle based on new energy and deeply integrated with intelligence, to provide users with a more integrated and comprehensive services. The policy to support the industrialization of NOA (navigation-assisted driving) formally kicked off, and intelligent driving has gradually become the dominant factor for consumers to purchase cars. Intelligent technology capability and applications have become the core elements of competition among car companies.

(4) Globalization trends: China's auto industry has accelerated the pace of going overseas and become an important force for Chinese brands to go overseas. More Chinese brand automotive companies will expand their overseas market presence in the future, actively participating in international competition, seizing the incremental opportunities of ICE vehicle market in developing country and new energy vehicle opportunities in developed country.

(5) Interconnected industry chain trends: The automotive industry chain has become more flexible and developed towards an

interconnected structure. The automobile industry form has been reshaped from the traditional unidirectional chain based on the petroleum internal combustion engine to a new automobile mesh ecosystem in which the OEM, Tier1 and raw material suppliers are linked, and relevant industries like petroleum and electric power are deeply involved.

2. Corporation Development Strategy

Chinese automotive brands are currently facing historic development opportunities. New energy is the core strength of Chinese brands, intelligence is an important element of differentiated competitiveness, and overseas markets have become a certain increment in the future. Looking to the future, Changan will take the initiative to recognize and respond to changes, plan the overall situation with strategic thinking, and meet challenges with transformation and change. Since the release of the Third Business Venture - Innovation & Entrepreneurship Program in 2017, Changan has been constantly reviewing and optimizing the program, which has now been iterated to version 7.0. Changan will adhere to Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era as its guide, and take "strategic leadership, systematic change, extreme efficiency, and innovative breakthrough" as the key to accelerate its transformation into an intelligent low-carbon mobility technology company, and move forward to a world-class automobile brand. By 2030, Changan aims to achieve sales of 5 million vehicles, including 4 million vehicles in the independent sector, 3-3.5 million vehicles in new energy sales, and 1.2 million vehicles overseas. To this end, Changan will implement the "215" partnership initiative, adhere to the "two major enhancements", upgrade the "one major relationship" and realize the "five new leaps".

(1) Adhere to the "two major enhancements"

Firstly, we will insist on the double promotion of new energy vehicles and ICE vehicles. In 2023 China's new energy passenger car penetration rate reached 35.7%, while fuel vehicles still occupied an important market share of 64.3%. Based on this, the company will adhere to the business strategy of "two-pronged development" for new energy vehicles and ICE vehicles, adapt to market changes, provide competitive products in different market segments, meet the needs of the majority of users in different scenarios, and ensure that the new energy vehicles and ICE vehicles are both upgraded.

Secondly, we will insist on double promotion in domestic and international markets. Two-thirds of the global automobile market lies overseas, and China's automobile industry is accelerating to go overseas in all aspects. Based on this, the company will put globalization in a more important strategic position on the basis of stabilizing the domestic base.

(2) Upgrade the "one major relationship" —partnership

Competition in the automobile market has become more intense. In order to obtain better development, by sharing resources and complementing advantages with each other, we will work with dealers, suppliers and users to maintain a partnership featuring "risk-sharing, value co-creation and benefit-sharing" and go hand in hand to seek a better future.

(3) Realize the "five new leaps"

First, we will unswervingly take the strategy as the guide to realize the new leap in transformation and upgrading. Second, we will unswervingly optimize the product layout to realize the new leap in brand enhancement. Third, we will unswervingly strengthen the scientific and technological innovation to realize the new leap in technological leadership. Fourth, we will unswervingly build the industrial ecosystem to realize the new leap in win-win development. Fifth, we will unswervingly promote the customer management to realize the new leap in service experience.

3. Operation Plan

Changan's actual sales of 2,553,052 vehicles in 2023 reached the Board's target. Changan's Board of Directors business objective for 2024 is to strive to achieve production and sales of over 2.65 million vehicles. Changan will continue to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, fully implement the spirit of the 20th CPC National Congress and the 2nd Plenary Session of the 20th CPC Central Committee, adhere to the general principle of seeking progress while maintaining stability, and make every effort to achieve the production and operation targets for 2024 with the keywords of "strategic leadership, systemic change, extreme efficiency and innovative breakthrough". We will focus on the following tasks: First, strengthen Party building, and guarantee high-quality development with high-quality Party building. Second, promote Changan Automobile's third business venture - Innovation and Entrepreneurship Program Version 7.0, and accelerate the transformation to an intelligent low-carbon mobility technology company. Third, adhere to the customer-centered approach, and continue to create blockbuster products. Fourth, adhere to the systematic change to accelerate the construction of innovation system capacity. Fifth, strengthen resource integration and enhance operational capacity. Sixth, adhere to the two-way empowerment, create a new type of cooperation model, and make every effort to ensure the sustainable development of joint ventures. Seventh, adhere to reform and innovation, and orderly push forward the organizational change, talent management, and mechanism innovation. Eighth, adhere to the bottom-line thinking, build a solid bottom line of the red line, and guard against and resolve major risks. Ninth, carry out in-depth practice of the leading culture, and build culture as the core competitiveness.

4. Capital Expenditure Plan for 2024

In order to achieve the strategic goals of the company, the investment plan of the company and its holding subsidiaries in 2024 is RMB 10,721.2 million, including RMB 4,580.26 million fixed assets investment and RMB 6,140.94 million equity investment. Fixed assets investment mainly focuses on the adjustment of new energy production capacity structure, investment in R&D capability, investment in new energy products, and digital transformation, deepening the layout of new energy industry, accelerating the pace of

new energy product investment, and continuously improving digital and R&D capabilities. Equity investment mainly supports the development of independent brands, expands overseas markets, promotes the construction of intelligent capabilities, and accelerates the deepening development of the new energy industry chain. The company will research and develop various channels of fundraising and fund utilization plans based on project progress, combined with operating and financing environment conditions, to improve fund utilization efficiency and reduce fund costs.

5. Possible Risks

(1) Supply chain stability risk

The world's political and economic instability and uncertainty have increased, and the global industrial chain supply chain is facing reconstruction. The automotive industry, with its long industrial chain and typical globalized division of labor, may still face supply chain risks in the current environment.

Countermeasures: First, by combining the relevant policies of promoting the construction of a modernized industrial system with technological innovation at the national level, we will increase the independent development of key core components, continuously advance the technological research of key core components, and promote domestic substitution. Second, we will continuously strengthen the cooperation between enterprises upstream and downstream of the industrial chain, and reduce the risk of supply fluctuations through long-term agreements and reserving risky components.

(2) Overseas business risks

As China's position in the global industrial chain continues to rise, China's automobile industry has accelerated its overseas expansion, and has been gradually laying out by region and step in many aspects including research, production, supply, sales and shipment. With fierce and complex international competition and profound changes in international economic and trade rules, Chinese enterprises are facing more challenges in going out for development. More and more Chinese enterprises have encountered investigations and lawsuits against anti-monopoly, anti-subsidy, infringement of trade secrets and commercial bribery overseas.

Countermeasures: The company will unswervingly push forward the Vast Ocean Plan and deeply participate in international competition. In participating in overseas market competition, the company has formulated a perfect compliance management system, adhered to the bottom line and red line of operation, and met the compliance requirements of the target market in all aspects such as investment, products, parts and components, and regulations, etc. Meanwhile, the company has also formed a comprehensive tracking and research mechanism for the international market in terms of politics, economy, society, environment, and regulations on a daily, weekly, and monthly basis in order to control the risks of overseas operation to the maximum extent possible.

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

√ Applicable □ Not applicable

Date	Reception place	Research Type	Type of Research Object	Index
February 1st, 2023	Chongqing	Field research	Institution	For details, see the February 2nd, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: February 1st, 2023 investor relations activities record sheet.
March 3rd, 2023	Chongqing	Field research	Institution	For details, see the March 7th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: March 3rd, 2023 investor relations activities record sheet.
March 16th, 2023	Chongqing	Field research	Institution	For details, see the March 20th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: March 16th, 2023 investor relations activities record sheet.
May 8th, 2023	Online	Panoramic roadshow	All investors	For details, see the May 10th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 8th, 2023 investor relations activities record sheet.
May 12th, 2023	Chongqing	Field research	Institution	For details, see the May 16th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 12th, 2023 investor relations activities record sheet.
May 17th, 2023	Chongqing	Field research	Institution	For details, see the May 19th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 17th, 2023 investor relations activities record sheet.
May 30th, 2023	Chongqing	Field research	Institution	For details, see the June 1st, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: May 30th, 2023 investor relations activities record sheet.
June 14th, 2023	Chongqing	Field research	Institution	For details, see the June 17th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 14th, 2023 investor relations activities record sheet.
June 28th, 2023	Chongqing	Field research	Institution	For details, see the June 29th, 2023 Shenzhen stock exchange

				interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 28th, 2023 investor relations activities record sheet.
June 29th, 2023	Chongqing	Field research	Institution	For details, see the June 29th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: June 29th, 2023 investor relations activities record sheet.
July 12th, 2023	Chongqing	Field research	Institution	For details, see the July 13th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: July 12th, 2023 investor relations activities record sheet.
July 13th, 2023	Chongqing	Field research	Institution	For details, see the July 13th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: July 13th, 2023 investor relations activities record sheet.
July 19th, 2023	Chongqing	Field research	Institution	For details, see the July 19th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: July 19th, 2023 investor relations activities record sheet.
July 20th, 2023	Chongqing	Field research	Institution	For details, see the July 21st, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: July 20th, 2023 investor relations activities record sheet.
July 21st, 2023	Chongqing	Field research	Institution	For details, see the July 21st, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: July 21st, 2023 investor relations activities record sheet.
August 31th, 2023	Online	Panoramic Roadshow and "Entering Finance"	All investors	For details, see the August 31th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: August 31th, 2023 investor relations activities record sheet.
September 5th, 2023	Chongqing	Field research	Institution	For details, see the September 5th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: September 5th, 2023 investor relations activities record sheet.
September 13th, 2023	Chongqing	Field research	Institution	For details, see the September 13th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: September 13th, 2023 investor relations activities record sheet.
September 15th, 2023	Chongqing	Field research	Institution	For details, see the September 15th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: September 15th, 2023 investor relations activities record sheet.
September 20th, 2023	Chongqing	Field research	Institution	For details, see the September 20th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: September 20th, 2023 investor relations activities record sheet.
September 21st, 2023	Chongqing	Field research	Institution	For details, see the September 21st, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: September 21st, 2023 investor relations activities record sheet.
September 26th, 2023	Chongqing	Field research	Institution	For details, see the September 26th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: September 26th, 2023 investor relations activities record sheet.
October 11th, 2023	Chongqing	Field research	Institution	For details, see the October 11th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: October 11th, 2023 investor relations activities record sheet.
October 18th, 2023	Chongqing	Field research	Institution	For details, see the October 18th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: October 18th, 2023 investor relations activities record sheet.
October 19th, 2023	Online	Interactive Easy Cloud Interview	All investors	For details, see the October 19th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: October 19th, 2023 investor relations activities record sheet.
October 25th, 2023	Chongqing	Field research	Institution	For details, see the October 25th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: October 25th, 2023 investor relations activities record sheet.
October 26th, 2023	Chongqing	Field research	Institution	For details, see the October 26th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: October 26th, 2023 investor relations activities record sheet.
October 27th, 2023	Chongqing	Field research	Institution	For details, see the October 27th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: October 27th, 2023 investor relations activities record sheet.
October 31th, 2023	Chongqing	Field research	Institution	For details, see the October 31st, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: October 31th, 2023 investor relations activities record sheet (I).
October 31th, 2023	Online	Interactive Easy Cloud Interview	All investors	For details, see the October 31th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: October 31th, 2023 investor relations activities record sheet (II)..

December 15th, 2023	Chongqing	Field research	Institution	For details, see the December 15th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: December 15th, 2023 investor relations activities record sheet.
December 21st, 2023	Chongqing	Field research	Institution	For details, see the December 22nd, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: December 21st, 2023 investor relations activities record sheet.
December 26th, 2023	Chongqing	Field research	Institution	For details, see the December 27th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: December 26th, 2023 investor relations activities record sheet.
December 28th, 2023	Chongqing	Field research	Institution	For details, see the December 29th, 2023 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: December 28th, 2023 investor relations activities record sheet.

XIII Implementation of the “Parallel Improvement of Quality and Return” Initiative

Whether the company has disclosed the “Parallel Improvement of Quality and Return” Initiative.

Yes No

In order to implement the guiding ideology of "revitalizing the capital market and boosting investor confidence" proposed by the Politburo meeting of the Communist Party of China Central Committee, better play the "three roles" of central enterprises in scientific and technological innovation, industrial control, and security support, safeguard the interests of all shareholders, enhance investor confidence, and promote the long-term healthy and sustainable development of the company, the company has formulated the "dual improvement of quality and return" action plan. The specific measures include firmly guiding the strategy to accelerate the transformation into an intelligent low-carbon travel technology company, improving the standard operation level of corporate governance, strengthening information disclosure to enhance transparency, and valuing shareholder returns to improve investor satisfaction. For specific details, please refer to the "Announcement on the Action Plan for" Double Improvement of Quality and Return "(Announcement No. 2024-13) disclosed by the company on March 7th, 2024 on the Juchao Information Network (www.cninfo.com.cn).

In accordance with the provisions of the Company Law and the Articles of Association regarding profit distribution policies, combined with the actual situation and development needs of the company, and in order to fully repay shareholders, the company's profit distribution plan for 2023 is as follows: based on the total share capital of 9,917,289,033 shares, a cash dividend of RMB 3.43 (including tax) will be distributed to all shareholders for every 10 shares. The company plans to distribute a total of RMB 3,401,630,138.32 (including tax) in cash, accounting for 30.03% of the net profit attributable to shareholders of the listed company in the consolidated financial statements for this year. No bonus shares will be issued, and no share capital will be converted from reserve funds. The cash dividend amount for this year increased by 45.31% year-on-year, fully sharing the company's development achievements with investors.

The company is scheduled to hold the 2023 annual performance briefing on April 19th, 2024 (Friday) from 3:00 pm to 5:00 pm through the "Chang'an Automobile Video Account", "Panoramic Roadshow", and "Jinmen Finance". Investors are welcome to actively participate.

Chapter 4 Corporate Governance

I. The Basic Situation of Corporate Governance

During the reporting period, the company continuously improved its corporate governance structure, established and improved its internal management and control system, and continuously promoted the improvement of the company's standardized operation level in strict accordance with the requirements of the Company Law, the Securities Law, and the relevant regulatory documents of the China Securities Regulatory Commission and Shenzhen Stock Exchange. The actual situation of corporate governance of the company meets the requirements of the regulatory documents of the China Securities Regulatory Commission on listed company governance.

During the reporting period, according to the new normative documents issued by the China Securities Regulatory Commission and the Shenzhen Stock Exchange, the company improved a series of standardized management systems such as the Articles of Association, the Rules of Procedure of the General Meeting of Shareholders, the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Board of Supervisors, and the Measures for the Administration of Authorization of the Board of Directors, continuously optimized the construction of corporate governance-related systems and management processes, promoted the implementation in an orderly manner, and strived to improve the company's decision-making efficiency and governance effectiveness. Implement the reform of the independent director system of listed companies, revise the work system for independent directors and the work rules of the audit committee in accordance with the Measures for the Administration of Independent Directors of Listed Companies issued by the China Securities Regulatory Commission, and formulate the work rules for special meetings of independent directors, so as to provide institutional support for independent directors to play the role of participation in decision-making, supervision, checks and balances, and professional consultation in the board of directors.

In 2023, in accordance with the provisions of the Articles of Association, the company will hold a timely general election, establish the ninth board of directors to complete the selection and appointment of the chairman, senior management and secretary of the board of directors. Taking the re-election of the board of directors as an opportunity, the composition of the special committee under the board of directors was optimized, the nomination function was added, the remuneration and appraisal committee was changed to the nomination and remuneration appraisal committee, and the division of responsibilities and job requirements of each special committee were systematically integrated, and the composition and main responsibilities of the special committee were improved.

The company has established an effective internal control system over the financial report. According to company's operation and management characteristics, the company strictly implemented the "Enterprise Accounting Standards", improved the basic accounting management, established a sound financial system, optimized accounting and statements preparation process, strengthened the financial supervision, conducted the in-depth implementation of financial management, established the management foundation work, accounting and finance management authorization, the monetary fund management, financing, purchasing and payment, fixed assets, projects under construction, accounting policy, accounting estimate, consolidated financial statements, cost management, inventory management, financial analysis and other financial management system to ensure the quality of accounting information and the safety of the Company property. According to internal control deficiencies identified standards of the financial report, there is no internal control defects over financial reporting in the report period. The full text of the internal control self-evaluation report is published on <http://www.cninfo.com.cn> on April 18th, 2024.

Whether there are differences between corporate governance and the related requirements of "Company Law" and China CSRC.

Yes No

There is no difference between corporate governance and the related requirements of "Company Law" and China CSRC.

II. The Independence of the Company in Terms of Assets, Personnel, Finance, Organization And Business Relative to Controlling Shareholders and Actual Controllers

The Company is completely independent from the controlling shareholders and actual controllers in terms of business, assets, personnel, institutions and finance.

1. Business: The business of Changan Auto is independent of controlling shareholders and actual controllers. It makes independent decisions, operates independently and is responsible for its own profits and losses. It has a complete business and industrial system including procurement, production, sales and research and development. The controlling shareholders and actual controllers do not directly or indirectly interfere in the production and business activities of Changan Auto.

2. Personnel: The controlling shareholder and the actual controller are completely independent from the personnel, labor and personnel of Changan Auto. They have independent staff teams, complete labor management, performance appraisal and other systems and salary systems, and independently sign the Labor Contract with employees according to law.

3. Assets: The assets of controlling shareholders and actual controllers are strictly separated from Changan Auto, and the property rights are clearly defined. There is no direct or indirect interference in the production and operation of Changan Auto. Changan Auto has independent production system, auxiliary production system, supporting facilities, land use rights and other assets, legally owns land, real estate, machinery and equipment, trademarks related to production and operation, and has an independent raw

material procurement and product sales system.

4. Organization: The controlling shareholder, the actual controller and Changan Auto have independent production, operation and office places. There is no mixed operation.

5. Finance: The controlling shareholder, the actual controller and Changan Auto have independent finance and accounting departments with independent finance and accounting personnel, and have established independent accounting system and financial management system. They make financial decisions independently, open bank accounts and pay taxes independently, and do not share bank accounts. Changan Auto handles tax registration independently and pays tax independently according to law.

III. Competition Situation

Applicable Not applicable

IV. 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	Resolution Index
2022 Annual Shareholders Meeting	Annual	50.620%	June 28th, 2023	June 29th, 2023	http://www.cninfo.com.cn 2022 Annual Shareholders Meeting Resolution Announcement (Announcement Number: 2023-26)
2023 The First Extraordinary General Meeting	EGM	40.107%	July 27th, 2023	July 28th, 2023	http://www.cninfo.com.cn 2023 The First Extraordinary General Meeting Resolution Announcement (Announcement Number: 2023-49)
2023 The Second Extraordinary General Meeting	EGM	39.109%	September 15th, 2023	September 16th, 2023	http://www.cninfo.com.cn 2023 The Second Extraordinary General Meeting Resolution Announcement (Announcement Number: 2023-66)

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

Applicable Not applicable

V. Directors, Supervisors and Senior Management Personnel

1. Basic information

Name	Gender	Age	Position	Appointment status	Start date	End date	Shares held at beginning of reporting period (share)	Share volume increased in the reporting period (share)	Share volume decreased in the reporting period (share)	Other increase/decrease (share)	Shares held at the end of reporting period (share)	Reasons for the increase/decrease in shares
Zhu Huarong	M	58	Chairman, Secretary of the Party Committee	Incumbent	2020-06-22	2026-07-27	500,864				500,864	
Deng Wei	M	52	Director	Incumbent	2023-09-15	2026-07-27						
Shi Yaoxiang	M	43	Director	Incumbent	2024-01-30	2026-07-27						
Jia Lishan	M	53	Director	Incumbent	2023-07	2026-07						

				nt	-27	-27							
Zhao Fei	M	49	Director	Incumbent	2023-07-27	2026-07-27	353,080					353,080	
Wang Jun	M	51	Director, President and Deputy Party Secretary	Incumbent	2020-06-22	2026-07-27	364,000					364,000	
Zhang Deyong	M	48	Director, CFO, Secretary of the Board of Directors	Incumbent	2020-06-22	2026-07-27	353,080					353,080	
Cao Xingquan	M	52	Independent Director	Incumbent	2020-06-22	2026-07-27							
Yang Xinmin	M	63	Independent Director	Incumbent	2021-09-17	2026-07-27	0	30,000				30,000	Personal reasons
Li Keqiang	M	60	Independent Director	Incumbent	2022-06-15	2026-07-27							
Ding Wei	M	63	Independent Director	Incumbent	2022-06-15	2026-07-27							
Tang Guliang	M	61	Independent Director	Incumbent	2022-06-15	2026-07-27							
Zhang Ying	M	45	Independent Director	Incumbent	2022-06-15	2026-07-27							
Wen Hong	M	57	Chairman of the Supervisory Board	Incumbent	2023-07-27	2026-07-27							
Sun Dahong	M	57	Supervisor	Incumbent	2020-06-22	2026-07-27							
Shi Shengwei	M	52	Employee Supervisory Board Member	Incumbent	2021-11-08	2026-07-27							
Luo Yan	F	49	Employee Supervisory Board Member	Incumbent	2020-06-19	2026-07-27	0	500				500	Personal reasons
Tan Benhong	M	48	Deputy Secretary of the Party Committee	Incumbent	2023-10-24	2026-07-27	353,080					353,080	
Pu Xingchuan	M	52	Secretary of Discipline Inspection Commission	Incumbent	2023-03-03	2026-07-27							
Ye Pei	M	48	Executive Vice President	Incumbent	2020-07-13	2026-07-27	353,080					353,080	
Chen Wei	M	51	Executive Vice President	Incumbent	2023-07-13	2026-07-27	353,080					353,080	
Li Mingcai	M	42	Executive Vice President	Incumbent	2022-01-28	2026-07-27	353,080					353,080	
Yang Dayong	M	49	Executive Vice President	Incumbent	2022-12-28	2026-07-27	252,200					252,200	
Peng Tao	M	45	Executive Vice President	Incumbent	2022-12-28	2026-07-27	248,612					248,612	
Klaus Zyciora	M	62	Vice President	Incumbent	2023-10-07	2026-07-27							
Zhang Xiaoyu	M	44	Executive Vice	Incumbent	2023-12-01	2026-07-27	248,612					248,612	

			President									
Wang Xiaofei	M	41	Vice President	Incumbent	2022-01-12	2026-07-27	171,990				171,990	
Wang Hui	M	42	Vice President	Incumbent	2022-09-22	2026-07-27	171,990				171,990	
Zhang Fatao	M	41	Vice President	Incumbent	2023-01-05	2026-07-27	248,612				248,612	
Deng Chenghao	M	37	Vice President	Incumbent	2023-12-01	2026-07-27						
Li Jun	F	54	Secretary of the Board	Incumbent	2020-07-13	2026-07-27	248,612				248,612	
Hua Zhanbiao	M	56	Secretary of Discipline Inspection Commission	Outgoing	2020-07-13	2023-03-03	353,080				353,080	
Zhou Kaiquan	M	50	Director	Outgoing	2021-09-17	2023-05-30						
Lian Jian	M	60	Chairman of the Supervisory Board	Outgoing	2021-09-17	2023-05-31						
Xian Zhigang	M	53	Director	Outgoing	2022-07-26	2023-07-27						
Liu Gang	M	57	Director	Outgoing	2021-02-18	2023-07-27						
Ren Xiaochang	M	67	Independent Director	Outgoing	2020-06-22	2023-07-27						
Wei Xinjiang	M	54	Independent Director	Outgoing	2020-06-22	2023-07-27						
Yuan Mingxue	M	55	Deputy Secretary of the Party Committee	Outgoing	2020-07-13	2023-10-24	364,000				364,000	
Zhang Bo	M	45	Director	Outgoing	2021-02-18	2023-12-26						
Total	--	--	--	--	--	--	5,291,052	30,500			5,321,552	--

Whether there are any outgoing directors and supervisors and the dismissal of senior management personnel during the reporting period

Yes No

See “V. 1. Changes in Directors, Supervisors, and Senior Management Personnel” in Chapter 4.

Changes in Directors, Supervisors and Senior Management Personnel

Applicable Not applicable

Name	Position	Type	Date	Reason
Zhang Fatao	Vice President	Appointed	January 5th, 2023	Appointment
Pu Xingchuan	Secretary of Discipline Inspection Commission (Senior Management Personnel)	Appointed	March 3rd, 2023	Appointment
Jia Lishan	Director	Elected	July 27th, 2023	Appointment
Zhao Fei	Director	Elected	July 27th, 2023	Appointment
Wen Hong	Chairman of the Supervisory Board	Elected	July 27th, 2023	Appointment
Deng Wei	Director	Elected	September 15th, 2023	Appointment
Klaus Zyciora	Vice President	Appointed	October 7th, 2023	Appointment
Tan Benhong	Deputy Secretary of the Party Committee (Senior Management Personnel)	Appointed	October 24th, 2023	Appointment
Zhang Xiaoyu	Executive Vice President	Appointed	December 1st, 2023	Appointment

Deng Chenghao	Vice President	Appointed	December 1st, 2023	Appointment
Shi Yaoxiang	Director	Elected	January 30th, 2024	Appointment
Hua Zhanbiao	Secretary of Discipline Inspection Commission (Senior Management Personnel)	Dismissal from Employment	March 3rd, 2023	Job change
Zhou Kaiquan	Director	Outgoing	May 30th, 2023	Job change
Lian Jian	Chairman of the Supervisory Board	Outgoing	May 31th, 2023	Reaching the statutory retirement age
Xian Zhigang	Director	Outgoing	July 27th, 2023	General election
Liu Gang	Director	Outgoing	July 27th, 2023	General election
Ren Xiaochang	Independent Director	Leave office upon expiration of term	July 27th, 2023	Leaving office after 6 years of tenure
Wei Xinjiang	Independent Director	Leave office upon expiration of term	July 27th, 2023	Leaving office after 6 years of tenure
Yuan Mingxue	Deputy Secretary of the Party Committee (Senior Management Personnel)	Dismissal from Employment	October 24th, 2023	Job change
Tan Benhong	Executive Vice President	Dismissal from Employment	October 24th, 2023	Job change
Zhang Xiaoyu	Vice President	Dismissal from Employment	December 1st, 2023	Job change
Zhang Bo	Director	Outgoing	December 26th, 2023	Job change

2. Incumbency

Professional background, work experience and duties and responsibilities of incumbent Directors, Supervisors and Senior Manager Personnel

(1) Directors

Mr. Zhu Huarong, Chairman and Party Secretary, Chairman of Changan Ford Motor Co., Ltd., Chairman of Avtar Technology (Chongqing) Co., Ltd., and Director of Nanchang Jiangling Investment Co., Ltd. Born in 1965, holds a master's degree and is a senior engineer. Formerly served as the Deputy Director of the Technology Department, Chief Engineer of the Automobile Manufacturing Plant, Assistant to the President and Director of the Technology Center, Director of the Science and Technology Committee, Deputy General Manager of the Company, Dean of the Engineering Research Institute, Vice President and Party Secretary of Changan Automobile, Deputy Secretary of the Party Committee of Changan Automobile, President of Changan Automobile, and Director of China Changan Automobile Group.

Mr. Deng Wei, Director. Born in 1971, holds a master's degree and is a senior engineer. The current Director of Strategic Development Department of China Ordnance Equipment Group, Executive Director of China Ordnance Equipment Group Information Center Co., Ltd., concurrently serving as Chairman of Fujian Chenguang Qiming Technology Co., Ltd., and Chairman of China Ordnance Equipment Group Fuzhou University Advanced Technology Innovation Research Institute. Formerly served as the Deputy Director of the Development Planning Department, Deputy Director of the Strategic Development Department, and Director of the Science and Technology Information Technology Department of the Ordnance Equipment Group. He was also a member of the Standing Committee and Deputy Governor of the Honghe Hani and Yi Autonomous Prefecture in Yunnan Province, a director of Chongqing Chang'an Wangjiang Industrial Group Co., Ltd., and a director of Xi'an Kunlun Industrial (Group) Co., Ltd.

Mr. Shi Yaoxiang, Director. Born in 1980, holds a master's degree and is a senior accountant. The current Director of Finance Department of Ordnance Equipment Group, Director of Southern Industrial Asset Management Co., Ltd., and Director of Finance Co., Ltd. of Ordnance Equipment Group. Formerly served as a director and chief accountant of Sichuan Huachuan Industry Co., Ltd., director and chief accountant of Changan Industry, chief accountant of Chongqing Changan Wangjiang Industrial Group Co., Ltd., deputy director of the finance department of Ordnance Equipment Group, and director, general manager, and deputy party secretary of Southern Industrial Asset Management Co., Ltd.

Mr. Jia Lishan, Director. Born in 1970, holds a PhD and is a senior engineer. The current Director of Industry Promotion Department of Ordnance Equipment Group and Chairman of Jinan Qingqi Suzuki Motorcycle Co., Ltd. Formerly served as the Director of the Industrial Development Department, Director of the Comprehensive Office, and Deputy Director of the Development Planning Department of the Optoelectronics Department of the Ordnance Equipment Group, Chairman and Party Secretary of Chongqing Dajiang Industry Co., Ltd., and Deputy Director of the Industrial Promotion Department of the Ordnance Equipment Group.

Mr. Zhao Fei, Director. Born in 1974, holds a master's degree and is a senior engineer. The current Chairman and Party Secretary of China Changan Automobile Group Co., Ltd. Formerly served as the Director of the Engine Technology Institute and

Deputy Factory Director of the Engine Fourth Factory of Changan Automobile Research Institute, Deputy General Manager of the Science and Technology Development Department of China Changan Group, Director and General Manager of Harbin Dongan Automobile Engine Manufacturing Co., Ltd., Party Secretary and Chairman, Assistant to the President and Minister of Strategic Planning Department and Party Branch Secretary of Changan Automobile, Vice President and Executive Vice President of the company, Party Secretary and Executive Vice President of Changan Ford, and President and Deputy Party Secretary of China Changan Automobile Group.

Mr. Wang Jun, Director, President, and Deputy Secretary of the Party Committee, Executive Director and General Manager of Chongqing Changan Technology Co., Ltd., Chairman of Deepal Automotive Technology Co., Ltd., Director of Changan Ford Automobile Co., Ltd., Chairman of Changan Mazda Automobile Co., Ltd., Chairman of Changan Mazda Engine Co., Ltd., and Chairman of Era Changan Power Battery Co., Ltd. Born in 1972, holds a master's degree and is a senior engineer. Formerly served as Vice President and Director of Product Planning Department of Changan Automobile Engineering Research Institute, Manager of Product Management Department and Director of Marketing Department of Sales Co., Ltd., Assistant to Changan Automobile President and General Manager of Sales Co., Ltd., Secretary of the Party Committee and General Manager of Commercial Vehicle Business Unit, Executive Vice President of the company, representative of the integration of industrialization and industrialization management, Chairman of the Trade Union, and President of Changan Automobile University.

Mr. Zhang Deyong, Director, Chief Accountant, Board Secretary, Director of Changan Ford Motor Co., Ltd., Director of Nanchang Jiangling Investment Co., Ltd., Director of Changan Automobile Finance Co., Ltd., and Director of Ordnance Equipment Group Finance Co., Ltd. Born in 1975, Master of Accounting (MPAcc), Senior Accountant. Formerly served as the Director and Assistant Director of the Finance Department of the Automation Research Institute of the Ordnance Equipment Group, Deputy Director of the Finance Department of the Ordnance Equipment Group (on secondment), Director, Chief Accountant, and Party Committee Member of Chongqing Changjiang Electric Co., Ltd., Deputy Director of the Finance Department of the Ordnance Equipment Group (on secondment), Director, Chief Accountant, and Party Committee Member of Changan Industry, Executive Vice President of Changan Automobile, and General Legal Advisor of the company.

Mr. Cao Xingquan, independent director. Born in 1971, with a Doctor of Laws degree. Currently a professor at the School of Civil and Commercial Law of Southwest University of Political Science and Law, and a doctoral supervisor in the field of civil and commercial law; Also serving as an independent director of Construction Industry (002265) and Fuling Electric Power (600452). Having 23 years of experience in teaching and researching civil and commercial law, including 20 years of teaching at Southwest University of Political Science and Law, focusing on research in commercial law, company law, securities law, and insurance law. He had led or participated in more than 20 scientific research projects, published more than 60 academic papers in law, published academic works, and co edited more than 10 teaching materials. Formerly served as Deputy Chief Judge of the Fourth Civil Trial Division of the First Intermediate People's Court of Chongqing, member of the Civil Administrative Procuratorate Expert Committee of the People's Procuratorate of Chongqing, and member of the Expert Advisory Committee of the First and Fifth Intermediate People's Courts of Chongqing.

Mr. Yang Xinmin, independent director. Born in 1960, with a PhD in Applied Mathematics. Currently a professor at the School of Mathematical Sciences, Chongqing Normal University, director of the Chongqing National Center for Applied Mathematics, and director of the Key Laboratory of Optimization and Control of the Ministry of Education; Also serving as a director of Chongqing Immediate Science and Technology Development Foundation and an independent director of Construction Industry (002265). Mainly engaged in systematic research in the field of operations research (mathematics), awarded the title of National Excellent Science and Technology Worker in 2012, National Outstanding Professional and Technical Talent in 2014, and elected as an academicien of the International Academy of Systems and Control Sciences in 2016. Hosted over 10 projects funded by the National Natural Science Foundation of China, including 1 major project, 2 key projects, and 1 international (regional) project. Received multiple awards, including the National Natural Science Second Prize, the Ministry of Education Natural Science First Prize, and the Chongqing Supreme Science and Technology Outstanding Contribution Award. Formerly served as Vice Chairman of the Chinese Mathematical Society and Vice Chairman of the Chinese Society of Systems Engineering.

Mr. Li Keqiang, independent director. Born in 1963, with a Ph.D. in Automotive Engineering. He is currently a professor and doctoral supervisor of the School of Vehicles and Transportation of Tsinghua University, director of the National Key Laboratory of Intelligent Green Vehicles and Transportation of Tsinghua University, and an academicien of the CAE Member; He also serves as an independent director of the listed company navinfo (002405) and the non listed company Guangqi Aian New Energy Vehicle Co., Ltd. Formerly served as the Director of the Department of Automotive Engineering at Tsinghua University.

Mr. Ding Wei, independent director. Born in 1960, with a Bachelor's degree in Finance. The current founder and chairman of Xiamen Borun Capital Investment Management Co., Ltd; Also serving as independent directors of Guotai Junan (601211) and Hengsheng Electronics (600570). Formerly served as an economist and department head at the World Bank and International Monetary Fund, President of Deutsche Bank China, Chairman of the Investment Banking Business Management Committee and Head of the Investment Banking Department at China International Finance Corporation, member of the Global Senior Management Committee and Global Investment Decision Committee at Temasek, concurrently serving as President of China, President and Chairman of CICC Capital Operations Limited, and Independent Non Executive Director of Shenzhen Car Rental Co., Ltd.

Mr. Tang Guliang, independent director. Born in 1962, with a PhD in Finance. Current Professor of Finance at the School of International Business, University of International Business and Economics; He also serves as an independent director of listed companies Kyushu Tong (600998) and Fosun Pharmaceuticals (600196), as well as non listed companies Three Gorges Capital Co., Ltd. and China Construction Investment Leasing Co., Ltd. Mainly engaged in teaching and research in management accounting and financial management, with unique and influential achievements in budget management, group control, performance evaluation, financial strategy, and capital operation. I have published 4 monographs and 40 works, and have published over 120 papers in high-end academic journals such as Accounting Review TAR and Management World. Formerly served as an independent director of companies such as Minmetals Development (600058), Changjiang Securities (000783), and Guangfeng Technology (688007).

Mr. Zhang Ying, independent director. Born in 1978, with a Ph.D. in Management. Current Professor and Vice Dean of

Guanghua School of Management at Peking University; He also serves as an independent director of China Film (600977) and Mein Gene (06667. HK). The research focuses on the intersection of psychology and economics, and excels in using experimental and data methods to study how individual behavioral decisions and social attitudes affect corporate strategy and policy formulation. Received awards such as the Outstanding Young Scholar Award from the American Academy of Marketing Sciences and the Global Top Marketing Scholar Award from the American Marketing Association. He has been selected as one of the National Youth Top Talents by the Organization Department of the CPC Central Committee, awarded the Outstanding Youth Fund by the National Natural Science Foundation of China, and honored as a Cultural Master and "Four First Batch" Talent by the Propaganda Department of the CPC Central Committee. Formerly taught at the University of Texas in the United States.

2. Supervisors

Mr. Wen Hong, Chairman of the Supervisory Board. Born in 1966, holds a master's degree and is a senior engineer. The current Deputy Director and Senior Manager of the Southwest Regional Department of the Weapon Equipment Group. Formerly served as the Deputy Director of the Office of Chongqing Construction Industry (Group) Co., Ltd., Deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Commission, and Deputy General Manager of Chongqing Construction Motorcycle Co., Ltd., Deputy Secretary of the Party Committee and Deputy General Manager of Chongqing Construction Electromechanical Co., Ltd., Chairman and Party Secretary of Baoding Tianwei Baobian Co., Ltd., and Chairman and General Manager of Baoding Electric Equipment Co., Ltd.

Mr. Sun Dahong, Supervisor. Born in 1966, master's degree, senior economist. Currently, he is the Deputy Director and Senior Professional of the Audit Risk Control and Legal Department of the Weapon Equipment Group. He has served as the Deputy Director of the Legal Department of the General Office of the Weapon Equipment Group, the Deputy Director and Director of the Legal Advisory Office, the Director of the Legal Affairs Department, the Director of the Security and Confidentiality Bureau, the Deputy Director of the Office, and the Deputy Director of the Legal Department.

Mr. Shi Shengwei, Employee Supervisor. Born in 1971, bachelor's degree, political engineer. Currently, he is the Discipline Inspection Officer of the Supervision Division of Changan Automobile Discipline Inspection Department. He has served as a workshop group and machining worker in Changan Company, a mechanic in the first machining section of the Engine Branch, a publicity officer and office director of the Party-Masses Studio of the Comprehensive Management Division of the Fourth Factory, a director of the Party-Masses Studio of the Comprehensive Management Division of Changan Automobile Jiangbei Engine Factory, a discipline inspection and supervision officer of the Discipline Inspection Division of the Discipline Inspection and Supervision Department, and a manager of the Changan Mazda Integrity Employment Office.

Ms. Luo Yan, employee supervisor. Born in 1974, bachelor's degree, assistant economist. Currently, she is the director of the Jiangbei Branch of the Shared Service Center of Changan Automobile Human Resources Department. She has served as a maintenance electrician, engineering surveyor, labor technology quota officer, and planner in Workshop 232 of the Third Factory of Changan Company, as well as the director of the Employee Welfare Office of the Salary Management Office of the Human Resources Department of Changan Automobile, and the director of the Third Office of Salary and Welfare Management.

3. Senior Management other than Directors and Supervisors

Mr. Tan Benhong, Deputy Secretary of the Party Committee, Chairman of the Trade Union, and General Manager of Changan Learning Center. Born in 1975, holds a master's degree and is a senior engineer. Formerly served as the Director of the Technical Planning Research Institute of Changan Automobile Engineering Research Institute, Deputy Chief Engineer and Director of the Technical Planning Research Institute of the Automobile Engineering Research Institute, Vice President of Changan Automobile Engineering Research Institute, President of Beijing Research Institute, Minister of Marketing Department, Minister of Brand Public Relations Department, and Minister of Product Planning Department. Also served as the Executive Vice President, Party Secretary, Company Spokesperson, General Manager of the Styling Design Institute, Executive Vice President of Changan Automobile Engineering Research Institute, and CEO of Avrta Technology (Chongqing) Co., Ltd.

Mr. Pu Xingchuan, Secretary of the Commission for Discipline Inspection and Director of the Office of the Leading Group for Inspection Work. Born in 1971, master's degree, senior economist. He has served as Deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Commission, and Chairman of the Labor Union of Chongqing Qingshan Industry Co., Ltd., Director of the Office of the Southwest Military Industry Bureau, Secretary of the Party Committee, Secretary of the Discipline Inspection Commission, and Chairman of the Labor Union of Southwest Ordnance Industry Co., Ltd., Director, General Manager, and Deputy Secretary of the Party Committee of Wanyou Automobile Investment Co., Ltd., and Chairman and Secretary of the Party Committee of Southwest Ordnance Industry Co., Ltd.

Mr. Ye Pei, Executive Vice President and General Manager of Changan Brand Business Unit. Born in 1975, master's degree, engineer. He used to be the assistant to the general manager of Changan, Nanjing, the deputy director of Changan Automobile Quality Department, the deputy director of the company's office, the general manager and secretary of the party committee of Changan, Nanjing, the deputy general manager of the commercial vehicle business department, the assistant to the president, the director of the strategic planning department, the secretary of the party branch of the company, the general manager and secretary of the party committee of the car sales business department, the general manager and secretary of the party committee of the passenger vehicle marketing business department, the vice president of Changan Automobile, the director of the passenger vehicle operation management committee, and the director of the Auchan operation management committee.

Mr. Chen Wei, Executive Vice President, General Legal Advisor, Chief Compliance Officer, Director of Changan Ford Motor and Director of China Changan Automobile Group. Born in 1972, bachelor's degree, political engineer. He has served as Deputy Factory Director, Factory Director, and Secretary of the Party Committee of Changan Automobile Manufacturing Factory, Vice President of Personnel and Secretary of the Discipline Inspection Commission of Changan Ford, Director of the Logistics Department of Changan Automobile Manufacturing, Secretary of the Party Branch, and OTD Project Director of the company, General Manager and Secretary of the Party Committee of Beijing Changan Automobile Company, Director of the Construction Project of Beijing Research Institute, Secretary of the Party Committee of Chongqing Lingyao Automobile Co., Ltd., and Vice President and Deputy Director of Passenger Vehicle Management Committee, Deputy Director of Auchan Operation Management

Committee of Changan Automobile.

Mr. Li Mingcai, Executive Vice President and Management Representative of the Integration of Industrialization and Urbanization. Born in 1981, with a master's degree. He has served as General Manager Assistant and Sales Regional Manager of Changan Automobile's Overseas Business Development Department, Deputy General Manager of Overseas Business Development Department, General Manager of International Companies, Executive Deputy General Manager of Overseas Business Development Department, Project Director of Russian JV, Manager of Brazil Project Team, General Manager of Overseas Business Department, General Legal Advisor, Vice President of Changan Automobile.

Mr. Yang Dayong, Executive Vice President, Director, Executive Vice President, and Party Secretary of Changan Ford Motor, Chairman, President, and Product Vice President of Changan Ford New Energy Vehicle Technology Co., Ltd. Born in 1974, with a bachelor's degree. Formerly served as Deputy Director of Changan Automobile Marketing Department, Deputy Director and Minister of Commercial Vehicle Business Management Department, Minister of Brand Public Relations Department, Party Branch Secretary, and Company News Spokesperson, Senior Project Director of High end Automobile Brand Project Team, Senior Project Director of Intelligent Industry Development Project Team, General Manager and Party Secretary of Changan New Energy, and Vice President of Changan Automobile.

Mr. Peng Tao, Executive Vice President, Chairman of Chongqing Changan Kaicheng Automotive Technology Co., Ltd., Chairman of Chongqing Changan Kuayue Vehicle Co., Ltd., Chairman of Chongqing Changan Kuayue Vehicle Marketing Co., Ltd., Director of Nanjing Lingxing Technology Co., Ltd., Director and Investment Committee Member of Nanjing Lingxing Industry Fund Management Co., Ltd., and Investment Decision Committee Member of Nanjing Lingxing Equity Investment Partnership Enterprise. Born in 1978, holds a bachelor's degree and is a senior engineer. Formerly served as Vice Minister, Executive Vice General Manager, and Party Branch Secretary of Changan Automobile Product Planning Department, Executive Vice General Manager, General Manager, and Party Committee Secretary of Passenger Vehicle Marketing Business Unit, and Vice President of Changan Automobile.

Mr. Klaus Zyciora, Vice President. Born in 1961, German. Formerly served as interior designer, exterior director, and design leader for Volkswagen, as well as design leader for Volkswagen Group.

Mr. Zhang Xiaoyu, Executive Vice President, Chairman of the Company Science and Technology Association, Director of the National Key Laboratory of Intelligent Vehicle Safety Technology, and Chairman of Chongqing Changxian Intelligent Technology Co., Ltd. Born in 1979, holds a PhD and is a senior engineer. Formerly served as Deputy General Manager and General Manager of the UK R&D Center at Changan Automotive Power Research Institute, Deputy General Manager of the Power Research Institute, Director of the company's H13T project, Director of the NE series powertrain project, General Manager of the Power Research Institute, General Manager of the Product Development Department II, General Manager of Changan Forward looking Technology Research Institute, and Vice President of the company.

Mr. Wang Xiaofei, Vice President. Born in 1982, bachelor's degree, engineer. He used to be the Deputy Director of the Product Department of Changan Commercial Vehicle Business Unit, the Deputy Director of the Product Department of Auchan Automotive Business Unit, the Deputy General Manager and Product Marketing Director of Passenger Vehicle Marketing Business Unit, the Deputy General Manager of Product Planning Department, and the General Manager of Auchan Automotive Business Unit.

Mr. Wang Hui, Vice President, Chairman of Jiangling Holdings Co., Ltd., and Director of Changan Ford Motor Co., Ltd. Born in 1981, with a bachelor's degree in engineering. Formerly served as the Director of the New Business Coordination Project Group of Changan Automobile, Director of the Company Office and Party Branch Secretary, Executive Vice President and Party Secretary of Changan Engine, Head of Changan Mazda New Energy Cooperation Project, Executive Vice President and Party Secretary of Changan Mazda, General Manager of Overseas Business Development Department and General Manager of Southeast Asia Business Unit.

Mr. Zhang Fatao, Vice President. Born in 1982, bachelor's degree, assistant engineer. He has served as Deputy Director of the Office of Changan Automobile Company, General Manager of the Technology and Project Management Department, Secretary of the Party Branch, Executive Vice Chairman of the Association for Science and Technology, PDS Project Director, Director of the Company's Office, Secretary of the Party Branch, Director of the Party Committee Office, Director of the Board Office, General Manager of the Human Resources Department, Director of the Party Committee Organization Department, and Director of the Talent Management Department of Changan Learning Center.

Mr. Deng Chenghao, Vice President, General Manager and Party Secretary of Deepal Automotive Technology Co., Ltd. Born in 1986, holds a PhD and is a senior engineer. Formerly served as Assistant General Manager and Deputy General Manager of Power Development Department of Chongqing Changan New Energy Vehicle Technology Co., Ltd., Director of C385EV-E series project, General Manager and Party Secretary of Chongqing Changan New Energy Vehicle Technology Co., Ltd.

Ms. Li Jun, Secretary of the Board of Directors and Senior Expert of the Board Office. Born in 1969, Master of Business Administration, Senior Accountant. She has served as the Director of the Securities Division of the Finance Department of Changan Automobile, the Director of the Capital Operations Division of the Finance Department, the Director of the Board of Directors Office, the Deputy Director of the Finance Department, and the Deputy General Manager of the Capital Operations Department.

Employment in shareholders' work unit

√Applicable □ Not applicable

Name	Name of shareholders' work unit	Position in shareholders' work unit	Term start date	Term end date	Whether having remuneration or allowance in shareholders' work unit
Deng Wei	China South Industries Group Co., Ltd.	Director of Strategic Development Department			Y

Shi Yaoxiang	China South Industries Group Co., Ltd.	Director of Finance Department			Y
Jia Lishan	China South Industries Group Co., Ltd.	Director of Industry Promotion Department			Y
Zhao Fei	China Changan Automobile Group Co., Ltd	Chairman and Party Secretary			Y
Wen Hong	China South Industries Group Co., Ltd.	Deputy Director and Senior Specialist of Southwest Regional Department			Y
Sun Dahong	China South Industries Group Co., Ltd.	Deputy Director and Senior Specialist of Audit Risk Control and Legal Department			Y
Chen Wei	China Changan Automobile Group Co., Ltd	Director			N
Position in other work unit	None				

Employment status in other units

√Applicable □ is not applicable

Name	Name of other work units	Position in other work units	Term start date	Term end date	Whether get allowance in other work unit
Cao Xingquan	Southwest University of Political Science & Law	Professor of the School of Civil and Commercial Law of Southwest University of Political Science and Law, and a doctoral tutor in the direction of civil and commercial law			Y
Yang Xinmin	Chongqing Normal University	Professor of the School of Mathematical Sciences of Chongqing Normal University, Director of the Chongqing National Center for Applied Mathematics, Director of the Key Laboratory of Optimization and Control of the Ministry of Education			Y
Li Keqiang	Tsinghua University	Professor and doctoral supervisor of the School of Vehicle and Transportation of Tsinghua University, Director of the National Key Laboratory of Intelligent Green Vehicles and Transportation of Tsinghua University, academician of the CAE Member			Y
Ding Wei	Xiamen Borun Capital Investment Management Co., Ltd	Founder and Chairman of Xiamen Borun Capital Investment Management Co., Ltd.			Y
Tang Guliang	University of International Business and Economics	Professor, Department of Finance, International Business School, University of International Business and Economics, contributing editor and reviewer of "Accounting Research", deputy editor of "China Management Accounting", management accounting consulting expert from the Ministry of Finance, member of the CIMA Research Committee in the United Kingdom			Y
Zhang Ying	Peking University	Distinguished Professor Boya of Peking University, Vice Dean of Guanghua School of Management, Director of Peking University Management Case Study Center, Senior Researcher of China Management Research Center at Cambridge University, UK, Professional Editor in Chief of Chinese Journal of Management Science and Executive Vice Editor of Chinese Journal of Marketing Science			Y
Position in other work unit	None				

Securities regulator's punishment to the current and former directors, supervisors and senior management during the reporting period in recent three years.

□ Applicable √ Not applicable

3. Remuneration of directors, supervisors and senior management personnel

Decision-making process, basis, the actual payment of remuneration for directors, supervisors and senior management personnel

Decision-making process: the annual remuneration of the company's directors, supervisors, and senior executives, except for independent directors, is issued in accordance with the relevant remuneration management regulations and standards of the company and based on the achievement of performance targets, submitted to the company's board of directors for approval before distribution.

The basis: the senior management evaluation is divided into annual appraisal and term assessment. The salary of employee supervisors shall be paid by position in accordance with the company's salary system. Payment of company independent directors is prescribed by the board of directors and submitted to the board of directors of the company, and approved by the shareholders' general meeting.

Actual payments: Since June 2022, Mr. Li Keqiang, an independent director, has voluntarily waived receiving allowances, and other independent directors are paid according to the allowance standards. Vice President Deng Chenghao was appointed as a senior management personnel of the company in December 2023. The salary of the senior management personnel of the company starts from the following month, so no senior management personnel salary was received during the reporting period. In 2023, directors, supervisors and senior executives who receive remuneration from the company had a total of RMB 34.39 million in remuneration payable.

Remuneration of Directors, Supervisors and Senior Management Personnel during the reporting period

Unit: RMB

Name	Gender	Age	Position	Office status	Total pre-tax remuneration from the Company	Whether remunerated by related-parties of the company
Zhu Huarong	M	58	Chairman, Secretary of the Party Committee	Incumbent	2,634,743	N
Deng Wei	M	52	Director	Incumbent		Y
Shi Yaoxiang	M	43	Director	Incumbent		Y
Jia Lishan	M	53	Director	Incumbent		Y
Zhao Fei	M	49	Director	Incumbent		Y
Wang Jun	M	51	Director, President and Deputy Party Secretary	Incumbent	2,634,743	N
Zhang Deyong	M	48	Director, CFO, Secretary of the Board of Directors	Incumbent	2,124,651	N
Cao Xingquan	M	52	Independent Director	Incumbent	153,333	N
Yang Xinmin	M	63	Independent Director	Incumbent	153,333	N
Li Keqiang	M	60	Independent Director	Incumbent		N
Ding Wei	M	63	Independent Director	Incumbent	153,333	N
Tang Guliang	M	61	Independent Director	Incumbent	153,333	N
Zhang Ying	M	45	Independent Director	Incumbent	153,333	N
Wen Hong	M	57	Chairman of the Supervisory Board	Incumbent		Y
Sun Dahong	M	57	Supervisor	Incumbent		Y
Shi Shengwei	M	52	Employee Supervisory Board Member	Incumbent	231,107	N
Luo Yan	F	49	Employee Supervisory Board Member	Incumbent	362,491	N
Tan Benhong	M	48	Deputy Secretary of the Party Committee	Incumbent	1,917,319	N
Pu Xingchuan	M	52	Secretary of Discipline Inspection Commission	Incumbent	1,047,810	N
Ye Pei	M	48	Executive Vice President	Incumbent	2,217,536	N
Chen Wei	M	51	Executive Vice President	Incumbent	1,980,569	N
Li Mingcai	M	42	Executive Vice	Incumbent	2,133,403	N

			President			
Yang Dayong	M	49	Executive Vice President	Incumbent	2,111,019	N
Peng Tao	M	45	Executive Vice President	Incumbent	2,104,157	N
Klaus Zyciora	M	62	Vice President	Incumbent	938,697	N
Zhang Xiaoyu	M	44	Executive Vice President	Incumbent	2,072,453	N
Wang Xiaofei	M	41	Vice President	Incumbent	2,094,846	N
Wang Hui	M	42	Vice President	Incumbent	1,679,704	N
Zhang Fatao	M	41	Vice President	Incumbent	1,152,546	N
Deng Chenghao	M	37	Vice President	Incumbent		N
Li Jun	F	54	Secretary of the Board	Incumbent	979,198	N
Hua Zhanbiao	M	56	Secretary of Discipline Inspection Commission	Outgoing	1,138,676	N
Zhou Kaiquan	M	50	Director	Outgoing		Y
Lian Jian	M	60	Chairman of the Supervisory Board	Outgoing		Y
Xian Zhigang	M	53	Director	Outgoing		Y
Liu Gang	M	57	Director	Outgoing		Y
Ren Xiaochang	M	67	Independent Director	Outgoing	70,000	N
Wei Xinjiang	M	54	Independent Director	Outgoing	70,000	N
Yuan Mingxue	M	55	Deputy Secretary of the Party Committee	Outgoing	1,923,382	N
Zhang Bo	M	45	Director	Outgoing		Y
Total	--	--	--	--	34,385,715	--

Explanation of other situations.

□ Applicable √ Not applicable

VI. Performance of Directors during the reporting period**1. Board of Directors in the reporting period**

Meeting	Date of convening	Disclosure date	Meeting resolution
The 51st meeting of the 8th Session of Board of Directors	January 5th, 2023	January 6th, 2023	Please refer to the Resolution of the 51st meeting of the 8th Board of Directors (No: Announcement 2023-01)
The 52nd meeting of the 8th Session of Board of Directors	February 17th, 2023	February 17th, 2023	Please refer to the resolution of the 52nd meeting of the 8th Board of Directors (Announcement No: 2023-06)
The 53rd meeting of the 8th Session of Board of Directors	March 3rd, 2023	March 4th, 2023	Please refer to the Resolution of the 53rd meeting of the 8th Board of Directors (Announcement No: 2023-10)
The 54th meeting of the 8th Session of Board of Directors	March 15th, 2023	March 16th, 2023	Please refer to the Resolution of the 54th meeting of the 8th Board of Directors (Announcement No: 2023-13)
The 55th meeting of the 8th Session of Board of Directors	March 29th, 2023		No disclosable matters involved
The 56th meeting of the 8th Session of Board of Directors	April 16th, 2023	April 18th, 2023	Please refer to the Resolution of the 56th meeting of the 8th Board of Directors (Announcement No: 2023-16)
The 57th meeting of the 8th Session of Board of Directors	April 27th, 2023	April 28th, 2023	Please refer to the Resolution of the 57th Meeting of the 8th Board of Directors (Announcement No: 2023-25)
The 58th meeting of the 8th Session of Board of Directors	May 16th, 2023		No disclosable matters involved
The 59th meeting of the 8th Session of Board of Directors	June 8th, 2023	June 9th, 2023	Please refer to the Resolution of the 59th Meeting of the 8th Board of Directors (Announcement No: 2023-33)
The 60th meeting of the 8th Session of Board of Directors	June 26th, 2023	June 27th, 2023	Please refer to the Resolution of the 60th Meeting of the 8th Board of Directors (Announcement No: 2023-35)

The 61st Meeting of the 8th Session of Board of Directors	July 11th, 2023	July 12th, 2023	Please refer to the Resolution of the 61th Meeting of the 8th Board of Directors (Announcement No: 2023-39)
The 1st meeting of the 9th Session of Board of Directors	July 27th, 2023	July 28th, 2023	Please refer to the Resolution of the 1st Meeting of the 9th Board of Directors (Announcement No: 2023-50)
The 2nd meeting of the 9th Session of Board of Directors	August 3rd, 2023	August 4th, 2023	Please refer to the Resolution of the 2nd Meeting of the 9th Board of Directors (Announcement No: 2023-54)
The 3rd meeting of the 9th Session of Board of Directors	September 30th, 2023	September 31st, 2023	Please refer to the Resolution of the 3rd Meeting of the 9th Board of Directors (Announcement No: 2023-57)
The 4th meeting of the 9th Session of Board of Directors	September 15th, 2023		No disclosable matters involved
The 5th meeting of the 9th Session of Board of Directors	October 7th, 2023	October 9th, 2023	Please refer to the Resolution of the 5th Meeting of the 9th Board of Directors (Announcement No: 2023-68)
The 6th meeting of the 9th Session of Board of Directors	October 19th, 2023		No disclosable matters involved
The 7th meeting of the 9th Session of Board of Directors	October 24th, 2023	October 25th, 2023	Please refer to the Resolution of the 7th Meeting of the 9th Board of Directors (Announcement No: 2023-71)
The 8th meeting of the 9th Session of Board of Directors	October 30th, 2023	October 31st, 2023	Please refer to the Resolution of the 8th Meeting of the 9th Board of Directors (Announcement No: 2023-74)
The 9th meeting of the 9th Session of Board of Directors	November 15th, 2023	November 16th, 2023	Please refer to the Resolution of the 9th Meeting of the 9th Board of Directors (Announcement No: 2023-79)
The 10th meeting of the 9th Session of Board of Directors	November 24th, 2023		No disclosable matters involved
The 11st meeting of the 9th Session of Board of Directors	December 1st, 2023	December 2nd, 2023	Please refer to the Resolution of the 11st Meeting of the 9th Board of Directors (Announcement No: 2023-82)
The 12nd meeting of the 9th Session of Board of Directors	December 8th, 2023	December 9th, 2023	Please refer to the Resolution of the 12nd Meeting of the 9th Board of Directors (Announcement No: 2023-85)
The 13rd meeting of the 9th Session of Board of Directors	December 20th, 2023	December 21st, 2023	Please refer to the Resolution of the 13rd Meeting of the 9th Board of Directors (Announcement No: 2023-89)
The 14th meeting of the 9th Session of Board of Directors	December 29th, 2023		No disclosable matters involved

2. Attendance of directors at the board of directors and shareholders' meeting

Attendance at BOD meetings and shareholders' meeting							
Name	Number of BOD meetings that should be attended in this reporting period	Number of BOD meeting attendance at spot	Attendance by means of communication	Attendance by proxy	Absence	Absent from meetings for two consecutive times	Attendance at shareholders' meetings
Zhu Huarong	25	3	22	0		NO	3
Deng Wei	10	1	9	0		NO	0
Jia Lishan	14	1	13	0		NO	0
Zhao fei	14	1	13	0		NO	0
Wang Jun	25	3	22	0		NO	3
Zhang Deyong	25	3	22	0		NO	3
Cao Xingquan	25	3	22	0		NO	2
Yang Xinmin	25	3	22	0		NO	2
Li Keqiang	25	0	22	3		NO	1
Ding Wei	25	2	22	1		NO	1
Tang Guliang	25	3	22	0		NO	1
Zhang Ying	25	2	22	1		NO	1
Zhou Kaiquan	8	1	6	1		NO	0
Xian Zhigang	11	1	9	1		NO	0

Liu Gang	11	1	9	1		NO	0
Ren Xiaochang	11	2	9	0		NO	2
Wei Xinjiang	11	2	9	0		NO	0
Zhang Bo	24	0	21	3		NO	0

Explanation of the members of the Board who failed to attend Board meetings in person for two consecutive times
Not applicable

3. The directors' objections to the relevant matters of the company

Disagreement of the directors on matters related to the Company

Yes No

During the reporting period, the directors did not raise objections to the relevant matters of the company.

4. Other statement of the directors performance of duties

Whether the directors' suggestions on the company are adopted

Yes No

Description of the directors on the adoption or non-adoption of relevant suggestions of the company

During the reporting period, the directors of the company strictly followed the relevant provisions of the Company Law and the Articles of Association of the company, diligently performed their duties and obligations, actively attended the board of directors and special committees, carefully deliberated on various proposals, made independent judgments and professional decisions on major matters, and issued independent and impartial independent opinions on the company's nomination of directors, appointment of senior management, annual profit distribution and other matters. In addition, the directors put forward valuable professional opinions or suggestions on the construction of the company's system and daily business decision-making, all of which were adopted or responded to, which effectively improved the company's standardized operation and scientific decision-making level, and safeguarded the legitimate rights and interests of the company and all shareholders.

VII. Duty Performance of Specialized Committees of the Board of Directors during the Report Period

Committee name	Members	Number of meetings held	Date of convening	Meeting content	Important comments and suggestions that are made	Other performance of duties	Specific objection (if any)
Audit Committee	Tang Guliang, Wei Xinjiang, Zhang Deyong	6	February 17th, 2023	Internal audit work plan for 2023. and audit inspection work report for the fourth quarter of 2022	Unanimously passed		
			March 24th, 2023	Financial and Accounting Statements for 2022 (Pre-trial)	Unanimously passed		
			April 11th, 2023	Financial statements for 2022 (after audit); 2022 Annual Audit Results and Communication Report on Important Matters	Unanimously passed		
			April 16th, 2023	2022 Annual Internal Control Audit Report; Proposal for self-evaluation report on internal control in 2022; Proposal on the appointment of auditors for the 2023 financial report and internal control report; Internal audit report for the first quarter ; Special explanation for the provision, reversal and resale of asset impairment provisions	Unanimously passed		
			June 5th, 2023	Proposal on canceling the re-appointment of the 2023 financial reporting auditor and the internal	Unanimously passed		

				control report auditor			
			July 11th, 2023	The employment plan of the accounting firm	Unanimously passed		
	Tang Guliang, Zhang Bo, Cao Xingquan	2	August 18th, 2023	Proposal on the appointment of auditors for financial reports and auditors for internal control reports in 2023; Reports on the audit work for the first half of 2023; Reports on the rectification of the company's management opinions and suggestions in 2022	Unanimously passed		
			November 16th, 2023	The audit report for the third quarter of 2023; The rectification report of the "Opinions and Suggestions of the Company's Management" for the annual review in 2022	Unanimously passed		
Tang Guliang, Cao Xingquan	1	December 29th, 2023	Overall audit strategy and key audit matters	Unanimously passed			
Nomination and Remuneration Committee (Remuneration and Appraisal Committee)	Zhang Ying, Wei Xinjiang, Ding Wei	5	January 5th, 2023	Proposal on the rules for determining the comprehensive assessment and evaluation results of the company's leadership team	Unanimously passed		
			February 17th, 2023	Proposal on the achievement of the first release of the restriction period for the first grant of the A-share restricted stock incentive plan	Unanimously passed		
			March 15th, 2023	Proposal on the 2022 tenure system and contractual assessment results of the company's management members and the 2023 implementation plan	Unanimously passed		
			July 11th, 2023	Proposal on adjusting the allowance of independent directors	Unanimously passed		
			July 27th, 2023	Proposal on amending the company's A-share restricted stock incentive plan	Unanimously passed		
	Zhang Ying, Tang Guliang, Ding Wei	6	August 30th, 2023	Proposal on the addition of directors; Proposal on adjusting the repurchase price of the A-share restricted stock incentive plan and repurchasing and canceling part of the restricted shares	Unanimously passed		
			October 7th, 2023	Proposal on the appointment of senior management	Unanimously passed		
			October 24th, 2023	Proposal on the change of senior management	Unanimously passed		
			November 15th, 2023	Proposal on the annual comprehensive assessment and evaluation rating plan of the company's leadership team members	Unanimously passed		
			December 1st, 2023	Proposal on the appointment of senior management	Unanimously passed		
			December 8th, 2023	Proposal on the achievement of the lifting of the restriction on the sale	Unanimously passed		

				of A-share restricted stock incentive plan			
The Strategic and Investment Committee	Zhu Huarong, Zhang Bo, Wang Jun, Ren Xiaochang, Li Keqiang	3	February 17th, 2023	Proposal on the 2023 financing plan, 2023 investment plan, and equity participation in the establishment of a battery joint venture	Unanimously passed		
			March 15th, 2023	Proposal on the development of bill pool business, proposal on the company and its subsidiaries to carry out foreign exchange hedging business, 2023 financial securities business plan and opportunistic disposal of trading financial assets	Unanimously passed		
			April 16th, 2023	2022 financial statements and 2023 financial budget explanation	Unanimously passed		
	Wang Jun, Zhang Bo, Li Keqiang	3	August 30th, 2023	Proposal on capital increase to joint ventures	Unanimously passed		
			October 7th, 2023	Proposal on the establishment of Chongqing Changfu Private Equity Investment Fund Partnership (Limited Partnership) (tentative name).	Unanimously passed		
			October 30th, 2023	Proposal on the disposal of land and housing assets on the north side of Hebei Chang'an Overhaul Plant	Unanimously passed		

Note: On July 27th, 2023, the company's Compensation and Assessment Committee was renamed as the Nomination and Compensation Assessment Committee.

VIII. The work of the board of supervisors

Whether the company was at risk during the report period according to the supervision of the board of supervisors

Yes No

The Board of Supervisors supervised and inspected the legal compliance of the company's financial situation, measurement of managing major affairs of the company, operation and management activities, and the implementation of major strategies. The Board of Supervisors has no objection to the supervision matters during the reporting period.

IX. The Employees of the Company

1. The number of employees, professional field and education level

Number of incumbent employees in the parent company	33,275
Number of incumbent employees in major subsidiaries	15,842
Total number of incumbent employees	49,117
Total number of incumbent salaried employees	49,117
Number of retired employees for whom parent company and major subsidiary bear the costs	2,942
Professional composition	
Professional fields	Number
Production	28,321
Sales	2,595
Technology	13,479
Finance	563
Administration	617
Management	3,542
Total	49,117
Educational Background	
Degree	Number
PhD	131
Postgraduate	4,243

Bachelor	16,071
Junior college	12,860
Technical secondary school and high school	14,690
Middle school and below	1,122
Total	49,117

2. Compensation policy

Changan practices the concept of value creation and value sharing in salary distribution, continuously optimizes and improves the compensation system, adheres to the principle of “performance-driven and result-oriented”, improves the effectiveness of distribution, strengthens the double benchmarking of performance and salary, and guides the business units to continuously improve their efficiency and effectiveness. We innovate incentive mechanism, optimize resource allocation, establish and improve medium- and long-term incentive and constraint mechanism, closely bind the interests of the core members with the company’s medium- and long-term operation, support the company’s strategic development, and boost the company's operating performance.

3. Training plan

In 2024, the key to employee training will be driven by “strategic leadership, systematic change, extreme efficiency, and innovative breakthroughs”, which will comprehensively support Changan’s transformation into an intelligent low-carbon mobility technology company. In 2024 we will focus on the globalization of the Vast Ocean Plan, and promote the training of international talents in various regions and accelerate the construction of new capabilities for globalization. We will continue to strengthen the operational capability of management talents and the professional capability of strategy implementation, and carry out training programs such as training of management talents and digital transformation training to promote the development of strategic transformation. We will comprehensively launch the BlueCore Program for training and certification of district team leaders to enhance the company's production safety management capability.

4. Outsourcing of services

Applicable Not applicable

X. Distribution of profits and capital reserve

The formulation, implementation or adjustment of profit distribution policies, especially the formulation, implementation or the adjustment situation of cash dividend policy.

Applicable Not applicable

According to the China Securities Regulatory Commission requirements, the Notice on Further Implementing Matters concerning Cash Dividends of Listed Companies as issued by the CSRC, the Guideline No. 3 for the Supervision of Listed Companies—Cash Dividends of Listed Companies, in combination with the practical situation of the company, the Company has rectified the “Articles of Association” and clarified the distributable profit caliber, dividend distribution means, principle, form, cash dividend conditions and proportion, stock dividend condition, plan making and review procedures, the implementation, the conditions of distribution policy adjustment, and decision-making procedures, etc, policy adjustment, and strengthen the institutional guarantee of the dividend for investors. For details of the company’s specific distribution policy, please refer to the Articles of Association. Company’s reported profit distribution plan and equity shares in line with the relevant provisions of the Articles of Association and relevant provisions.

Special statement for cash dividend policy	
Whether it comply with the Articles of Association or the resolutions of the shareholders' general meeting:	Yes
Are the standard and the proportion of distribution clear:	Yes
Are the related decision-making process and mechanism thorough:	Yes
Have independent directors fulfilled their duties and performed their due roles:	Yes
If the company does not distribute cash dividends, specific reasons should be disclosed, as well as the measures to be taken next to enhance investor returns:	Not Applicable
Whether medium and minority shareholders have the chance to fully express their views and demands and whether the legitimate rights and interests are fully protected:	Yes
Whether cash dividend policy is adjusted or changed and whether the conditions and procedures are compliant and transparent:	Not Applicable

During the reporting period, the company made profits and the parent company could distribute profits to shareholders, but did not put forward the dividend distribution plan

Applicable Not applicable

Plans of profit distribution and increase of capital stock by transfer of capital reserve during the reporting period

√ Applicable □ Not applicable

Number of bonus shares per ten shares (share)	0
Dividend per ten shares (RMB) (tax included)	3.43
Increased shares through transfer for per 10 shares (shares)	0
Equity base of distribution plan (shares)	9,917,289,033
Cash dividends (RMB) (tax included)	3,401,630,138.32
Cash dividend (RMB) of other means (such as repurchase)	0
Total cash dividend (RMB) (including other means)	3,401,630,138.32
Distributable profits (RMB)	44,297,589,798.86
Proportion (%) of cash dividends (including other means) to total profit distribution	100%
Cash dividend policy:	
others	
Detailed description of profit distribution or increase of capital stock by transfer of capital reserves	
The 19th meeting of the 9th Session of Board Of Directors of the company deliberated and passed the 2022 Profit Distribution Plan, which still needs to be submitted to the 2022 annual general meeting for deliberation. In accordance with the provisions of the Articles of Association, the relevant decision-making procedures and mechanisms are thorough, which fully protect the legitimate rights and interests of medium and minority investors.	

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

√ Applicable □ Not applicable

1. Equity incentive

On July 13th, 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 1st, 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 18th, 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 22nd, 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 3rd, 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 30th, 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 17th, 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 19th, 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 21th, 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 30th, 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 31th, 2021.

On August 2nd, 2022, the company held the 43rd meeting of the 8th Board of Directors and the 18th meeting of the 8th Board of Supervisors, and reviewed and approved the Proposal on Adjusting the Repurchase Price of A-share Restricted Stock Incentive Plan and Repurchasing and Cancelling Some Restricted Stocks. The independent directors of the company have expressed independent opinions that they agree with.

On August 18th, 2022, the company held the third extraordinary general meeting of shareholders in 2022, and reviewed and approved the Proposal on Adjusting the Repurchase Price of the A-share Restricted Stock Incentive Plan and Repurchase and Cancellation of Some Restricted Stocks.

On February 17th, 2023, the company held the 52nd meeting of the 8th Board of Directors and the 21st meeting of the 8th Board of Supervisors, and reviewed and approved the Proposal on the Achievements of the First Release of Restriction Conditions during the First Grant Period of the A-share Restricted Stock Incentive Plan. The independent directors of the company have expressed independent opinions that they agree with.

On March 3rd, 2023, the company disclosed the "Indicative Announcement on the Release of Restricted Shares from Listing and Circulation during the First Release Period of the First Grant Part of the A-share Restricted Stock Incentive Plan", and the date of release of restricted shares from listing and circulation was March 6th, 2023.

Equity incentives for directors and senior management

√ Applicable □ Not applicable

Unit: share

Name	Position	Exercisable shares during the reporting period	Shares exercised during the reporting period	Price of shares exercised during the reporting period (RMB/share)	Market price at the end of the reporting period (RMB/share)	Number of restricted shares held at the beginning of the period	Number of shares unlocked in the current period	Number of newly granted restricted shares during the reporting period	Grant price of restricted shares (RMB/share)	Number of restricted shares held at the end of the period
Zhu Huarong	Chairman, Secretary of the Party Committee				16.83	455,000	150,150		3.07	304,850
Zhao Fei	Director				16.83	353,080	116,516		3.07	236,564
Wang Jun	Director, President, Deputy Secretary of the Party Committee				16.83	364,000	120,120		3.07	243,880
Zhang Deyong	Director, The Chief Accountant, Board of Directors Secretary				16.83	353,080	116,516		3.07	236,564
Tan Benhong	Deputy Secretary of the Party Committee				16.83	353,080	116,516		3.07	236,564
Ye Pei	Executive Vice President				16.83	353,080	116,516		3.07	236,564
Chen Wei	Executive Vice President				16.83	353,080	116,516		3.07	236,564
Li Mingcai	Executive Vice President				16.83	353,080	116,516		3.07	236,564
Yang Dayong	Executive Vice President				16.83	252,200	83,226		7.22	168,974
Peng Tao	Executive Vice President				16.83	248,612	82,042		3.07	166,570
Zhang Xiaoyu	Vice President				16.83	248,612	82,042		3.07	166,570
Wang Xiaofei	Vice President				16.83	171,990	56,757		3.07	115,233
Wang Hui	Vice President				16.83	171,990	56,757		3.07	115,233
Zhang Fatao	Vice President				16.83	248,612	82,042		3.07	166,570
Li Jun	Board of Directors Secretary				16.83	248,612	82,042		3.07	166,570
Yuan Mingxue	Deputy Secretary of the Party Committee (outgoing)				16.83	364,000	120,120		3.07	243,880
Hua Zhanbiao	Secretary of Discipline & Inspection Commission (outgoing)				16.83	353,080	116,516		3.07	236,564
Total	--			--	--	5,245,188	1,730,910		--	3,514,278
Notes (if any)	1. The above-mentioned personnel and positions are as of the disclosure date of this report;									

	2. The original initial grant price of the Company's A-share restricted shares was 6.66 yuan per share, and the reserved grant price was 9.93 yuan per share. The number of shares and the grant price have been adjusted accordingly based on the implementation of the Company's equity distribution plans for 2020, 2021 and 2022.
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Evaluation mechanism and incentives for senior managers

For details, please refer to "V. 3. Remuneration of Directors, Supervisors and Senior Management" in Chapter 4.

2. Implementation of employee stock ownership plans

Applicable Not applicable

3. Other employee incentives

Applicable Not applicable

XII. Internal control system building and implementation during reporting period

1. Internal control building and implementation

Optimize the internal control team and improve control effectiveness. We established a matrix team of company level internal control specialists, opened up internal control communication channels at all levels of the company, formed a working mechanism with clear responsibilities and clear communication from top to bottom, and improved the communication efficiency of cross department internal control work. We implemented concomitant internal control supervision and management of key business processes, which was carried out in the same place, at the same time, and in the same direction as the business, so as to help the business review the compliance of decision-making procedures and assess the risk of decision-making content, further strengthening the effectiveness of internal control.

Improve the management system and strengthen the binding force of the internal control system. We improved top-level design, promoted inventory management, revised and issued the Internal Control Evaluation Manual, clarified the division of work and responsibilities of internal control, standardized the scope, standards, steps, and other requirements of internal control evaluation, improved the internal control system, and achieved closed-loop management of control, evaluation, and rectification. We continuously integrated and optimized business systems, embedded internal control system control requirements into specific business systems, clarified business link control requirements and risk response measures, and built a standardized, comprehensive, and effective management system.

Strengthen authorization management and improve internal control and supervision mechanism. We reviewed the authorization management system, refined the power and responsibility boundaries of each level based on the authorization list of the board of directors, and revised and issued the management authorization form and centralized and decentralized authority list for institutions at all levels. We prepared a list of incompatible positions, comprehensively cleaned up incompatible positions at all levels of the company's institutions, sorted out the responsibilities of important positions and key personnel, adjusted unreasonable positions and personnel settings, and achieved the separation of incompatible position responsibilities and personnel.

Promote the construction of offshore internal control system and prevent and control offshore business risks. Through group-level control and based on the existing internal control system of the company, we exported internal control system to overseas organizations at all levels. At the same time, we set up localized organizations, established business authorization systems and designed overseas business system documents in accordance with the actual operation as well as the laws and regulations of the countries (regions) where the overseas units were located. We continuously improved the offshore internal control system and further enhanced the rigid constraints of the offshore internal control system.

Carry out comprehensive internal control evaluation to promote the continuous optimization of the internal control system. Organizations at all levels of the company used the Internal Control Evaluation Manual as a standardized process to actively evaluate the effectiveness of the implementation of the internal control system, identified problems, developed measures, improved implementation, and ensured the effective operation and rigid constraints of the company's internal control system.

2. Details of significant defects in internal control during the reporting period

Yes No

XIII. Management and control of subsidiaries of the company during the reporting period

Name	Integration plan	Integration progress	Problems encountered in the integration	Solutions taken	Progress	Follow-up solution plan

Deepal Automotive Technology Co., Ltd.	During the reporting period, the company has acquired the equity of Deepal Automotive Technology Co., Ltd. from Chongqing Changxin Equity Investment Fund Partnership Enterprise (Limited Partnership) and Chongqing Liangjiang New Area Equity Investment Fund Partnership Enterprise (Limited Partnership), with a shareholding ratio of 51.00%. It will be transferred from a joint venture to a subsidiary for accounting purposes and included in the scope of consolidation.	Completed	Not applicable	Not applicable	Not applicable	Not applicable
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XIV. Internal control self-evaluation report or internal control audit report

1. Self-evaluation report of internal control

Date of Full-text disclosure of internal control evaluation report	April 18th, 2024	
Inquiry index of internal control evaluation report full text disclosure	www.cninfo.com.cn	
The proportion of the total assets of units included in the evaluation scope to the total assets in the company's consolidated financial statements	100%	
The proportion of the operating income of the unit in the evaluation scope to the total operating income of the company's consolidated financial statements	100%	
Defect identification standard		
Type	Financial reports	Non-financial report
Qualitative standards	1. Fraud of the directors, supervisors and senior managers of the Company. 2. The Company shall correct the published financial report to correct major misstatements caused by fraud or errors, or major misstatements in the current financial report found by certified public accountants but not identified by the company's internal control of the Company. 3. The Audit Committee has ineffective supervision over the company's external financial reports and financial report internal control.	1. Lack of, or violation of, democratic decision-making procedures; 2. Violation against state laws and regulations with serious punishment; 3. Large loss of medium and senior management personnel and senior technical personnel; 4. Frequent and serious negative media coverage that spread far; 5. Lack of institutional control or institutional system failure of important business; 6. Major defects in internal control not rectified.
Quantitative standards	The misstatement amount in the financial statements in the following range: Misstated 1% of the total assets	Identification according to the internal control defect quantitative standard in financial report.
Number of material defects in financial reports	0	
Number of material defects in non-financial reports	0	
Number of important defects in financial reports	0	
Number of important defects in non-financial reports	0	

2. Internal control audit report

Applicable Not applicable

Review opinions of the internal control audit report	
The audit opinion in the internal control audit report issued by Lixin Certified Public Accountants (Special General Partnership) is as follows: Chongqing Changan Automobile Co., Ltd. maintained effective internal control over financial reporting in all material aspects as of December 31, 2023, in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.	
Disclosure of the internal control audit report	Disclosed

Date of full text disclosure of the internal control audit report	April 18th, 2024
Inquiry index of Internal Control Audit Report	www.cninfo.com.cn
Opinion type of internal control audit report	Standard without reservations
Material defects in non-financial reports	None

Whether the accounting firm issues a non-standard opinion internal control audit report

Yes No

Whether the internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the board of directors

Yes No

XV. Rectification of self-inspection problems in the Special Action of Listed Companies

According to the company's self-inspection, the company's overall compliance operation shows that there are no issues requiring rectification.

Chapter 5 Environmental and Social Responsibility

I. Major Environment Concerns

Whether the listed company and its subsidiaries are reckoned as major pollutant discharging units by environment protection department or not

Yes No

Environmental protection-related policies and industry standards

The company strictly implements the laws, regulations, standards and requirements for environmental protection in its production and operation. The regulatory standards include Environmental Protection Law of the People's Republic of China, Law on Air Pollution Prevention and Control, Law of the People's Republic of China on Prevention and Control of Water Pollution, Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, Law of People's Republic of China on Environmental Impact Assessment, etc.

Administrative regulations or rules include Measures for the Administration of Environmental Monitoring, Measures for the Administration of the List of Key Units of Environmental Supervision, Measures for Enterprise Environmental Credit Evaluation, Administrative Measures for the Legal Disclosure of Enterprise Environmental Information, Contingency Plan for Environmental Emergencies, etc.

National standards include Integrated Wastewater Discharge Standard, Integrated Emission Standard of Air Pollutants, Standard for Fugitive Emission of Volatile Organic Compounds, Technical Requirement for Low-Volatile-Organic-Compound-Content Coatings Product, Technical specification for operation of wastewater online monitoring system (CODCr, NH₃-N et al.), Technical Specification for Continuous Monitoring of Non-Methane Total Hydrocarbons in Waste Gas from Stationary Pollution Sources, Technical guide for leak detection and repair of volatile organic compounds in industries etc, Technical Specifications for the Setting of Hazardous Waste Identification Signs, etc. Industry standards include Technical Specification for Application and Issuance of Pollutant Permit Automotive Industry, Foundry Industry Air Pollutant Emission Standards, Technical Guidelines for Self-monitoring of Pollutant Discharging Units, etc.

Local standards include Emission standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry, Emission Standard of Air Pollutants for Catering Industry, Emission Standard of Air Pollutants for Boilers, etc. The company collects and interprets the newly released and implemented regulations and standards quarterly and conducts compliance evaluations to ensure that the company's production and operation are always legally compliant.

Environmental Protection Administrative License

—Administrative License Information for Construction Projects

In 2023, there will be a total of 7 EIA approval documents for construction projects, as follows:

Name of construction project	Name and document number of environmental impact assessment approval document	Approval Authority	Approval acquisition time
Renovation project of office R&D base in Sino-German Industrial Park	Chongqing Construction Project Environmental Impact Assessment Document Approval Letter (YLJHZ [2023] No. 21)	Chongqing Ecology and Environment Bureau (Liangjiang New Area Branch)	March 3rd, 2023
Hebei Changan Automobile Co., Ltd. vehicle production capacity optimization and upgrading project	Opinions on the approval of the environmental impact report of the vehicle production capacity optimization and upgrading project of Hebei Changan Automobile Co., Ltd (DHS [2023] No. 3)	Dingzhou Ecology and Environment Bureau	March 7th, 2023
Hefei Changan Automobile Co., Ltd. A158 series pure electric passenger car production line technical transformation project	Opinions on the examination and approval of the environmental impact report of the "Hefei Changan Automobile Co., Ltd. A158 series pure electric passenger car production line technical transformation project". (HJS [2023] No. 10020)	Hefei Ecology and Environment Bureau	March 27th, 2023
Yubei factory replacement and green upgrade construction project	Chongqing Construction Project Environmental Impact Assessment	Chongqing Ecology and Environment	May 6th, 2023

	Document Approval Letter (YSHZ [2023] No. 25)	Bureau	
Technical transformation project of C318 series new energy passenger car production line of Liangjiang No. 3 Factory	Chongqing Construction Project Environmental Impact Assessment Document Approval Letter (YLJHZ [2023] No. 65)	Chongqing Ecology and Environment Bureau (Liangjiang New Area Branch)	June 26th, 2023
Chongqing Changan Automobile Co., Ltd. Changan Automobile HE series engine production line technical transformation project (phase I)	Chongqing Construction Project Environmental Impact Assessment Document Approval Letter (YLJHZ [2023] No. 68)	Chongqing Ecology and Environment Bureau (Liangjiang New Area Branch)	July 4th, 2023
Baoding Chang'an Bus Manufacturing Co., Ltd. G393 production line technical transformation project	Opinions on the approval of the environmental impact report on the technical transformation of the G393 production line of Baoding Changan Bus Manufacturing Co., Ltd (DHS [2023] No. 14)	Dingzhou Ecology and Environment Bureau	December 20th, 2023

—Information on administrative permission for pollutant discharge

In 2023, each base involved a total of 13 pollution discharge license documents, including 4 re applications, 7 changes, 2 others and no extension. For details, see the "National Pollution Discharge License Management Information Platform" at <http://permit.mee.gov.cn>.

—Other administrative licensing information

None.

Industry emission standards and specific conditions of pollutant emissions involved in production and business activities

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 (Tons/year)	Total approved discharge (Tons/year)	Excessive emissions
Chongqing Changan Automobile Co., Ltd. Yubei Plant	Wastewater	Intermittent emissions	3	Two outlets for workshop facilities, and one main outlet for the Plant	39.95	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by the Yubei District Sewage Treatment Plant in Chongqing	21.84	46.67	—
					1.23		0.67	4.21	—
					0.01		0.01	0.04	—
					0.03		0.02	—	—
					0.36		0.20	0.28	—
	Exhaust gas	Organized emissions	34	Outlets around the Plant	4.56	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)	2.96	4.08	—
					52.49		19.67	67.39	—
					0.50		0.31	24.20	—
					1.04		2.44	158.21	—
					0.10		0.54	—	—
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 2023 with a total of 2,260.22 tons of hazardous waste generated in this period. The 2,265.84 tons have been legally utilized and disposed of by manufacturers with hazardous waste operation permits, produced 24,589.07 tons of general industrial solid waste and 24,589.07 tons of utilization and disposal.						—	—	
Chongqing Changan Automobile Co., Ltd. (Liangjiang Plant, Campus No. 1)	Wastewater	Intermittent emissions	2	An outlet for workshop facilities, and one main outlet for the Plant	107	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by Guoyuanguang Sewage Treatment Plant in Chongqing	9.23	14.02	—
					4.35		0.92	1.4	—
					0.08		0.01	0.04	—
					0.118		0.04	0.28	—
	Exhaust gas	Organized emissions	30	Outlets around the Plant	1.33	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)	0.05	1.23	—
					46.95		9.46	18.23	—
					5.62		4.37	36.14	—
					5.87		12.35	63.06	—
					0.423		0.27	2.68	—
	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 2023 with a total of 1,804.59 tons of hazardous waste in this period. A total of 1,798.43 tons were legally utilized and disposed of by manufacturers with hazardous waste operation permits, produced 18,254.69 tons of general industrial solid waste and 18,254.69 tons of utilization and disposal.						—	—
Chongqing Changan Automobile	Wastewater	Intermittent emissions	2	An outlet for workshop facilities, and	58	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements	38.13	46.00	—
					3.035		2.01	4.60	—

Co., Ltd. (Liangjiang Plant, Campus No. 2)	Total nickel			one main outlet for the Plant	0.05	set by the Guoyuancang Sewage Treatment Plant in Chongqing	0.004	0.14	—	
					0.0393		0.03	1.38	—	
	Exhaust gas	Sulfur dioxide	Organized emissions	47	Outlets around the Plant	0.905	Emission standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB 50/577-2015);	0.11	4.12	—
		Nitrogen oxides				60.158		29.57	34.72	—
		Particulate matter				6.7522		12.26	50.61	—
		Volatiles organic compounds				3.315		7.84	543.23	—
	Toluene + xylene	0.3593	0.36	5.49	—					
Soil	During the reporting period, Liangjiang Plant, Campus NO. 2 was included in the List of Key Pollutant Discharge Units of Chongqing in 2023 with a total of 3,789.29 tons of hazardous waste. The 3,821.38 tons were legally utilized and disposed of by manufacturers with hazardous waste operation permits, produced 33,554.15 tons of general industrial solid waste and 33,554.15 tons of utilization and disposal.							—		
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	64.15	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by the Guoyuancang Sewage Treatment Plant in Chongqing	13.71	45	—
		Total nickel				0.33		0.005	0.09	—
		Ammonia nitrogen				2.65		0.55	4.5	—
		Total zinc				0.08		0.01	0.81	—
	Exhaust gas	Particulate matter	Organized emissions	38	Outlets around the Plant	10.005	Emission standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB 50/577-2015);	5.58	64.24	—
		VOCs				8.04		7.49	244.36	—
		SO ₂				0		0.02	5.34	—
		Toluene + xylene				1.88		0.53	0.95	—
	NO _x	51.52	6.11	24.78	—					
	Soil	During the reporting period, Liangjiang Plant, Campus NO. 3 was included in the List of Key Pollutant Discharge Units in Chongqing in 2023 with a total of 1,721.97 tons of hazardous waste generated in this period. 1,724.55 tons were legally utilized and disposed of by manufacturers with hazardous waste operation permits, produced 16,705.82 tons of general industrial solid waste and 16,705.82 tons of utilization and disposal.							—	
Chongqing Changan Automobile Co., Ltd. (Jiangbei Engine Plant, Plant No.1)	Wastewater	COD	Intermittent emissions	2	Main outlet for the Plant	89.22	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by the Guoyuancang Sewage Treatment Plant in Chongqing	14.45	22.50	—
		Ammonia nitrogen (NH ₃ -N)				2.7		1.45	2.25	—
	Exhaust gas	Particulate matter	Organized emissions	93	Outlets around the Plant	4.179	Emission Standards of Air Pollutants for Industrial Kiln and Furnace (DB 50/659-2016);	14.66	—	—
		SO ₂				3		4.91	—	—
		VOCs				1.7		1.55	—	—
		NO _x				7.23		8.19	—	—
Soil	During the reporting period, Jiangbei Engine Plant, Plant NO. 1 was included in the List of Key Pollutant Discharge Units in Chongqing in 2023, and a total of 4,345.15 tons of hazardous waste was generated in this period. 4,347.97 tons were legally utilized and disposed of by manufacturers with hazardous waste operation permits or exemption certificates, produced 1,703.78 tons of general industrial solid waste and 1,703.78 tons of utilization and disposal.							—		
Chongqing Changan Automobile Co., Ltd. (Jiangbei Engine Plant, Plant No. 2)	Wastewater	COD	Intermittent emissions	1	Main outlet for the Plant	89.3	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements set by Guoyuancang Sewage Treatment Plant in Chongqing	9.98	11.08	—
		Ammonia nitrogen (NH ₃ -N)				1.31		1.00	1.11	—
	Exhaust gas	Non-methane total hydrocarbons	Organized emissions	37	Outlets around the factory	2.8	Emission Standards of Air Pollutants for Industrial Kiln and Furnace (DB 50/659-2016);	3.24	—	—
		Nitrogen oxides				17.96		3.03	—	—
		Particulate matter				7.93		16.71	—	—
		Sulfur dioxide				3		1.94	—	—
	Soil	During the reporting period, Jiangbei Engine Plant, Plant NO. 2 was included in the List of Key Pollutant Discharge units in Chongqing in 2023, and a total of 8,000.86 tons of hazardous waste was generated in this period. 7,995.46 tons were legally utilized and disposed of by manufacturers with hazardous waste operation permits or exemption certificates, produced 555.86 tons of general industrial solid waste and 555.86 tons of utilization and disposal.							—	
Chongqing Lingyao Automobile Co., Ltd.	Wastewater	COD	Intermittent emissions	3	An outlet for workshop facilities, and two main outlets for the Plant	29.75	Integrated Wastewater Discharge Standard (GB8978-1996); The Inlet Water Quality Requirements set by Guoyuancang Sewage Treatment Plant in Chongqing	6.28	25.76	—
		Ammonia nitrogen				3.34		0.52	3.48	—
		Total nickel				0.14		0	0.029	—
		Total zinc				0.092		0.009	—	—
		Phosphate				0.09		0.02	0.13	—
	Exhaust gas	Particulate matter	Organized emissions	40	Outlets around the Plant	3.98	Emission standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB 50/577-2015);	8.92	38.03	—
		Volatiles organic compounds				3.54		7.43	111.4	—
		Toluene + xylene				0.91		0.76	6.46	—
		Sulfur dioxide				3L (Not detected)		0	7.12	—
		Nitrogen oxides				11.92		0.56	16.26	—
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 2023, and a total of 2,113.83 tons of hazardous waste was generated in this period, 2,113.83 tons were legally utilized and							—		

			disposed of by manufacturers with hazardous waste operation permits or exemption certificates, produced 15,992.23 tons of general industrial solid waste and 15,992.23 tons of utilization and disposal.								
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	48.1	Integrated Discharge Standard of Water Pollutants (DB11/307-2013)	15.55	63.68	—	
		Ammonia nitrogen				3.7		1.19	3.81	—	
		Total nickel				0.06		0.001	0.01	—	
		Phosphate				1.92		0.53	—	—	
	Exhaust gas	Nitrogen oxides	Organized emissions	52	Outlets around the Plant	10.88	Emission standard of Air Pollutants for Surface Coating of Automobile Manufacturing Industry (DB11/1227-2015); Integrated Emission Standards of Air Pollutants (DB11/501-2017)	0.41	3.18	—	
		Volatile organic compounds				2.79		6.15	458.76	—	
		Sulfur dioxide				2.93		4.09	—	—	
		Particulate matter				1.87		4.12	—	—	
	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 2023, and a total of 618.18 tons of hazardous waste was generated in this period, 618.18 tons were legally utilized and disposed of by manufacturers with hazardous waste operation permits or exemption certificates, produced 8,730.23 tons of general industrial solid waste and 8,730.23 tons of utilization and disposal.								
	Hefei Changan Automobile Co., Ltd	Wastewater	COD	Intermittent emissions	3	Two outlets for workshop facilities, and a main outlet for the Plant	38.18	Integrated Wastewater Discharge Standard (GB8978-1996); The Pipe Standards set by Hefei West Group Sewage Treatment Plant	27.10	169.55	—
Total nitrogen			12.70				9.57		43.98	—	
Total nickel			0.008				0.01		0.09	—	
Total phosphorus			0.25				0.12		—	—	
Ammonia nitrogen			1.92				0.42		16.96	—	
Exhaust gas		VOCs	Organized emissions	74	Outlets around the Plant	5.21	Emission Control Standard for Industrial Enterprises Volatile Organic Compounds of Tianjin (DB12/524-2020)	19.03	65.03	—	
Soil		During the reporting period, Hefei Changan Automobile Co., Ltd. was included in the List of Key Pollutant Discharge Units in Hefei in 2023, and a total of 2,278.01 tons of hazardous waste was generated in this period, 2,275.06 tons were legally utilized and disposed of by manufacturers with hazardous waste operation permits or exemption certificates, produced 32,460.93 tons of general industrial solid waste and 32,460.93 tons of utilization and disposal.									
Nanjing Changan Automobile Co., Ltd. (The old factory has been discontinued on June 10th, 2023)	Wastewater	COD	Intermittent emissions	2	An outlet for workshop facilities, and a main outlet for the Plant	34.04	Integrated Wastewater Discharge Standard (GB8978-1996); The Pipe Standards set by Nanjing Lishui Qinyuan Sewage Treatment Co., Ltd.	1.71	13.336	—	
		Total nitrogen				3.64		0.12	14.24	—	
		Total nickel				0.085		0.001	0.06	—	
		Total phosphorus				0.38		0.01	0.08	—	
		Ammonia nitrogen (NH3-N)				1.32		0.04	0.26	—	
	Exhaust gas	NOx	Organized emissions	6	Outlets around the Plant	33	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)	0.66	—	—	
		Particulate matter				0.99		0.94	—	—	
		VOCs				3.179		3.95	38.48	—	
		SO2				3		0.08	—	—	
	Soil		—								
Nanjing Changan Automobile Co., Ltd. (The new factory)	Wastewater	COD	Intermittent emissions	1	An outlet for workshop facilities	34.25	Integrated Wastewater Discharge Standard (GB8978-1996); The Pipe Standards set by Nanjing Lishui Qinyuan Sewage Treatment Co., Ltd.	3.74	43.08	—	
		Total nitrogen				4.69		0.54	1.20	—	
		Total phosphorus				1.1		0.14	0.39	—	
		Ammonia nitrogen (NH3-N)				0.81		0.10	0.86	—	
	Exhaust gas	NOx	Organized emissions	6	Outlets around the Plant	16	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)	0.27	—	—	
		Particulate matter				15		2.30	—	—	
		VOCs				9.67		14.05	31.57	—	
		SO2				0		0.00	—	—	
	Soil		During the reporting period, Nanjing Changan Automobile Co., Ltd.(The new factory) was included in the List of Key Pollutant Discharge Units in Nanjing in 2023, and a total of 1,277.49 tons of hazardous waste was generated in this period, 1,264.58 tons were legally utilized and disposed of by manufacturers with hazardous waste operation permits or exemption certificates, produced 728.52 tons of general industrial solid waste and 728.52 tons of utilization and disposal.(Including the old factory of Nanjing Changan Automobile Co., Ltd)								
	Hebei Changan Automobile Co., Ltd	Wastewater	Ammonia nitrogen	Intermittent emissions	2	An outlet for workshop facilities, and a main outlet for the Plant	2.5612	Integrated wastewater discharge standard (GB8978-1996); The Influent Water Quality Requirements Set by Gezhouba Water Dingzhou Branch	0.12	4.8	—
COD			79.018				7.53		63.71	—	
Total nitrogen			9.88				0.92		7.32	—	
Total phosphorus			1.858				0.14		0.92	—	
Total nickel			0.059				0.002		0.03	—	
Exhaust gas		Sulfur dioxide	Organized emissions	51	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 Standards for Volatile Organic Compounds by	0.19	30.01	—	
		Non-methane total hydrocarbons				11.61		18.23	570.34	—	
		Particulate matter				3.53		4.70	53.4	—	

		Nitrogen oxides				14	Industrial Enterprises DB13/2322-2016; Emission Standards of Air Pollutants for Boiler (DB13/5161-2020)	3.78	31.47	—	
	Soil		During the reporting period, Hebei Changan Automobile Co., Ltd was included in the List of Key Pollutant Discharge Units in Dingzhou In 2023, with a total of 738.30 tons of hazardous waste generated in this period, of which 695.81 tons have been legally utilized and disposed of by suppliers with hazardous waste operation permits, produced 8,067.69 tons of general industrial solid waste and 8,067.69 tons of utilization and disposal.								—
Hebei Changan Automobile Co., Ltd. No. 2 Plant (The pollutant discharge permit will be merged with the same plant in December 2023, and the original license will be cancelled at the same time)	Wastewater	COD	Intermittent emissions	2	A workshop facility discharge outlet, and one factory total discharge outlet	133.95	Integrated Wastewater Discharge Standard (GB8978-1996); The Influent Water Quality Requirements Set by Gezhouba Water Dingzhou Branch	11.44	72.71	—	
		Ammonia nitrogen				6.7575		0.54	4.14	—	
		Total nitrogen				14.74		1.33	5.51	—	
		Total phosphorus				1.853		0.003	1	—	
		Nickel				0.16		0.005	0.06	—	
	Exhaust gas	Sulfur dioxide	Organized emissions	94	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 Standards for Volatile Organic Compounds by Industrial Enterprises DB13/2322-2016; Emission Standards of Air Pollutants for Boiler (DB13/5161-2020)	3.95	88.23	—	
		Nitrogen oxides				3		6.82	33.75	—	
		Particulate matter				5		12.52	850.8	—	
		Volatile organic compounds				6.7		42.29	880.62	—	
	Soil		During the reporting period, Campus NO.2 of Chongqing Changan Kaicheng Automobile Technology Co., Ltd. (formerly known as Changan Bus) was included in the List of Key Pollutant Discharge Units in Dingzhou in 2023. A total of 890.16 tons of hazardous waste were generated in this period, and 896.32 tons were legally utilized and disposed of by suppliers with hazardous waste operation permits, produced 12,062.49 tons of general industrial solid waste and 12,062.49 tons of utilization and disposal.								—

All pollutants are discharged to the standard, and there is no discharge exceeding the standard and the total amount. For details of the name, distribution and pollutant discharge of each discharge outlet, please refer to the "Environmental Information Disclosure Information System in accordance with the Law" of the province or city where it is located, and the public website is detailed in the following table.

The name of the organization	Enterprise environmental information disclosure system in accordance with the law	Public website
Yubei Plant, Liangjiang Plant, Jiangbei Engine Plant, Chongqing Lingyao	Enterprise environmental information disclosure system in accordance with the law (Chongqing)	http://183.66.66.47:10001/eps/index/enterprise-search
Beijing Changan Automobile Company	Enterprise environmental information disclosure system in accordance with the law (Beijing)	https://hjxxpl.bevoice.com.cn:8002/home
Hefei Changan Automobile Co., Ltd	Enterprise environmental information disclosure system in accordance with the law (Anhui)	http://112.27.211.30:18900/st_yfpl_html/dist/#/home
Nanjing Changan Automobile Co., Ltd	Enterprise environmental information disclosure system in accordance with the law (Jiangsu)	http://ywxst.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxst.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
Hebei Changan Automobile Co., Ltd	Enterprise environmental information disclosure system in accordance with the law (Hebei)	http://121.29.48.71:8080/#/guide

Treatment of pollutants

Pollutant type		Main processing technology	Processing method
Exhaust gas	Spraying VOCs exhaust gas	Venturi wet paint mist treatment+zeolite rotary adsorption concentration+TNV incineration; Activated carbon adsorption; Low temperature plasma	Deal with by oneself or themselves
	Drying VOCs exhaust gas	TNV or RTO incineration	Deal with by oneself or themselves
	Other VOCs exhaust gas	Activated carbon adsorption	Deal with by oneself or themselves
	Test exhaust gas (nitrogen oxide)	Automotive three-way catalytic converter	Deal with by oneself or themselves
	Foundry dust	Bag type dust removal	Deal with by oneself or themselves
	Foundry stench	Alkali adsorption or biosorption	Deal with by oneself or themselves
	Refueling mist	Mechanical filtration	Deal with by oneself or

			themselves
Wastewater	Phosphating waste gas	Coagulation sedimentation	Self processing or outsourcing operations
	Oily wastewater	Oil separation+air flotation	Self processing or outsourcing operations
	Comprehensive wastewater	Coagulation sedimentation+aerobic biochemistry	Self processing or outsourcing operations
Solid waste	Waste solvent	Utilization or incineration	Outsourcing utilization and disposal
	Wet metal chips	Utilize	Outsourcing utilization and disposal
	Aluminum ash, packaging drum	Utilize	Outsourcing utilization and disposal
	Wastewater treatment sludge	Landfill	Outsourcing utilization and disposal
	Recyclable general industrial solid waste	Utilize	Outsourcing utilization and disposal
	Others	Incineration or landfill	Outsourcing utilization and disposal
Noise	Mechanical noise	Damping and sound insulation	Deal with by oneself or themselves

In 2023, a set of activated carbon adsorption facilities will be added to the exhaust gas of Nanjing Chang'an Hazardous Waste Room, Hefei Chang'an Point Replenishment Wax, Wastewater Treatment Station, Liangjiang Factory's laundry room, tooling cleaning room, and Yubei Plant's No. 1 and No. 2 wastewater treatment stations, while welding and grinding wet dust removal facilities will be added to the first plant of Liangjiang Plant, four lithium bromide refrigeration units in Plant No. 3 will be renovated for low-nitrogen combustion, and four lithium bromide refrigeration units will be converted to electric refrigeration. Pollution control facilities are included in the preventive maintenance management of equipment like production equipment, and there are ledgers, operating procedures or work instructions, preventive maintenance procedures, preventive maintenance plans and implementation records, equipment spot checks, dosing, slag removal, consumables replacement and other operation records, and the facilities are operating normally. The key pollutant discharging units are equipped with automatic monitoring facilities for wastewater and waste gas in accordance with the requirements of the local ecological and environmental authorities, and entrust the operation and maintenance of the third-party professional companies, and the facilities are operating normally. In 2023, there will be no non-normal operation of pollution control facilities..

Contingency Plan for environmental emergencies

The manufacturing sites, as required, carries out risk assessment of environmental emergencies, emergency resource surveys, formulated or revised contingency plans for environmental emergencies, prepared on-site response plans for units with environmental risk, and continuously carried out hidden danger investigation and treatment. In 2023, 3 manufacturing sites completed the revision and filing of contingency plan for environmental emergencies, as shown in the following table:

Unit	Contingency Plan	File Code	Filing Authority
Jiangbei Engine Plant No. 2 Plant	Chongqing Changan Automobile Co., Ltd. Jiangbei Engine Plant No. 2 Plant Emergency Plan for Environmental Emergencies	500128-2023-030-L	Chongqing Municipal Bureau of Ecology and Environment, Liangjiang New District Bureau
Nanjing Changan	Nanjing Changan Automobile Co., Ltd. (Development Zone Factory) Emergency Plan for Environmental Emergencies	3201242023062L	Nanjing Lishui District Ecological Environment Bureau
Hefei Changan	Hefei Changan Automobile Co., Ltd. emergency plan for environmental emergencies	340171-2023-043M	Hefei High-tech Zone Ecological Environment Branch

All bases formulate emergency drill plans in accordance with the requirements of laws and regulations, and carry out emergency drills as planned, so as to continuously improve the practicality of emergency plans and the emergency handling ability of employees. No environmental emergencies occurred in 2023.

Environmental self-monitoring plan

In 2023, key units responsible for pollution discharge of the company prepared self-monitoring plans and carried out self-monitoring in accordance with the requirements of laws and regulations, and disclosed monitoring information on self-monitoring data release platforms of various provinces as required by local ecological environment authorities. See the following table for the public websites.

Units	Environmental Self-Monitoring Plan Disclosure Platform	Website
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Yubei Plant, Liangjiang Plant, Jiangbei Engine Plant, Chongqing Lingyao	Key Pollution Source Monitoring Data Release Platform	http://119.84.149.34:20003/publish2/dataSearchPub/entList.aspx
Beijing Changan Automobile Company	National Pollutant Discharge Permit Management Information Platform	http://xxgk.bevoice.com.cn/monitor-pub/index.do
Hefei Changan Automobile Co., Ltd	Anhui Province Discharge Units Self-Monitoring Information Disclosure Platform	https://wryjc.cnemc.cn/gkpt/mainZxjc/340000
Nanjing Changan Automobile Co., Ltd.	Jiangsu Province Enterprise "Environmental Protection Facebook" information disclosure platform	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://218.94.78.91:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js
Hebei Changan Automobile Co., Ltd	Hebei Provincial Pollutant Discharge Unit Self-monitoring Information Disclosure Platform	https://wryjc.cnemc.cn/gkpt/mainZxjc/130000

Investment in environmental treatment and protection and payment of environmental protection tax

The company's environmental protection investment mainly includes: the construction of environmental protection facilities, operation and maintenance of environmental protection facilities, solid waste transportation and disposal (hazardous waste included), sewage treatment, monitoring, revision of contingency plans, purchase of emergency materials, environmental protection tax, etc.

The company paid environmental protection tax of RMB 1,467,600 in 2023.

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

√Applicable □Not applicable

In 2023, Changan continued to promote the goal of "reaching carbon peak by 2027 and carbon neutrality by 2045".

Changan has taken solid efforts in energy-saving and carbon-reducing measures in manufacturing, achieving a 2.36% year-on-year reduction in carbon emission per vehicle and a 6.25% year-on-year reduction in carbon emissions per engine. We took in-depth measures to reduce carbon emission in the manufacturing process and tap potential. We have launched a total of 79 carbon reduction initiatives from various dimensions including energy efficiency optimization, process improvement, lean start-stop, scheduling optimization, achieving carbon reduction of 15,000 tons. We vigorously promoted energy structure reform. Bases in Yuzui of Chongqing, Hefei province and Hebei province have built photovoltaic power stations totaling about 79MW, generated and consumed green and clean energy by ourselves, with a total consumption of 57.6 million kWh of green power throughout the year, realizing carbon reduction of 50,000 tons. Changan actively participated in market-based green power trading, responding to the call of local policies to purchase green power of 3 million kWh, realizing carbon reduction of 0.2 million tons.

Changan carried out low-carbon technology research and application development in various technical fields of products, breaking through and mastering more than 100 core technologies, reducing its average carbon emission intensity per vehicle by 6.5% year-on-year. Among them: (A) In the field of new energy, the independent CTP battery has realized mass production. CTV battery has completed the industrialization sample test. The integration rate of the whole package is more than 76%, and the self-developed an electrodeless power battery control technology has improved the instantaneous power of charging and discharging by up to 20%. (B) In the field of new power, breakthroughs were made in more than 20 core technologies, such as hydrogen fuel engine, ultra-high thermal efficiency engine, power domain controller, hybrid motor controller, etc. The independent hybrid electric drive realized mass production, adopting the 10-layer Hairpin flat-wire oil-cooled motor with a power density of 7kW/kg and the highest assembly efficiency of 95%, which was awarded "Heart of China" 2023 Top 10 Engines and Hybrid Systems. We developed HE series hybrid exclusive engines, with the highest thermal efficiency exceeding 44%; We developed Changan Automobile's second-generation hydrogen fuel engine, realizing zero-carbon and near-zero emissions, and won the "Top 10 Achievement Transformation Award of the Engineer Excellence Competition". (C) In the field of new materials, Changan has established the ability to independently account for the carbon emissions of its products, and has completed 15 research studies on the application of low-carbon material technologies, which have been carried and applied in a number of vehicle models, realizing a carbon reduction of about 2% for a single vehicle model. Changan is committed to creating low-carbon products. DEEPAL SL03 is equipped with an ultra-integrated electric drive, integrating a number of low-carbon technologies such as low wind resistance, light weight and low voltage power consumption. The carbon emission value of the whole vehicle is lower than that of the industry by more than 10%, and it has been.

Administrative penalties imposed for environmental reasons during the reporting period are shown below

None.

Other environmental protection-related information

1. Environmental credit evaluation

In 2023, Yubei Factory, 3 bases of Liangjiang Factory, 2 bases of Jiangbei Engine, Chongqing Lingyao rated as Chongqing 2022 Environmental Integrity Enterprise, Mold Division rated as Yubei District Environmental Integrity Enterprise, Hefei Chang'an rated as Anhui Province Environmental Integrity Enterprise, and Nanjing Changan rated as Jiangsu Province General Trustworthy Enterprise.

2. Green supply management information

Changan has actively leveraged its industry influence to form a partnership of mutual trust, shared responsibility, and shared benefits and build a new supply chain system of open cooperation, win-win benefits, and sustainable development. Chongqing Changan has been shortlisted as a “National Green Supply Chain Management Enterprise” and “National Green Design Demonstration Enterprise”. Currently it has 18 green design products and 2 green factories (Yubei Factory and Liangjiang Factory) and has been shortlisted as a “Pilot Enterprise of Extended Producer Responsibility for Automobiles”.

We promoted green design and production, eliminated high energy-consuming equipment, and established green supply chain management and green corporate dynamic management. We piloted the collection of supplier product carbon emission data and collaborative carbon reduction. Through the access certification - Changan Business Partner Code of Conduct, Changan clarified the obligations and responsibilities in terms of human rights and working conditions, business ethics, conflict of interest, environmental protection, and conflict minerals, etc. Through the management of VOC control, prohibited substances, special supply requirements and green procurement evaluation, we worked with suppliers to improve our environmental performance and encourage them to save energy and reduce emissions and develop in a green and low-carbon way; We have implemented the management of IATF16949 quality management system certificate and ISO14001 environmental certification management, of which 98.4% of the suppliers have passed the IATF16949, 95.1% have passed the ISO14001, and 20% of the suppliers have been qualified as Green Factories and Green Supply Chain Management Enterprises.

For the management of hazardous substances, the collection and control of automotive material data, energy consumption, and other information is realized by completing systematic data declaration through CAMDS and realizing comprehensive analysis and data accounting through the ELV compliance system.

Check China Automotive Green Dismantling System (<http://www.cagds.org.cn>) for Changan outlets for recycling scrapped vehicles. Companies to recycle or use dismantled vehicles can also log in on the CAGDS website or CAGDS system to see the manual of M1 passenger car dismantling. Users can check relevant information on the M1 vehicle disassembly manual through the WeChat mini program “Vehicle Disassembly Manual Identity Analysis Tool”.

Power battery recycling service outlets can be checked on Changan Automobile Official Website (<https://www.changan.com.cn>).

II. Social Responsibility

The full text of the company's 2023 environmental, social and governance (ESG) report has been published on the same day as the company's annual report on <http://www.cninfo.com.cn>.

III. The Company Consolidated and Expanded the Achievements of Poverty Alleviation and Rural Revitalization

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, Changan comprehensively implemented the spirit of the 20th CPC National Congress, as well as that of the opinions of the CPC Central Committee and the State Council on comprehensively advancing the revitalization of the countryside, conscientiously implemented the government's work arrangements, adhered to the general tone of seeking progress while maintaining a steady growth, and focused on “guarding the bottom line, focusing on development, and promoting revitalization”. Highlighting annual tasks, targeted initiatives and practical orientation, Changan did a good job of targeted assistance in a solid and orderly manner, continuously improved the quality and effectiveness of assistance, and effectively carried out its political and social responsibilities, contributing Changan's strengths to the comprehensive promotion of rural revitalization.

1. Strengthen organizational leadership

We held 6 meetings among senior company leaders to study and arrange key work. We held 12 thematic working sessions on rural revitalization and targeted support to decide on key programs, study the plans, line out measures, and speed up the work. Changan's leadership visited Youyang County of Chongqing for research and guidance, promoting targeted assistance projects in an orderly manner.

2. Guarantee funds for assistance

Changan had pooled 10.6 million yuan for assistance, including 4.6 million yuan for Luxi County in Yunnan, and 6 million yuan for Yanshan County in Yunnan to support the comprehensive revitalization of rural industries, talents, culture, ecology, and organization in these two counties. Our purpose is to drive the development of rural industries, improve the local ecosystem, make local culture more civilized, and improve people's well-being with more effective governance.

3. Promote industrial assistance

Carrying out the government's overall plan on the implementation of rural revitalization, Changan continued to do a good job in helping the Youyang Tea Oil Project, and helped build a long-term mechanism of scientific management system with the core of improving the operation and management ability. First, we boosted marketing and channels, and through the company's sales network, we helped Chongqing Youzhou Tea Oil Technology Co., Ltd. to realize sales of 32.12 million yuan. Second, we enhanced the brand and corporate image, carried out the Changan Automobile cross-border new public welfare activity themed "bring new benefit with love and share a better life", and held a signing ceremony for sustainable development cooperation activities which Xinhua News Agency, Xinhua Net, Global Times, Guangming Daily and other media attended and reported. Changan helped Youyang Tea Oil make its debut with a high-end national oil brand image in the independent zone of Shanghai, Chongqing, Chengdu, Guangzhou international auto shows, engaging in cross-border new public welfare to expand its influence and setting an example for enterprises to assume their social responsibility. Third, we improved the business management system, adding 91 new business management system documents, upgrading and refining a more scientific and applicable management system of Youyang Tea Oil, helping Youzhou Oil Tea Technology Company to build a long-term mechanism of scientific management system. Fourth, we carried out carbon sink methodology research, established the oil tea tree carbon sink measurement model, parameter system and measurement standards, and built the oil tea tree carbon sink assessment methodology system.

4. Implement consumer support

Focusing on promoting the stable sales of supported products, Changan encouraged all business units and employees to buy agricultural products from the targeted supported areas, and actively participated in "Spring Action for Consumption Support through SOEs under Central Government" and "Week of Consumption for Rural Area Products through SOEs under Central Government", with a total consumption support of 2.095 million yuan. Among them, 1.478 million yuan was consumed in two counties in Yunnan and 617,000 yuan in other regions. Changan has taken practical actions to promote the development of industries in poverty-stricken areas and stabilize the income of poverty-stricken people.

5. Promote employment assistance

Leveraging its advantages as an automobile manufacturer, Changan has made skill training the focus and set up 2 "Changan Automobile Classes" in Luxi County and Yanshan County in Yunnan Province, and Youyang County in Chongqing. We carried out 2 expert lectures on campus and 2 rounds of recruitment at targeted areas. A total of 406 students were recruited, turning employment assistance into concrete actions and helping increase the income of people from rural areas.

6. Summarize and disseminate

Under the title of "From Giving Fish to Teaching 'Fishing' - Changan Automobile Promoted the Implementation of Rural Revitalization and Achieved Results", Changan submitted the case to the Association of Listed Companies in China to publicize and promote its effective and distinctive practice activities in rural revitalization, and was awarded the "Outstanding Practice Case of Listed Companies in Rural Revitalization".

Chapter 6 Important Matters

I. Undertaking performance

1. Undertakings completed during the reporting period and yet to be performed as of the end of the reporting period of the company's actual controllers, shareholders, related-parties, acquirers, and the company's related parties of the undertakings.

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	Fulfillment completed
Other commitments	China South Industries Group Co., Ltd.; China Changan Automobile Group Co., Ltd.; Southern Industry Asset Management Co., Ltd.	Sales restrictions for shares	From November 7th, 2023, within 6 months, the company will not reduce its holdings through centralized bidding or bulk trading in the secondary market.	November 2023	6 Months	In normal progress
Whether the promise is fulfilled as scheduled	Yes					

2. Explanation on whether assets or projects reach the earnings forecast and reasons when there is earning forecast for asset or projects and the reporting period is within the forecast period.

Applicable Not applicable

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. Explanation of the Board of Directors on the latest "Non-standard Audit Report"

Applicable Not applicable

V. Explanation of the “Non-Standard Audit Report” issued by the accounting firm during the reporting period by the BOD, BOS and independent directors (if any)

Applicable Not applicable

VI. Explanation of changes in accounting policies, accounting estimates and remedies for significant accounting errors

Applicable Not applicable

Please refer to "(31) Changes in Significant Accounting Policies and Accounting Estimates" in Note 3 to the financial statements for details.

VII. Explanation of changes in the consolidated statement scope compared to the last annual report

Applicable Not applicable

During the reporting period, the company has acquired the equity of Deepal Automotive Technology Co., Ltd. from Chongqing Changxin Equity Investment Fund Partnership Enterprise (Limited Partnership) and Chongqing Liangjiang New Area Equity Investment Fund Partnership Enterprise (Limited Partnership), with a shareholding ratio of 51.00%. It will be transferred from a joint venture to a subsidiary for accounting purposes and included in the scope of consolidation.

VIII. Appointment and dismissal of the accounting firm

The appointed accounting firm

The name of the domestic accounting firm	Lixin Certified Public Accountants (Special General Partnership)
Payment (RMB: 10,000)	324.90(Excluding tax)
Years of audit services	1
Names of Certified Public Accountants	Zhu Yuqin, Wang Kai
Years of services provided by Certified Public Accountants	1

Whether to re-appoint the accounting firms

Yes No

Whether to hire a new accounting firm during the audit period

Yes No

Does the replacement of accounting firm follow the approval process

Yes No

Detailed explanation of the situation regarding the change of appointment or change of accounting firm

Considering that Ernst & Young Huaming LLP (Special General Partnership) has served the company continuously for more than 10 years, which does not comply with the provisions of Article 12 of the Management Measures for the Selection and Appointment of Accounting Firms by State owned Enterprises and Listed Companies, which stipulates that the continuous appointment period shall not exceed 10 years, the proposal to appoint Lixin Certified Public Accountants (Special General Partnership) as the company's audit institution for the year 2023 has been reviewed and approved by the third meeting of the ninth board of directors and the second extraordinary general meeting of shareholders in 2023, providing financial audit and internal control audit services.

Description of the internal control accounting firms, financial adviser or sponsor

Applicable Not applicable

After the third meeting of the ninth board of directors and the second extraordinary general meeting of shareholders in 2023, the company has successively reviewed and approved the proposal on the appointment of auditors for the 2023 financial report and internal control report. The company has hired Lixin Certified Public Accountants (Special General Partnership) as the auditor for the 2023 internal control report. The company paid an internal control audit fee of RMB 949,800 (excluding tax) for the internal control audit services provided by Lixin Certified Public Accountants (Special General Partnership) in 2023.

IX. Delisting after the disclosure of the annual report

Applicable Not applicable

X. Bankruptcy and restructuring

Applicable Not applicable

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

XI. Crucial litigation and arbitration

Applicable Not applicable

During the reporting period, the company has no crucial litigation and arbitration.

XII. Punishment and rectification

Applicable Not applicable

During the reporting period there's no punishment and rectification..

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

Applicable Not applicable

XIV. Significant related-party transactions**1. Related-party transactions related to daily operation**

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

2. Related-party transactions 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 the 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	2,000,000	0.35%-2.1%	1,986,295	23,579,401	23,573,094	1,992,602

	Changan Automobile						
Changan Automobile Financing Co., Ltd.	A company controlled by the actual controller of Changan Automobile	1,500,000	1.85%-2.25%	1,495,000	1,499,000	1,495,000	1,499,000

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%	6,900	6,000	5,300	7,600

Credit granting or other financial business

Related party	Relationship	Business	Total amount (RMB: 10,000)	Actual amount incurred (RMB: 10,000)
China South Industries Group Finance Co., Ltd.	A company controlled by the actual controller of Changan Automobile	Credit granting	1,150,000	379,908

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	Website
Announcement of Expected Related-party Transactions in the Ordinary Course of 2023	April 18th, 2023	http://www.cninfo.com.cn

XV. 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

Contracting information

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 12 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. Entrustment of cash asset management**(1) Entrust wealth management**

Applicable Not applicable

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

(2) Entrusted loans

Applicable Not applicable

There is no entrusted loan during the reporting period.

4. Other major contracts

Applicable Not applicable

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

XVI. Other important events

Applicable Not applicable

During the reporting period, the company has completed the acquisition of a portion of equity in Deepal Automobile. The company's shareholding in Deepal Automobile has increased from 40.66% to 51.00%, and will be included in the company's consolidated financial statements starting from February 2023. For specific details, please refer to the "Progress Announcement on Acquiring Partial Equity of Changan New Energy" (Announcement No. 2023-05) disclosed by the company on February 18, 2023 on the Juchao Information Network (www.cninfo.com.cn).

XVII. Important matters of the Company's subsidiary

Applicable Not applicable

Chapter 7 Share Changes and Shareholder Information

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
Shares with sales restrictions	675,775,474	6.81%				-570,969,575	-570,969,575	104,805,899	1.06%
1. State-owned legal person shares	515,311,738	5.19%				-515,311,738	-515,311,738	0	0.00%
2. Other domestic shares	159,248,366	1.61%				-55,055,477	-55,055,477	104,192,889	1.05%
Including: domestic legal person shares									
domestic natural person shares	159,248,366	1.61%				-55,055,477	-55,055,477	104,192,889	1.05%
3. Foreign shares	1,215,370	0.01%				-602,360	-602,360	613,010	0.01%
Including: foreign legal persons shares									
foreign natural person shares	1,215,370	0.01%				-602,360	-602,360	613,010	0.01%
Shares without sales restrictions	9,246,023,948	93.19%				566,459,186	566,459,186	9,812,483,134	98.94%
1. Ordinary shares denominated in RMB	7,604,409,171	76.64%				566,459,186	566,459,186	8,170,868,357	82.39%
2. Domestic listed foreign shares	1,641,614,777	16.55%						1,641,614,777	16.55%
Total shares	9,921,799,422	100.00%				-4,510,389	-4,510,389	9,917,289,033	100.00%

Reasons for share change

Applicable Not applicable

(1) A-share restricted stock incentive plan lifting restricted shares for listing and circulation

On March 6th, 2023, the company lifted its restricted shares and listed them for circulation, with a total of 44,275,061 shares. For specific details, please refer to the "Notice on the First Release of Restricted Shares from the Restricted Stock Incentive Plan for A-shares". On January 2nd, 2024, the company lifted the restrictions on the sale of 7,366,678 shares, which were listed for circulation. The registration of the lifting of restrictions and changes was completed after the market closed on December 29th, 2023. For specific details, please refer to the "Notice on the lifting of restrictions on the sale of A-share restricted stock incentive plans". The above-mentioned incentive targets for lifting restrictions include some directors and senior management personnel of the company, and the stocks obtained will be locked in accordance with relevant laws and regulations.

(2) Partial cancellation of restricted stock repurchases in A-shares

On June 20th and December 5th, 2023, the company completed the repurchase and cancellation of 2,476,422 shares and 2,033,967 shares of restricted stocks that had been granted to some of the original incentive objects but had not yet been released from restrictions. For specific details, please refer to the Announcement on the Completion of Repurchase and Cancellation of Some Restricted Stocks. The total share capital of the company was reduced from 9,921,799,422 shares to 9,917,289,033 shares.

(3) Non public offering of restricted shares for listing and circulation

On November 7th, 2023, the company's non-public offering of restricted shares was listed and circulated, with a total of 515,311,738 shares. For specific details, please refer to the "Notice on the Listing and Circulation of Restricted Shares by Non Public Development Banks".

(4) Other reasons for changes

Other changes in the company's limited sale shares are due to changes in lock up shares of directors, supervisors, and senior executives, as well as changes in lock up shares of departing executives.

Approval of share change

Applicable Not applicable

(1) A-share restricted stock incentive plan lifting restricted shares for listing and circulation

Approved by the 52nd meeting of the 8th Board of Directors, the 21st meeting of the 8th Board of Supervisors, the 12th meeting of the 9th Board of Directors, and the 4th meeting of the 9th Board of Supervisors on February 17 and December 8, 2023, respectively.

(2) Partial cancellation of restricted stock repurchases in A-shares

The first repurchase cancellation issue was reviewed and approved by the 43rd meeting of the 8th Board of Directors and the 18th meeting of the 8th Board of Supervisors of the company on August 2nd, 2022, and by the 3rd extraordinary general meeting of shareholders of the company on August 18th, 2022. The second repurchase cancellation matter was reviewed and approved by the third meeting of the ninth board of directors and the second meeting of the ninth supervisory board on August 30th, 2023, and by the second extraordinary general meeting of shareholders of the company on September 15th, 2023.

(3) Non public offering of restricted shares for listing and circulation

After verification and confirmation by the Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation Shenzhen Branch, the non-public offering of restricted shares was listed and circulated on November 7th, 2023.

Transfer of shares

Applicable Not applicable

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

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 0.80 yuan, and at the end, RMB 1.15 yuan; the diluted earnings per share at the beginning of the reporting period was RMB 0.78 yuan, and at the end was RMB 1.13 yuan; the net assets per share attributable to ordinary shareholders at the beginning were RMB 6.34 yuan, and at the end, RMB 7.25 yuan.

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	Increase during the reporting period	Number of shares with sales restriction removed during the reporting period	Number of restricted shares at the end of the period	Reasons for restrictions	Date of removal of sales restriction
Southern Industry Asset Management Co., Ltd.	340,186,916		340,186,916	0	Non-public issuance of A shares in 2020	November 7th, 2023
China Changan Automobile Group Co., Ltd.	170,093,458		170,093,458	0	Non-public issuance of A shares in 2020	November 7th, 2023
China South Industries Group Co., Ltd.	5,031,364		5,031,364	0	Non-public issuance of A shares in 2020	November 7th, 2023
A-share restricted stock	160,418,388	-4,510,389	51,641,739	104,266,260	Equity incentive	On March 6th, 2023, 44,275,061 shares were listed and circulated. On January 2, 2024, 7,366,678 shares were listed and outstanding. The restricted shares granted for the first time and reserved to the incentive recipients will also be released in two batches, with each batch of restricted shares being restricted for a period of 36 months and 48 months respectively from the date of completion of the corresponding grant registration, and the proportion of the restricted shares granted to the incentive recipients will be 33% and 34% respectively.
Other shareholders	45,348	505,241	10,950	539,639	Lock-in shares of directors, supervisors, senior executives and outgoing executives in addition to restricted stocks	Lift the sale restriction according to the relevant rules
Total	675,775,474	-4,005,148	566,964,427	104,805,899	--	--

Note: Among the A-share restricted shares, the "increase in the number of restricted shares in the current period" refers to the repurchase and cancellation of a total of 4,510,389 shares.

II. Issuing and listing of securities

1. Securities issuance (excluding preference shares) during the reporting period

Applicable Not applicable

2. Changes in the company's total shares and shareholding structure, and changes in the company's asset and liability structure

Applicable Not applicable

Please see Chapter 7, I, 1, "Reasons for share change" for the changes in the total number of ordinary shares and shareholder structure of the Company during the reporting period.

At the beginning of the reporting period, the total assets were RMB 146,049,068,075.25; the total liabilities were RMB 83,099,751,390.43, and the asset-liability ratio was 56.90%. At the end of the period, the total assets were RMB 190,171,127,138.27, the total liabilities were RMB 115,487,870,299.24, and the asset-liability ratio was 60.73%.

3. Existing employee shares

Applicable Not applicable

III. Shareholders and actual controllers

1. Number of shareholders and shareholding

Unit: share(s)

At the end of the report period, the total number of shareholders		451,892	Number of ordinary shareholders at the month-end prior to the disclosure date of this Report		453,758	Number of shareholders holding preference shares with restored voting rights at the end of the reporting period		0	Number of shareholders holding preference shares with restored voting rights at the month-end prior to the disclosure date of this Report		0
Shareholders holding more than 5% of the shares, or top 10 shareholders (Excludes shares lent through refinancing)											
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	17.98%	1,783,090,143	0		1,783,090,143	Not pledged, labeled or frozen				
China South Industries Group Co., Ltd.	State-owned legal person	14.23%	1,410,747,155	0		1,410,747,155					
Southern Industry Asset Management Co., Ltd.	State-owned legal person	4.60%	456,253,257	-49,990,000		456,253,257					
China Securities Finance Co., Ltd.	Domestic general legal person	4.30%	426,362,905	0		426,362,905					
United Prosperity Investment Co., Ltd.	Foreign legal person	2.83%	280,498,832	0		280,498,832					
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	2.37%	235,386,954	92,260,045		235,386,954					
China Merchants Securities (HK) Co., Ltd.	Foreign legal person	0.54%	53,627,322	13,721,703		53,627,322					
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Foreign legal person	0.46%	46,075,641	3,393,226		46,075,641					
Shen Yanjun	Domestic natural persons	0.35%	35,003,248	35,003,248		35,003,248					
Industrial and Commercial Bank of China Co., Ltd. - Huatai Pinebridge CSI 300 ETF Securities Investment Fund	Funds, wealth management products, etc	0.35%	34,286,544	17,407,430		34,286,544					
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.	1,783,090,143	RMB ordinary shares	1,783,090,143
China South Industries Group Co., Ltd.	1,410,747,155	RMB ordinary shares	1,410,747,155
Southern Industry Asset Management Co., Ltd.	456,253,257	RMB ordinary shares	456,253,257
China Securities Finance Co., Ltd.	426,362,905	RMB ordinary shares	426,362,905
United Prosperity Investment Co., Ltd.	280,498,832	Domestic listed foreign shares	280,498,832
Hong Kong Securities Clearing Co., Ltd.	235,386,954	RMB ordinary shares	235,386,954
China Merchants Securities (HK) Co., Ltd.	53,627,322	Domestic listed foreign shares	53,627,322
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	46,075,641	Domestic listed foreign shares	46,075,641
Shen Yanjun	35,003,248	RMB ordinary shares	35,003,248
Industrial and Commercial Bank of China Co., Ltd. - Huatai Pinebridge CSI 300 ETF Securities Investment Fund	34,286,544	RMB ordinary shares	34,286,544
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 participation of the top 10 ordinary shareholders in margin trading business	Shareholder Shen Yanjun holds 35,003,248 shares of the Company through the customer credit transaction guarantee securities account of GF Securities Co., Ltd.		

The top 10 shareholders participated in the refinancing business and lent shares

√ Applicable □ Not applicable

Unit: share(s)

The top 10 shareholders participated in the refinancing of loaned shares								
Shareholder Name	Initial ordinary account and credit account holdings		The shares lent at the beginning of the period were refinanced and have not been returned		Ordinary account and credit account holdings at the end of the period		At the end of the period, the shares were loaned and have not been returned	
	Total quantity	Proportion of total share capital	Total quantity	Proportion of total share capital	Total quantity	Proportion of total share capital	Total quantity	Proportion of total share capital
Industrial and Commercial Bank of China Co., Ltd. - Huatai Pinebridge CSI 300 ETF Securities Investment Fund	16,879,114	0.17%	3,443,400	0.03%	34,286,544	0.35%	2,795,700	0.03%

The top 10 shareholders changed from the previous period

√ Applicable □ Not applicable

Unit: share(s)

Changes in the top 10 shareholders compared to the end of the previous period					
Shareholder Name	New entry/Exit	The number of shares lent at the end of the period and has not yet been returned		The number of shares held in the shareholders' ordinary account, credit account and refinancing loans at the end of the period and not yet returned	
		Total quantity	Proportion of total share capital	Total quantity	Proportion of total share capital
Shen Yanjun	New entry			35,003,248	0.35%
Industrial and Commercial Bank of China Co., Ltd. - Huatai Pinebridge CSI 300 ETF Securities Investment Fund	New entry	2,795,700	0.03%	37,082,244	0.37%
China Construction Bank Corporation - China Energy Innovation Equity Securities Investment Fund	Exit			8,848,656	0.09%
Taiping Life Insurance Company Limited	Exit			23,834,736	0.24%

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.

2. The company's controlling shareholder

Nature of the controlling shareholder: the central state-owned

Type of the controlling shareholder: legal person

Name	Legal /Representative	Date of establishment	Organization code	Business scope and major products:
China Changan Automobile Group Co., Ltd.	Zhao Fei	December 26th, 2005	911100007109339484	Design, development, manufacturing and sales of car, motorcycle and engine and parts; sales of optical products, electronic and optoelectronic products, night vision device, information and communication equipment; technical development, transfer, consultation, technical training, and other technical service related to the operation mentioned above; imports and exports; merge and acquisition and asset restructuring consultation; telecommunications services and agency bookkeeping.
Equity of other domestic and overseas listed companies where he has controlled and participated during the reporting period	As of the end of the reporting period, controlling shares of listed companies: Harbin Dongan Auto Engine Co., Ltd. (stock code 600178); Hunan Tianyan Machinery Co., Ltd. (stock code 600698), Chongqing Changan Minsheng APLL Logistics Co., Ltd (stock code 01292.HK)			

The change of controlling shareholder during the reporting period

Applicable Not applicable

No changes in controlling shareholder during the reporting period.

3. The actual controller and its parties acting in concert

Nature of the actual controller: the central state-owned asset management institution

Type of the actual controller: legal person

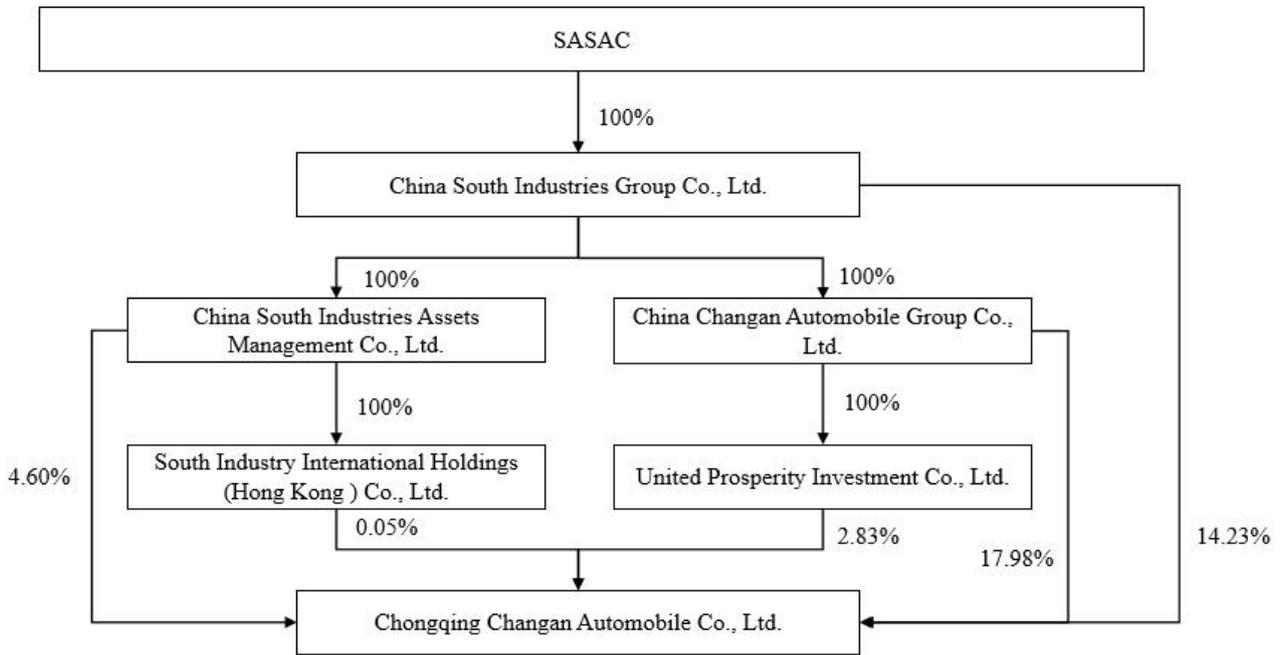
Name	Legal Representative	Date of establishment	Organization code	Businesses
China South Industries Group Corp.	Xu Xianping	Jun 29th, 1999	91110000710926043F	Investment and management of state-owned assets, operation and management, R&D, manufacturing, guarantee and services of vehicles, electrical equipment, optoelectronic information products and equipment, mechanical equipment, engineering and construction machinery, chemical materials (except hazardous chemicals), fire-fighting equipment, medical and environmental protection equipment, metal and non-metal materials and products.
Other domestic and overseas listed companies controlled by the actual controller during the report period	As of the end of the reporting period, directly or indirectly controlling the listed company: Harbin Dongan Automotive Power Co., Ltd. (stock code 600178); Baoding Tianwei Baobian Electric Co., Ltd. (stock code 600550); Jiangling Automobile Co., Ltd. (stock code 000550); Hunan Tianyan Machinery Co., Ltd. (stock code 600698); Chongqing Construction Automotive Systems Co., Ltd. (stock code 200054); China Optics Group Co., Ltd. (stock code 002189); Construction Industry Group (Yunnan) Co., Ltd. (stock code 002265); Chongqing Chang'an Minsheng Logistics Co., Ltd. (stock code 01292); Hubei Huaqiang Technology Co., Ltd. (stock code 688151); Anhui Great Wall Military Industry Co., Ltd. (stock code 601606).			

The change of the actual controller during the reporting period

Applicable Not applicable

No changes in the actual controller during the reporting period.

The equity and control relationship between the company and the actual controller:



Actual controlling through trust or other asset management.

Applicable Not applicable

4. Pledged shares held by controlling shareholder or the largest shareholder and its parties acting in concert account for 80% of the shares.

Applicable Not applicable

5. Other corporate shareholders holding over 10% shares.

Applicable Not applicable

6. Shareholding restriction and reduction of controlling shareholder, actual controller, restructuring party and other commitment entities

Applicable Not applicable

IV. Share repurchase during the reporting period

Share repurchase

Applicable Not applicable

Reducing repurchased shares by centralized bidding

Applicable Not applicable

Chapter 8 Preference Shares

Applicable Not applicable

There was no preferred share in the Company in the reporting period.

Chapter 9 Bonds

Applicable Not applicable

I. Enterprise Bonds

Applicable Not applicable

No enterprise bonds in the Reporting Period

II. Corporate Bonds

Applicable Not applicable

1. Basic Information of the Corporate Bonds

Unit: 10000 RMB

Bond Name	Abbreviation	Bond Code	Date of issue	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
Chongqing Changan Automobile Co., Ltd. publicly issued science and technology innovation corporate bonds to professional investors in 2022 (Phase I)	22 Changan K1	148147.SZ	December 19th, 2022	December 20th, 2022	December 20th, 2027	100,000	3.00%	Single interest is calculated on an annual basis, excluding compound interest. The interest is paid once a year, and the principal is repaid once due. The last interest is paid with the payment of the principal.	Shenzhen Stock Exchange
Appropriate arrangement of the investors (if any)	This bond is issued to professional institutional investors who open A-share securities accounts in Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. (excluding purchasers prohibited by laws and regulations).								
Applicable trading mechanism	Centralized bidding trade and block trading								
Risk of termination of listing transactions (if any) and countermeasures	None								

Overdue bonds

Applicable Not applicable

2. The Trigger and Execution of the Option Clause of the Issuers or Investors and the Investor Protection Clause

Applicable Not applicable

3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
Chongqing Changan Automobile Co., Ltd.	Lead underwriter and bond trustee: CITIC Securities Co., Ltd.	22nd Floor, CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	Hu Yan, Qiao Chun, Yuan Yong	Jiang Haotian, Jiang jiarong	010-60837490

publicly issued science and technology innovation corporate bonds to professional investors in 2022 (Phase I)	Joint lead underwriter: China International Capital Corporation Limited	27th and 28th Floors, Block 2, Guomao Building, No. 1 Jianguomenwai Street, Chaoyang District, Beijing	Qi Qin, Yan Runan, Li Cong	010-65051166
	Law Firm: Beijing ZhongLun Law Firm	Floor 8-10, Building A, Rongchao Business Center, 6003 Yitian Road, Futian District, Shenzhen	Xu Zhigang	0755-33256902
	Accounting firm: Ernst & Young Hua Ming LLP (Special General Partnership)	17th Floor, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing, China	Qiao Chun, Yuan Yong	023-62736177
	Rating agency: United Credit Rating Co., Ltd.	17th Floor, PICC Property&Casualty Insurance Building, No. 2 Jianguomenwai Street, Chaoyang District, Beijing	Sun Changzheng, Li Jingyun	010-85679696

Indicate by tick mark whether above intermediary changed in the Reporting Period

Yes No

4. List of the Usage of the Raised Funds

Unit: 10000 RMB

Bond	Total amount	Amount spent	Unused amount	Operation of special account for raised funds	Rectification of raised funds for violation operation	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
Chongqing Changan Automobile Co., Ltd. publicly issued science and technology innovation corporate bonds to professional investors in 2022 (Phase I)	100,000	100,000	0	Relevant special accounts for raised funds are used normally according to regulations	No illegal use of raised funds	Yes

The raised funds were used for project construction

Applicable Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

Applicable Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

Applicable Not applicable

6. Execution and Changes of Guarantee, Repayment Plan and Other Repayment Guarantee Measures as well as Influence on Equity of Bond Investors during the Reporting Period

Applicable Not applicable

III. Debt Financing Instruments of Non-financial Enterprises

Applicable Not applicable

No such cases in the Reporting Period.

IV. Convertible Corporate Bonds

Applicable Not applicable
No such cases in the Reporting Period.

V. Losses of Scope of Consolidated Financial Statements during the Reporting Period Exceeding 10% of Net Assets up the Period-end of Last Year

Applicable Not applicable

VI. Matured Interest-bearing Debt excluding Bonds up the Period-end

Applicable Not applicable

VII. Whether there was any Violation of Rules and Regulations during the Reporting Period

Yes No

VIII. The Major Accounting Data and the Financial Indicators of the Recent 2 Years of the Company up the Period-end

Unit: 10,000 RMB

Items	31 December 2023	31 December 2022	Increase/decrease
Current ratio	1.27	1.35	-5.93%
Debt/asset ratio	60.73%	56.90%	3.83%
Quick ratio	1.14	1.28	-10.94%
	31 December 2023	31 December 2022	Increase/decrease
Net profit after deducting non-recurring profit or loss	378,184.67	325,479.01	16.19%
Debt/EBITDA ratio	13.76%	14.01%	-0.25%
Interest cover (times)	147.61	137.44	7.40%
Cash-to-interest cover (times)	302.50	116.39	159.90%
EBITDA-to-interest cover (times)	241.90	239.17	1.14%
Loan repayment rate	100%	100%	0
Interest coverage	100%	100%	0

Chapter 10 Auditor's Report

Xin Kuai Shi Bao Zi 【2024】 No. ZG11157
Chongqing Changan Automobile Company Limited

**To the shareholders of
Chongqing Changan Automobile Company Limited**

Auditor's Report

Xin Kuai Shi Bao Zi 【2024】 No. ZG11157
Chongqing Changan Automobile Company Limited

**To the shareholders of
Chongqing Changan Automobile Company Limited:**

Opinion

We have audited the accompanying financial statements of Chongqing Changan Automobile Company Limited, which comprise the consolidated and the company balance sheet as at 31 December 2023, and the consolidated and the company income statements, the statements of changes in equity and the cash flow statements for the year then ended and notes to the financial statements.

In our opinion, the accompanying financial statements of Chongqing Changan Automobile Company Limited present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2023, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Auditor's Report (continued)

Key audit matters (continued)

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

Key audit matter	How our audit addressed the key audit matter
<i>Non-controlling interest business combination</i>	
<p>In the current fiscal year, Chongqing Changan Automobile Co., Ltd. (hereinafter referred to as 'Changan Automobile') concluded the acquisition of a 10.34% equity interest in Shenlan Automobile Technology Co., Ltd. (hereinafter referred to as 'Shenlan Automobile'), boosting its ownership to 51%. Changan Automobile has treated this acquisition as a non-controlling business combination for accounting purposes. The management commissioned independent external appraisers to evaluate the fair value of identifiable net assets. On the acquisition date, Changan Automobile revalued the original equity held at fair value, resulting in the recognition of investment income totaling RMB 5,021,482,128.74. Additionally, goodwill amounting to RMB 1,800,926,049.16 was recognized due to the merger cost surpassing the fair value of identifiable net assets acquired. Given the substantial impact of Shenlan Automobile's identifiable net assets' fair value on Changan Automobile's consolidated financial statements and the significant management judgment involved, we have identified this as a key audit matter.</p>	<p>With regard to the warranty provisions audited by us:</p> <ul style="list-style-type: none"> • Acquire and scrutinize pertinent transaction documents, including equity transfer agreements and board resolutions, and engage in discussions with management regarding the determination of the acquisition date. • Secure and evaluate the equity acquisition appraisal report, assessing the qualifications, professional competency, and independence of third-party appraisal institutions involved. • Engage internal evaluation experts to assess the methodologies and critical assumptions utilized in determining fair value. • Examine management's accounting treatment of the business combination to verify adherence to accounting standards, along with assessing the sufficiency of related disclosures in the notes to the consolidated financial statements.

Auditor's Report (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Operating Revenue confirmation</i>	
<p>Chongqing Changan Automobile Co., Ltd. (hereinafter referred to as 'Changan Automobile') derives its primary revenue from automobiles, automobile components, related products, and other outputs. In 2023, Changan Automobile recorded operating revenue of RMB 1512.98 billion, representing a year-on-year growth rate of 24.78%. Given that revenue serves as a pivotal performance indicator for Changan Automobile, there exists inherent risk associated with potential management manipulation of revenue recognition timing to meet specific goals or expectations. Consequently, we identify revenue recognition as a critical audit focus area.</p>	<p>With regard to the capitalization of internal development costs audited by us:</p> <ul style="list-style-type: none"> • Assess and test the efficacy of internal controls pertaining to the design and execution of operating revenue. • Secure key sales contracts, scrutinize contract terms concerning control transfer and revenue recognition, and verify adherence to the company's accounting policies. • Perform analytical review procedures, analyzing changes in various revenue categories and gross margins to ascertain the reasonableness of fluctuations. • Conduct thorough examinations of revenue recognition, scrutinizing supporting documentation such as delivery orders, logistics documents, and sales invoices. • Select samples for transactions occurring post-balance sheet date, review supporting documentation like delivery orders and logistics documents, and assess the appropriateness of revenue recording within the relevant accounting period. • Investigate for significant revenue reversals or substantial returns post-reporting period.

Auditor's Report (continued)

Other information

The management of the Chongqing Changan Automobile Company Limited (the "Management") is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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

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

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

Management's and governance' responsibility for the financial statements

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

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

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

Zhu Yu Qin

BDO China Shu Lun Pan Certified Public
Accountants LLP

Chinese Certified Public Accountant
(Engagement partner)

Wang Kai

Chinese Certified Public Accountant

Shanghai the PRC

16 April 2024

Chongqing Changan Automobile Company Limited
CONSOLIDATED BALANCE SHEET (continued)
31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes V</u>	<u>2023/12/31</u>	<u>2022/12/31</u>
Current liabilities			
Short-term loans	22	30,039,416.74	29,000,000.00
Notes payable	23	37,456,669,928.07	22,072,793,864.83
Account payable	24	38,289,947,321.45	29,449,664,138.75
Receipts in advance	25	686,755.00	
Contract liabilities	26	7,923,792,852.77	5,655,256,792.66
Payroll payable	27	2,750,661,337.26	2,807,158,489.85
Tax payable	28	1,928,723,907.38	1,749,946,082.32
Other payables	29	5,880,882,512.97	6,082,766,424.67
Non-current liabilities due within one year	30	80,077,042.88	885,723,901.34
Other current liabilities	31	<u>8,897,936,399.92</u>	<u>6,627,044,667.62</u>
Total current liabilities		<u>103,239,417,474.44</u>	<u>75,359,354,362.04</u>
Non-current liabilities			
Long-term loans	32	72,000,000.00	36,000,000.00
Bonds payable	33	999,607,547.16	999,528,301.88
Lease Liabilities	34	134,254,398.07	60,205,397.98
Long-term account payable	35	952,446,118.57	553,518,750.12
Long term payroll payable	36	30,414,000.00	35,013,000.00
Accrued liabilities	37	6,277,041,416.79	4,589,299,321.49
Deferred income	38	718,840,543.52	347,568,549.62
Deferred tax liabilities	19	1,566,074,982.00	237,036,741.16
Other non-current liabilities	39	<u>1,497,773,818.69</u>	<u>882,226,966.14</u>
Total non-current liabilities		<u>12,248,452,824.80</u>	<u>7,740,397,028.39</u>
Total liabilities		<u>115,487,870,299.24</u>	<u>83,099,751,390.43</u>

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes V</u>	<u>2023</u>	<u>2022</u>
Operating revenue	47	151,297,706,646.97	121,252,864,085.40
Less: Operating cost	47	123,522,656,353.72	96,409,610,873.76
Tax and surcharges	48	4,758,426,281.70	4,101,847,822.50
Operating expenses	49	7,645,205,592.88	5,138,270,162.95
General and administrative expenses	50	4,097,537,529.67	3,532,458,198.76
Research and development expenses	51	5,979,844,653.23	4,315,444,864.76
Financial income	52	-897,343,739.80	-1,017,305,743.08
Interest expense	52	65,658,308.92	48,683,490.36
Interest income	52	1,172,272,116.20	1,014,346,758.69
Add: Other incomes	53	1,644,319,505.04	529,819,888.31
Investment income/(loss)	54	3,050,413,045.10	-768,957,070.79
Including: Investment income/(loss) from associates and joint venture	54	-2,201,515,632.81	-3,060,648,491.82
Earnings from fair value changes	55	-19,061,189.53	3,570,229.29
Impairment loss of credit	56	-46,742,115.91	-32,242,010.27
Impairment loss on assets	57	-813,828,346.53	-945,853,716.20
Gain on disposal of assets	58	440,995,737.23	74,862,481.00
Operating profit		10,447,476,610.97	7,633,737,707.09
Add: Non-operating income	59	169,793,538.35	128,910,416.79
Less: Non-operating expenses	60	28,073,391.83	54,391,039.79
Total profit		10,589,196,757.49	7,708,257,084.09
Less: Income tax expense	61	1,087,297,716.52	-36,769,018.51
Net profit		<u>9,501,899,040.97</u>	<u>7,745,026,102.60</u>
Classification by going concern			
Net profit from continuing operations		9,501,899,040.97	7,745,026,102.60
Classification by ownership attribution			
Net profit attributable to owners		11,327,463,013.15	7,798,785,367.38
Minority interests		-1,825,563,972.18	-53,759,264.78

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
CONSOLIDATED INCOME STATEMENT (continued)
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes V</u>	<u>2023</u>	<u>2022</u>
Other comprehensive income, net of tax			
Total comprehensive income attributable to owners, net of tax		19,477,168.62	34,464,805.89
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Change in net liability or assets from defined benefit plan		540,000.00	112,000.00
Other comprehensive income under the equity method cannot be converted into profit or loss		-1,454,051.91	602,832.07
Changes in fair value of other equity investment		12,104,070.30	-4,675,000.00
		<u>11,190,018.39</u>	<u>-3,960,167.93</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Other comprehensive income under the equity method to be converted into profit or loss			-75,815.98
Foreign currency reserve		8,287,150.23	38,500,789.80
		<u>8,287,150.23</u>	<u>38,424,973.82</u>
Total comprehensive income attributable to minority interests, net of tax			<u>(1,916.69)</u>
Total comprehensive income		<u>9,521,376,209.59</u>	<u>7,779,488,991.80</u>
<i>Including:</i>			
Total comprehensive income attributable to owners		11,346,940,181.77	7,833,250,173.27
Total comprehensive income attributable to minority interest		-1,825,563,972.18	-53,761,181.47
Earnings per share			
Basic earnings per share	62	<u>1.15</u>	<u>0.80</u>
Diluted earnings per share	62	<u>1.13</u>	<u>0.78</u>

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

2023

	Equity attributable to owners							Minority interest	Total equity	
	Share capital	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings			Subtotal
At 31 December 2022	9,921,799,422.00	8,532,806,685.77	627,060,416.52	98,841,615.42	24,090,898.05	3,528,165,002.27	41,379,965,149.07	62,858,608,356.06	90,708,328.76	62,949,316,684.82
Changes during the year:										
Total comprehensive income				19,477,168.62			11,327,463,013.15	11,346,940,181.77	-1,825,563,972.18	9,521,376,209.59
Capital contributed by owners and capital decreases										
1. Ordinary shares contribution from owners	-4,510,389.00	-281,519,048.07	-218,038,971.73					-67,990,465.34	4,557,548,599.34	4,489,558,134.00
2.Amount of share-based payments included in shareholders' equity	-4,510,389.00							-4,510,389.00	35,190,000.00	30,679,611.00
3.Others		348,509,207.00						348,509,207.00		348,509,207.00
Distribution of profit		-630,028,255.07							4,522,358,599.34	4,110,369,316.00
1.Surplus reserve						748,080,862.37	-3,089,495,730.49	-2,341,414,868.12	-150,000.00	-2,314,820,519.29
2.Distribution to owners						748,080,862.37	-748,080,862.37			
Internal transfer of shareholder equity										
1.Capital reserve converted into share capital										
2.Other comprehensive income converted to retained earnings										
Special reserves										
1.Provided						30,232,432.29		30,232,432.29	7,593,897.62	37,826,329.91
2.Ultilized						126,209,917.06		126,209,917.06	9,354,725.09	135,564,642.15
Disposal of subsidiaries						-95,977,484.77		-95,977,484.77	-1,760,827.47	-97,738,312.24
At 31 December 2023	9,917,289,033.00	8,251,287,637.70	382,277,095.96	118,318,784.04	54,323,330.34	4,276,245,864.64	49,617,932,431.73	71,853,119,985.49	2,830,136,853.54	74,683,256,839.03

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

2022

	Equity attributable to owners							Minority interest	Total equity	
	Share capital	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings			Subtotal
At 31 December 2021	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	55,732,932,103.72	133,307,840.48	55,866,239,944.20
Add: Changes in accounting policies						15,440.88	152,935.82	168,376.70		168,376.70
Opening balance for the year	7,632,153,402.00	9,776,193,360.38	655,812,327.60	69,442,469.53	27,988,260.61	2,982,307,854.55	35,900,827,460.95	55,733,100,480.42	133,307,840.48	55,866,408,320.90
Total comprehensive income				34,464,805.89			7,798,785,367.38	7,833,250,173.27	-53,761,181.47	7,779,488,991.80
Capital contributed by owners and capital decreases		1,046,259,345.39						1,046,259,345.39		1,046,259,345.39
1.Amount of share-based payments included in shareholders' equity		380,209,900.00						380,209,900.00		380,209,900.00
2.Others		666,049,445.39						666,049,445.39		666,049,445.39
Distribution of profit			-28,751,911.08			545,857,147.72	-2,324,713,339.26	-1,750,104,280.46		-1,750,104,280.46
1.Surplus reserve						545,857,147.72	-545,857,147.72			
2.Distribution to owners			-28,751,911.08				-1,778,856,191.54	-1,750,104,280.46		-1,750,104,280.46
3.Others										
Internal transfer of shareholder equity	2,289,646,020.00	-2,289,646,020.00		-5,065,660.00			5,065,660.00			
1.Capital reserve converted into share capital				-5,065,660.00			5,065,660.00			
2. Others										
Special reserves					-3,897,362.56			-3,897,362.56	286,981.06	-3,610,381.50
1.Provided					104,696,987.95			104,696,987.95	3,726,050.64	108,423,038.59
2.Utilized					-108,594,350.51			-108,594,350.51	-3,439,069.58	-112,033,420.09
Other									10,874,688.69	10,874,688.69
At 31 December 2022	9,921,799,422.00	8,532,806,685.77	627,060,416.52	98,841,615.42	24,090,898.05	3,528,165,002.27	41,379,965,149.07	62,858,608,356.06	90,708,328.76	62,949,316,684.82

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes V</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sale of goods or rendering of services		168,499,172,064.84	122,619,321,871.95
Refunds of taxes		2,225,768,807.06	2,134,224,529.98
Cash received relating to other operating activities	63	<u>3,358,313,435.61</u>	<u>2,441,682,594.87</u>
Subtotal of cash inflows		<u>174,083,254,307.51</u>	<u>127,195,228,996.80</u>
Cash paid for goods and services		120,590,933,831.95	97,369,979,246.46
Cash paid to and on behalf of employees		11,126,200,718.40	9,188,241,321.99
Cash paid for all types of taxes		11,570,501,390.34	8,604,964,741.08
Cash paid relating to other operating activities	63	<u>10,934,152,129.26</u>	<u>6,365,696,828.75</u>
Subtotal of cash outflows		<u>154,221,788,069.95</u>	<u>121,528,882,138.28</u>
Net cash flows from operating activities	63	<u>19,861,466,237.56</u>	<u>5,666,346,858.52</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from recovery of investment		131,461,810.72	131,455,724.43
Cash received from return on investment		344,832,879.75	1,750,853,747.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		296,034,699.57	609,907,900.54
Cash received relating to other investing activities	63	<u>6,216,944,276.29</u>	-
Subtotal of cash inflows		<u>6,989,273,666.33</u>	<u>2,492,217,372.08</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		2,824,057,426.66	1,405,004,336.97
Cash paid for investment		2,373,361,769.00	3,226,058,570.32
Other cash disbursed in connection with investment activities	63	<u>8,000,000,000.00</u>	<u>815,126,333.76</u>
Subtotal of cash outflows		<u>13,197,419,195.66</u>	<u>5,446,189,241.05</u>
Net cash flows from investing activities		<u>-6,208,145,529.33</u>	<u>-2,953,971,868.97</u>

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
CONSOLIDATED CASH FLOW STATEMENT (continued)
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes V</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM			
FINANCING ACTIVITIES:			
Cash received from absorbing investments		35,190,000.00-	
Including: cash received by the subsidiary from absorbing minority shareholders' investment			
Cash received from borrowings		120,000,000.00	1,086,598,301.88
Cash received relating to other financing activities	63	<u>863,425,006.28</u>	<u>1,705,726,148.77</u>
Sub-total of cash inflows		<u>1,018,615,006.28</u>	<u>2,792,324,450.65</u>
Cash repayments of borrowings		683,000,000.00	391,370,000.00
Cash paid for distribution of dividends or profits and interest expenses		2,380,851,402.08	1,803,960,937.04
Cash paid relating to other financing activities	63	<u>83,072,569.73</u>	<u>372,563,245.60</u>
Sub-total of cash outflows		<u>3,146,923,971.81</u>	<u>2,567,894,182.64</u>
Net cash flows from financing activities		<u>-2,128,308,965.53</u>	<u>224,430,268.01</u>
EFFECT OF CHANGES IN			
EXCHANGE RATE ON CASH		<u>-90,488,889.33</u>	<u>36,712,955.19)</u>
NET INCREASE IN CASH			
AND CASH EQUIVALENTS		11,434,522,853.37	2,973,518,212.75
Add: Opening balance of cash and cash equivalents		<u>52,491,435,047.74</u>	<u>49,517,916,834.99</u>
CLOSING BALANCE OF			
CASH AND CASH EQUIVLANT	63	<u><u>63,925,957,901.11</u></u>	<u><u>52,491,435,047.74</u></u>

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
BALANCE SHEET
31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes</u> <u>XVII</u>	<u>2023/12/31</u>	<u>2022/12/31</u>
Current assets			
Cash		44,029,520,088.62	44,742,705,933.76
Financial assets held for trading		160,744,733.27	251,165,128.80
Notes receivable		33,788,748,503.90	32,497,209,409.96
Accounts receivable	1	8,579,504,025.23	5,538,504,821.82
Prepayments		112,547,088.73	519,014,279.72
Other receivables	2	237,247,787.26	859,026,748.64
Inventories		5,615,873,258.35	2,872,390,838.54
Contract assets		128,498,871.61	221,555,444.48
Other current assets		<u>5,522,797,370.57</u>	<u>199,954,784.05</u>
Total current assets		<u>98,175,481,727.54</u>	<u>87,701,527,389.77</u>
Non-current assets			
Long-term equity investments	3	19,435,450,021.37	17,385,137,116.25
Other equity instrument investment		504,190,082.71	489,950,010.00
Fixed assets		13,453,515,476.81	14,214,227,798.06
Construction in progress		1,407,521,918.44	895,860,965.16
Right-of-use assets		168,093,468.85	78,806,182.57
Intangible assets		3,312,017,680.07	3,299,143,861.49
Development expenditure		2,017,011,508.06	616,814,902.46
Long-term deferred expenses		21,709,036.17	24,406,892.18
Deferred tax assets		2,774,652,958.37	2,631,463,197.21
Other non-current assets		<u>450,000,000.00</u>	<u>450,000,000.00</u>
Total non-current assets		<u>43,544,162,150.85</u>	<u>39,635,810,915.38</u>
TOTAL ASSETS		<u>141,719,643,878.39</u>	<u>127,337,338,305.15</u>

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
BALANCE SHEET (continued)
31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes</u> <u>XVII</u>	<u>2023/12/31</u>	<u>2022/12/31</u>
Current liabilities			
Notes payable		25,950,782,831.24	18,728,133,049.99
Accounts payable		23,842,258,668.42	21,488,548,997.96
Contract liabilities		4,606,921,633.17	3,997,514,972.13
Payroll payable		1,919,102,689.66	2,436,938,973.59
Taxes payable		1,300,178,990.13	1,376,448,691.45
Other payables		3,236,371,408.79	5,425,776,798.83
Non-current liabilities due within one year		56,170,742.39	635,180,849.52
Other current liabilities		6,286,218,965.50	5,932,680,982.04
Total current liabilities		<u>67,198,005,929.30</u>	<u>60,021,223,315.51</u>
Non-current liabilities			
Long term loans		72,000,000.00	36,000,000.00
Bonds Payable		999,607,547.16	999,528,301.88
Lease Liabilities		117,490,288.82	45,437,270.79
Long term payable		120,081,551.85	144,571,302.45
Long term payroll payable		17,659,000.00	20,565,000.00
Contingent liabilities		4,402,025,046.54	3,936,444,965.49
Deferred income		603,864,707.08	150,000,000.00
Deferred tax liabilities		197,625,245.62	195,053,909.31
Other non-current liabilities		1,287,646,146.69	844,435,549.31
Total non-current liabilities		<u>7,817,999,533.76</u>	<u>6,372,036,299.23</u>
Total liabilities		<u>75,016,005,463.06</u>	<u>66,393,259,614.74</u>
Owner's equity			
Share capital		9,917,289,033.00	9,921,799,422.00
Capital reserves		8,406,226,198.82	8,047,195,325.61
Less: treasury shares		382,277,095.96	627,060,416.52
Other comprehensive income		169,049,829.02	157,416,810.63
Special reserves		19,514,786.95	10,285,640.79
Surplus reserves		4,276,245,864.64	3,528,165,002.27
Retained earnings		44,297,589,798.86	39,906,276,905.63
Total owner's equity		<u>66,703,638,415.33</u>	<u>60,944,078,690.41</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>141,719,643,878.39</u>	<u>127,337,338,305.15</u>

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
INCOME STATEMENT
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes</u> <u>XVII</u>	<u>2023/12/31</u>	<u>2022/12/31</u>
Operating revenue	4	118,698,033,782.77	106,665,145,289.28
Less: Operating cost	4	98,509,854,086.30	86,241,479,807.95
Tax and surcharges		2,918,130,753.90	2,941,819,015.41
Operating expenses		3,539,037,793.87	3,664,889,410.65
General and administrative expenses		2,766,449,647.21	2,913,302,431.16
Research and development expenses		3,822,529,677.53	4,234,015,352.11
Financial income		-809,080,245.53	-825,576,954.93
Interest expense		40,655,362.11	26,032,591.55
Interest income		865,820,973.86	868,071,769.55
Add: Other incomes		1,564,577,278.73	283,581,332.54
Investment income	5	-1,224,231,437.03	-1,923,078,565.61
Including: Investment Income/(loss) from associates and joint venture		-2,157,754,465.24	-3,075,237,898.94
Income/(loss) from fair value changes		41,019,998.59	-25,580,213.00
Credit impairment loss		10,927,568.37	-15,475,196.02
Impairment loss		-477,092,984.70	-659,679,327.77
Gain/(loss) on disposal of assets		397,686,430.93	33,996,713.38
Operating profit		8,263,998,924.38	5,188,980,970.45
Add: Non-operating income		111,413,858.23	50,112,744.21
Less: Non-operating expenses		22,524,889.94	25,461,278.69
Total profit		8,352,887,892.67	5,213,632,435.97
Less: Income tax expense		872,079,268.95	-244,939,041.24
Net profit		<u>7,480,808,623.72</u>	<u>5,458,571,477.21</u>
Classification by going concern			
Net profit from continuing operations		7,480,808,623.72	5,458,571,477.21

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
INCOME STATEMENT (continued)
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<u>Notes</u> <u>XVII</u>	<u>2023/12/31</u>	<u>2022/12/31</u>
Other comprehensive income, net of tax			
Total comprehensive income attributable to owners, net of tax			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Change in net liability or assets from defined benefit plan		983,000.00	141,000.00
Other comprehensive income under the equity method cannot be converted into profit or loss		-1,454,051.91	602,832.07
Changes in fair value of other equity investment		12,104,070.30	-4,675,000.00
		11,633,018.39	-3,931,167.93
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Reclassification of financial assets recognized in other comprehensive income			
Amounts under equity method			70,412.45
Total comprehensive income		<u>7,492,441,642.11</u>	<u>5,454,710,721.73</u>

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

2023

	Share capital	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
At 31 December 2022	9,921,799,422.00	8,047,195,325.61	627,060,416.52	157,416,810.63	10,285,640.79	3,528,165,002.27	39,906,276,905.63	60,944,078,690.41
Add: Changes in accounting policies								
Changes during the year:								
Total comprehensive income				11,633,018.39			7,480,808,623.72	7,492,441,642.11
Capital contributed by owners and capital decreases	-4,510,389.00	354,030,873.21	-218,038,971.73					567,559,455.94
1. Ordinary shares contribution from owners	-4,510,389.00							-4,510,389.00
2.Amount of share-based payments included in shareholders' equity		348,509,207.00						348,509,207.00
3.Others		5,521,666.21	-218,038,971.73					223,560,637.94
Distribution of profit			-26,744,348.83			748,080,862.37	-3,089,495,730.49	-2,314,670,519.29
1.Surplus reserve						748,080,862.37	-748,080,862.37	
2.Distribution to owners			-26,744,348.83				-2,341,414,868.12	-2,314,670,519.29
Internal transfer of shareholder equity								
1.Capital reserve converted into share capital								
2.Other comprehensive earnings converted to retained earnings								
Special reserves					9,229,146.16			9,229,146.16
1.Provided					65,743,690.42			65,743,690.42
2.Utilized					-56,514,544.26			-56,514,544.26
Disposition of subsidiaries		5,000,000.00						5,000,000.00
At 31 December 2023	9,917,289,033.00	8,406,226,198.82	382,277,095.96	169,049,829.02	19,514,786.95	4,276,245,864.64	44,297,589,798.86	66,703,638,415.33

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

2022

	Share capital	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
At 31 December 2021	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
Add: Changes in accounting policies						15,440.88	138,967.94	154,408.82
Changes during the year:								
Total comprehensive income				-3,860,755.48			5,458,571,477.21	5,454,710,721.73
Capital contributed by owners and capital decreases		1,043,776,010.70						1,043,776,010.70
1.Amount of share-based payments included in shareholders' equity		380,209,900.00						380,209,900.00
2.Others		663,566,110.70						663,566,110.70
Distribution of profit			-28,751,911.08			545,845,221.86	-2,324,713,339.26	-1,750,104,280.46
1.Surplus reserve						545,845,221.86	-545,845,221.86	
2.Distribution to owners			-28,751,911.08				-1,778,856,191.54	-1,750,104,280.46
Internal transfer of shareholder equity	2,289,646,020.00	-2,289,646,020.00		-4,773,770.00			4,773,770.00	
1.Capital reserve converted into share capital	2,289,646,020.00	-2,289,646,020.00						
2. Other comprehensive income transferred to retained earnings				-4,773,770.00			4,773,770.00	
Special reserves					2,732,656.34			2,732,656.34
1.Provided					61,019,966.31			61,019,966.31
2.Utilized					-58,287,309.97			-58,287,309.97
Disposition of subsidiaries							-120,235,907.73	-120,235,907.73
At 31 December 2022	9,921,799,422.00	8,047,195,325.61	627,060,416.52	157,416,810.63	10,285,640.79	3,528,165,002.27	39,906,276,905.63	60,944,078,690.41

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
CASH FLOW STATEMENT
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from sale of goods or rendering of services	121,118,712,751.06	101,043,628,683.39
Refunds of taxes	30,303,650.49	215,500,668.27
Cash received relating to other operating activities	<u>3,109,565,404.95</u>	<u>2,041,143,114.40</u>
Subtotal of cash inflows	<u>124,258,581,806.50</u>	<u>103,300,272,466.06</u>
Cash paid for goods and services	90,035,055,033.05	80,159,943,881.88
Cash paid to and on behalf of employees	6,959,713,091.69	6,388,175,996.37
Cash paid for all types of taxes	5,715,167,820.29	5,761,670,921.49
Cash paid relating to other operating activities	<u>8,188,283,938.48</u>	<u>4,922,708,175.82</u>
Subtotal of cash outflows	<u>110,898,219,883.51</u>	<u>97,232,498,975.56</u>
Net cash flows from operating activities	<u>13,360,361,922.99</u>	<u>6,067,773,490.50</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from recovery of investment	131,461,810.72	121,799,633.86
Cash received from return on investment	324,982,879.75	1,809,926,134.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	10,480,609.45	554,362,304.63
Cash received relating to other investing activities	<u>-</u>	<u>-</u>
Subtotal of cash inflows	<u>466,925,299.92</u>	<u>2,486,088,072.60</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	2,008,243,647.99	1,064,936,821.33
Cash paid for investment	4,026,183,368.63	3,506,058,570.32
Cash paid relating to other investing activities	<u>5,500,000,000.00</u>	<u>-</u>
Subtotal of cash outflows	<u>11,534,427,016.62</u>	<u>4,570,995,391.65</u>
Net cash flows from investing activities	<u>-11,067,501,716.70</u>	<u>-2,084,907,319.05</u>

The notes form an integral part of the financial statements.

Chongqing Changan Automobile Company Limited
CASH FLOW STATEMENT (continued)
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM		
FINANCING ACTIVITIES:		
Cash received from absorbing investments		-
Cash received from borrowings	40,000,000.00	1,039,528,301.88
Sub-total of cash inflows	<u>40,000,000.00</u>	<u>1,039,528,301.88</u>
Cash repayments of borrowings	604,000,000.00	354,300,000.00
Cash paid for distribution of dividends or profits and interest expenses	2,375,052,447.79	1,802,234,067.67
Cash paid relating to other financing activities	62,453,603.64	23,280,631.67
Sub-total of cash outflows	<u>3,041,506,051.43</u>	<u>2,179,814,699.34</u>
Net cash flows from financing activities	<u>-3,001,506,051.43</u>	<u>-1,140,286,397.46</u>
EFFECT OF CHANGES IN EXCHANGE RATE ON CASH		
		-
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	-708,645,845.14	2,842,579,773.99
Add: Opening balance of cash and cash equivalents	44,732,418,327.28	41,889,838,553.29
CLOSING BALANCE OF CASH AND CASH EQUIVLANT	<u>44,023,772,482.14</u>	<u>44,732,418,327.28</u>

The notes form an integral part of the financial statements.

I 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. On 31 December 2023, the total share capital of the company was RMB9,917,289,033.

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.

According to the Articles of Association, the financial statements, which has been approved by the board of directors, was submitted to general meeting of shareholders for approval.

II 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.

III 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 31 December 2023 and the financial results and the cash flows for the year 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.

4. Business combination (continued)

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 overseas 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.

9. Financial instruments(continued)

Classification and measurement of financial assets(continued)

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.

9. Financial instruments (continued)

Classification and measurement of financial assets (continued)

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.

9. Financial instruments (continued)

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.

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.

9. Financial instruments (continued)

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.

11. Long-term equity investments (continued)

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.

11. Long-term equity investments (continued)

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.

13. Fixed assets (continued)

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.

15. Borrowing costs (continued)

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 to 11 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.

19. Impairment of assets (continued)

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.

21. Employee benefits (continued)

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.

25. Revenue from contracts with customers (continued)

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 III, 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.

26. Contract assets and contract liabilities (continued)

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:

- (1) 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.

28. Income taxes (continued)

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.

29. Leases (continued)

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.

29. Leases (continued)

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. Methods for Determining Importance and Selection Criteria

Items	Importance Criteria
Important non wholly-owned subsidiaries	The net assets of subsidiaries account for more than 5% of the company's consolidated net assets or the net profit accounts for more than 10% of the company's consolidated net profit
Important joint ventures	Investment gains and losses under the equity method for long-term equity investments account for more than 10% of the company's consolidated net profit
Important accounts receivable write off	The individual write off amount accounts for more than 5% of the total bad debt provision for various accounts receivable, or the amount exceeds 15 million yuan
Significant amount of bad debt provision reversal or recovery for accounts receivable	The single recovery or reversal amount accounts for more than 5% of the total bad debt reserves of various receivables, or the amount exceeds 15 million yuan
Important prepayments with an aging of over 1 year	The individual amount accounts for more than 5% of the total prepaid accounts or the amount exceeds 15 million yuan
Important accounts payable with an aging of over 1 year or overdue	The individual amount accounts for more than 5% of the total amount of various accounts payable or the amount exceeds 15 million yuan
Significant other payables with an aging of over 1 year or overdue	The individual amount accounts for more than 5% of the total amount of other accounts payable or the amount exceeds 15 million yuan
Important ongoing projects	The ending balance of the project is more than 50 million yuan

31. Changes in significant accounting policies and accounting estimates

1. Changes in significant accounting policies

Implementation of Accounting Standards for Business Enterprises Interpretation No. 16 in relation to the Accounting Treatment for Deferred Income Tax Related to Assets and Liabilities Arising from a Single Transaction to Which the Initial Recognition Exemption Does Not Apply.

On 30 November 2022, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 16 (Cai Kuai [2022] No. 31, hereinafter referred to as "Interpretation No. 16"), pursuant to which, the requirements of the Accounting Treatment for Deferred Income Tax Related to Assets and Liabilities Arising from a Single Transaction to

Which the Initial Recognition Exemption Does Not Apply have come into effect on 1 January 2023.

Interpretation No. 16 stipulates that, where the exemption from the initial recognition of deferred income tax liabilities and deferred income tax assets does not apply to a single transaction (including lease transactions in which the lessee initially recognises a lease liability at the commencement date of the lease term and individual transactions such as those in which an estimated liability is recognised and included in the cost of the underlying asset due to the existence of an obligation to dispose of fixed assets) that is not a business combination and

that affects neither the accounting profit nor taxable income (or deductible losses) at the time of its occurrence, and that results in the creation of an equivalent amount of taxable temporary differences and deductible temporary differences as a result of the initial recognition of the assets and liabilities, an enterprise shall recognise a deferred income tax liability and deferred income tax asset, respectively, at the time of the occurrence of the transaction in accordance with the relevant provisions of Accounting Standards for Business Enterprises No. 18 – Income Taxes and other relevant regulations.

For taxable temporary differences and deductible temporary differences arising from a single transaction to which the requirement applies that occurs between the beginning of the earliest period for which the requirement applies in the financial statements of the first application of the requirement and the date of application, and for lease liabilities and right-of-use assets recognized as a result of a single transaction to which the requirement applies and for estimated liabilities associated with disposal obligations and corresponding underlying assets recognised at the beginning of the earliest period for which the requirement applies, the enterprise shall make adjustments in accordance with the requirement.

The Company has implemented this stipulation since 1 January 2023, the major impacts of the implementation of this stipulation are as follows:

Item	2022/1/1	
	Consolidation	Company
Deferred income tax assets	168,376.70	154,408.82
Surplus reserves	15,440.88	15,440.88
Retained earnings	152,935.82	138,967.94

Item	Consolidation		Company	
	2023.12.31/2023	2022.12.31/2022	2023.12.31/2023	2022.12.31/2022
Deferred income tax assets	716,511.81	512,123.33	552,669.86	273,667.46
Surplus reserves	55,266.98	27,366.74	55,266.98	27,366.74
Retained earnings	660,939.30	475,283.62	497,402.88	246,300.72
Minority shareholder equity	305.53	9,472.97		
Income tax expenses	-204,388.48	-343,746.63	-279,002.40	-119,258.64
Minority interest	-9,167.44	9,472.97		

IV TAXES

1. Main taxes and tax rates

Tax Category	Taxable Basis	Tax rate (%)
Value added tax ("VAT")	Taxable basis is calculated based on the sales of goods and taxable services as determined by tax laws. Output tax is calculated based on this taxable basis. After deducting the input tax allowed for the current period, the difference is the payable value-added tax.	6、7、9、13
Consumption Tax	Payment is made according to taxable sales revenue.	1、3、5
Urban Maintenance and Construction Tax	Payment is based on the actual payment of value-added tax and consumption tax.	5、7
Corporate Income Tax (CIT)	Payment is determined by taxable income.	15-41
Education Surcharge	Payment is based on the actual payment of value-added tax and consumption tax.	3
Local Education Surcharge	Payment is based on the actual payment of value-added tax and consumption tax.	2

2. Tax benefits

1. In accordance with relevant regulations governing the identification of national high-tech enterprises and associated tax incentives, the company and its subsidiaries listed below have been recognized as high-tech enterprises. They are entitled to enjoy a preferential enterprise income tax rate of 15% during the specified periods: the company (from 2021 to 2023), Hebei Changan Automobile Co., Ltd. (from 2023 to 2025), and Shenlan Automobile Technology Co., Ltd. (from 2023 to 2025).

2. As per the joint announcement by the Ministry of Finance the State Administration of Taxation, and the National Development and Reform Commission, outlined in Announcement No. 23 of 2020, a corporate income tax rate of 15% is applicable to encouraged industries in the western regions from January 1, 2021, to December 31, 2030. Subsidiaries of the company, namely Chongqing Changan Automobile International Sales Service Co., Ltd., Chongqing Changan Special Purpose Vehicle Co., Ltd., Chongqing Changan Automobile Customer Service Co., Ltd., Chongqing Changan Automobile Software Technology Co., Ltd., Chongqing Changan Technology Co., Ltd., Chongqing Lingyao Automobile Co., Ltd., and Chongqing Chumei Technology Co., Ltd., fulfill the criteria and are subject to a corporate income tax rate of 15%.

3. Pursuant to Announcement No. 12 of 2023 issued by the Ministry of Finance and the State Administration of Taxation, which aims to further support the development of small and micro-enterprises and individual businesses through tax policies, small and micro-profit enterprises are eligible for a 25% reduction in

taxable income, resulting in a corporate income tax rate of 20%. The subsidiaries of the company, including Chongqing Xingzhi Technology Co., Ltd., Guangzhou Changan New Energy Automobile Sales Service Co., Ltd., Nanjing Changan New Energy Automobile Sales Service Co., Ltd., Xiamen Changan New Energy Automobile Sales Service Co., Ltd., Shenlan Automobile Nanjing Research Institute Co., Ltd., and Shenlan Automobile Marketing Service (Shenzhen) Co., Ltd., have been identified as small and micro-profit enterprises and are entitled to this tax preferential policy.

4. As outlined in Announcement No. 43 of 2023 issued by the Ministry of Finance and the State Administration of Taxation regarding the value-added tax incremental deduction policy for advanced manufacturing enterprises, eligible enterprises are permitted to deduct 5% of the current deductible input tax amount to offset the payable value-added tax from January 1, 2023, to December 31, 2027. The company and Hebei Changan Automobile Co., Ltd. fulfill the specified conditions in 2023 and qualify for this incremental deduction policy.

V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash

	2023	2022
Cash	35,257.05	32,155.77
Cash at bank	29,493,854,273.50	17,642,961,747.50
Cash deposited by the Group in the finance company	34,916,021,247.02	34,812,952,043.78
Other cash	<u>461,131,970.31</u>	<u>1,074,237,880.29</u>
Total	<u>64,871,042,747.88</u>	<u>53,530,183,827.34</u>

Note : the cash deposited by the Group in the finance company (related party) refer to note XII,7.

2. Financial assets held for trading

	2023	2022
Equity instrument investment	160,744,733.27	251,165,128.80
Others	<u>6,774,614.02</u>	<u>29,150,442.29</u>
Total	<u>167,519,347.29</u>	<u>280,315,571.09</u>

3. Notes receivable

(1) Classification of notes receivable

	2023	2022
Commercial acceptance bill	9,069,703,846.26	10,010,938,909.34
Bank acceptance bill	<u>28,588,687,367.75</u>	<u>25,838,721,743.62</u>
Total	<u><u>37,658,391,214.01</u></u>	<u><u>35,849,660,652.96</u></u>

(2) Pledged notes receivable

	2023
Commercial acceptance bill	398,491,314.59
Bank acceptance bill	<u>6,910,927,744.28</u>
Total	<u><u>7,309,419,058.87</u></u>

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

	2023	
	Derecognition	Un-derecognition
Commercial acceptance bill	120,000.00	-
Bank acceptance bill	<u>4,376,220,432.46</u>	-
Total	<u><u>4,376,340,432.46</u></u>	-

(4) As at 31 December 2023, there was no note receivables converted to accounts receivable due to the inability of the drawer to perform the contract. (As at 31 December 2022: Nil comments)

4. Accounts receivable

(1) Aging analysis of the accounts receivable on 31 December 2023 is as follows:

	2023	2022
Within 1 year	2,455,130,606.98	2,905,353,787.00

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1 to 2 years	9,231,834.37	176,712,124.08
2 to 3 years	436,370.13	25,732,015.24
Over 3 years	<u>196,256,136.33</u>	<u>201,045,330.53</u>
Total	2,661,054,947.81	3,308,843,256.85
Less: Provision	<u>249,258,528.74</u>	<u>(240,428,841.56)</u>
	<u>2,411,796,419.07</u>	<u>3,068,414,415.29</u>

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

	Beginning balance	Accrual	Reversal	Write-off	Others	Ending balance
2,023.00	240,428,841.56	70,843,141.92	22,674,151.02	39,339,303.72		249,258,528.74
2,022.00	<u>215,274,377.62</u>	<u>35,457,297.58</u>	<u>4,945,346.85</u>	<u>5,357,486.79</u>		<u>240,428,841.56</u>

(3) Analysis of accounts receivable by category as at 31 December 2023 is as follows:

	2023			
	Balance		Accrual	
	Amount	(%)	Amount	(%)
Individually analyzed for provision	1,155,752,310.55	43.43	139,066,311.49	12.03
Provision based on the combination of credit risk characteristics	<u>1,505,302,637.26</u>	<u>56.57</u>	<u>110,192,217.25</u>	<u>7.32</u>
Total	<u>2,661,054,947.81</u>	<u>100.00</u>	<u>249,258,528.74</u>	
	2022			
	Balance		Accrual	
	Amount	(%)	Amount	(%)
Individually analyzed for provision	2,059,626,543.23	62.25	152,800,930.19	7.42
Provision based on the combination of credit risk characteristics	<u>1,249,216,713.62</u>	<u>37.75</u>	<u>87,627,911.37</u>	<u>7.01</u>
Total	<u>3,308,843,256.85</u>	<u>100.00</u>	<u>240,428,841.56</u>	

4. Accounts receivable (continued)

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

	2023			2022		
	Estimated face value for default	Expected credit loss rate (%)	Expected credit loss for the entire duration	Face balance	Provision ratio (%)	Provision for bad debt
Within 1 year	1,362,056,874.81	0.40	5,437,718.64	1,031,532,359.36	0.41	4,211,660.35
1 to 2 years	7,237,418.29	5.15	372,562.67	30,724,065.06	7.24	2,225,905.84
2 to 3 years				25,707,148.00	16.02	4,118,732.53
Over 3 years	136,008,344.16	76.75	104,381,935.94	161,253,141.20	47.80	77,071,612.65
Total	1,505,302,637.26		110,192,217.25	1,249,216,713.62		87,627,911.37

- (5) As at 31 December 2023, accounts receivable from Top 5 clients amounted to RMB1,244,068,823.70, accounted for 46.75%.

- (6) There were no accounts receivable derecognized due to transfer of financial assets during 2023 (2022: Nil).

5. Prepayments

- (1) Aging analysis of the prepayments is as follows:

Aging	2023		2022	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	281,522,043.69	97.86	523,061,724.51	69.78
1 to 2 years	1,248,976.74	0.43	217,460,711.49	29.01
2 to 3 years	128,513.87	0.04	8,858,465.69	1.18
Over 3 years	4,811,476.32	1.67	191,360.31	0.03
Total	287,711,010.62	100.00	749,572,262.00	100.00

- (2) As at 31 December 2023, prepayments to Top 5 suppliers amounted to RMB 191,960,998.58, which accounted for 66.72% of the total prepayments.

6. Other receivables

(1) Aging analysis of other receivables as at 31 December 2022 is as follows:

	2023	2022
Within 1 year	832,441,463.15	1,192,972,701.51
1 to 2 years	7,857,497.78	57,855,077.50
2 to 3 years	50,952,225.85	1,364,188.70
Over 3 years	10,686,669.55	18,062,282.93
Total	<u>901,937,856.33</u>	<u>1,270,254,250.64</u>
Less: Provision	<u>7,669,424.51</u>	<u>9,096,299.50</u>
	<u>894,268,431.82</u>	<u>1,261,157,951.14</u>

(2) Other receivables are classified by nature as follows:

	2023	2022
New energy subsidy	586,119,720.60	667,729,527.63
Investment	95,100,000.00	399,486,432.52
Reserve	74,416,322.72	63,922,920.44
Margin	15,176,743.46	16,618,938.83
Other	<u>131,125,069.55</u>	<u>122,496,431.22</u>
Total	<u>901,937,856.33</u>	<u>1,270,254,250.64</u>

(3) For other receivables, the changes in the provision for bad debts based on 12-month expected credit losses and the entire duration of expected credit losses are as follows:

	Beginning balance	Provision	Reversal	Write-off	Ending balance
2023	9,096,299.50	202,326.32	1,629,201.31		7,669,424.51
2022	<u>7,466,239.96</u>	<u>1,886,641.46</u>	<u>156,581.92</u>		<u>9,096,299.50</u>

6. Other receivables (continued)

(4) at 31 December 2023, top five debtors of other receivables are as follows:

As at 31 December 2023, prepayments to Top 5 suppliers amounted to RMB731,970,247.60 , which accounted for 81.16% of the total prepayments.

(5) For the year ended 2023, there were no accounts receivable derecognized due to transfer of financial assets. (2022: Nil).

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7. Inventories

(1) Classification of inventories

	2023			2022		
	Balance	Provision	Net value	Balance	Provision	Net value
Raw materials	748,776,600.96	378,040,520.19	370,736,080.77	1,230,104,093.50	439,269,923.99	790,834,169.51
Material in transit	81,586,613.21	-	81,586,613.21	130,255,961.90	-	130,255,961.90
Work in progress	1,291,990,811.53	63,870,083.00	1,228,120,728.53	1,719,902,124.07	53,609,953.08	1,666,292,170.99
Finish goods	11,890,690,577.52	202,418,376.89	11,688,272,200.63	3,264,190,903.27	87,522,918.36	3,176,667,984.91
Consigned processing material	27,617,777.37	-	27,617,777.37	26,582,772.70	-	26,582,772.70
Consumables	69,514,296.42	-	69,514,296.42	32,674,452.89	-	32,674,452.89
Total	14,110,176,677.01	644,328,980.08	13,465,847,696.93	6,403,710,308.33	580,402,795.43	5,823,307,512.90

(2) Provision for inventories

2023

	Beginning balance	Provision	Reduction	Ending balance
Raw materials	439,269,923.99	117,361,725.77	178,591,129.57	378,040,520.19
Work in progress	53,609,953.08	29,043,469.64	18,783,339.72	63,870,083.00
Finish goods	87,522,918.36	284,024,928.17	169,129,469.64	202,418,376.89
Total	580,402,795.43	430,430,123.58	366,503,938.93	644,328,980.08

(3) Note for inventory provision

The Group assesses whether the cost of inventory is higher than the net realizable value and makes provision of the difference. Net realizable value is the estimated by selling price in the ordinary course of business deduct estimated costs in further production to sell and estimated necessary distribution expense and tax expense. The reversal of inventory provisions is due to price rebound of previous impaired inventories by net realizable value test, while written off inventory provisions are due to selling off of previous impaired inventories in current year.

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8. Contract assets

	2023		
	Book balance	Impairment	Book value
Contract assets	<u>2,104,221,673.68</u>	<u>661,344,707.38</u>	<u>1,442,876,966.30</u>
	2022		
	Book balance	Impairment	Book value
Contract assets	<u>747,871,586.89</u>	<u>289,482,399.79</u>	<u>458,389,187.10</u>

The movement of impairment for contract assets is as follows: :

	Balance at the beginning of the year	Provision	Reverse	Merger increase in this period	end of year balance
2023	289,482,399.79	251,154,505.60	14,748,375.00	135,456,176.99	661,344,707.38
2022	<u>169,661,981.98</u>	<u>129,619,022.81</u>	<u>9,798,605.00</u>		<u>289,482,399.79</u>

9. Other current assets

	2023	2022
Input VAT to be deducted	1,393,763,691.38	1,140,996,871.24
Prepaid taxes and fees	336,795,620.72	3,078,565.10
Time deposits and others	<u>8,004,894,049.22</u>	<u>3,723,435.08</u>
Total	<u>9,735,453,361.32</u>	<u>1,147,798,871.42</u>

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10. Long-term equity investments

	Beginning balance	Addition	Investment Income/(loss) under equity method	Other comprehensive income	Other equity variation	Cash dividends d eclared	Others	Ending balance	Ending balance of provision
Joint Venture									
Changan Ford Automobile Co., Ltd.	712,459,351.85	-	-712,459,351.85	-	-	-	-	-	-
Changan Mazda Automobile Co., Ltd.	1,433,304,456.32	-	-555,064,964.19	-	-	-	-	878,239,492.13	-
Changan Mazda Engine Co., Ltd.	824,042,049.05	-	10,463,657.35	-	-	-29,500,000.00	-	805,005,706.40	-
Nanchang Jiangling Holding Co., Ltd.	1,810,629,644.86	-	297,030,927.25	-1,454,051.91	-	-	-	2,106,206,520.20	-
Subtotal	4,780,435,502.08	-	-960,029,731.44	-1,454,051.91	-	-29,500,000.00	-	3,789,451,718.73	-
Associates									
Chongqing Changan Kuayue Automobile Co., Ltd.	209,768,936.34	-	18,996,315.30	-	-	-	-	228,765,251.64	-
Chongqing Changan Kuayue Automobile Sales Co., Ltd. (note1)	-	-	-	-	-	-	-	-	-
Beijing Fang'an cresent taxi Co., Ltd. (note1)	-	-	-	-	-	-	-	-	-
Changan Automobile Financing Co.,Ltd	2,778,898,410.33	-	350,378,027.17	-	-	-87,883,463.64	-	3,041,392,973.86	-
Nanjing Chelai Travel Technology Co., Ltd.	624,773.31	-	-39,948.66	-	-	-	-	584,824.65	-
Hunan Guoxin Semiconductor Technology Co., Ltd.	25,452,425.26	-	3,049,806.83	-	-	-	-	28,502,232.09	-
Nanjing Leading Equity Investment Management Co., Ltd. (Limited Partnership)	2,570,421,464.70	-	75,371,861.99	-	-	-	-	2,645,793,326.69	-
Nanjing Leading Equity Investment Partnership	1,112,210.69	-	-4,810.57	-	-	-	-	1,107,400.12	-
DEEPAL Automotive Technology Co., Ltd.	940,490,937.99	-	-60,118,846.57	-	-	-	-880,372,091.42	-	-
Changan Power Battery Co., Ltd	-	392,000,000.00	-49,934,527.28	-	-	-	-	342,065,472.72	-
Time FAW Power Battery Co., Ltd	-	-	43,994,598.72	-	-	-20,000,000.00	252,012,401.15	276,006,999.87	-
Chongqing Wutong Chelian Technology Co., Ltd	-	-	4,514,124.67	-	-	-	75,267,178.90	79,781,303.57	-
Chongqing Changxian Intelligent Technology Co., Ltd	-	102,000,000.00	3,033,367.07	-	-	-	-	105,033,367.07	-
Changan Ford New Energy Vehicle Co., Ltd	-	100,000,000.00	-32,286,335.07	-	-	-	-	67,713,664.93	-
Chongqing Anda Semiconductor Co., Ltd	-	45,000,000.00	9,157.18	-	-	-	-	45,009,157.18	-
Western Car Network (Chongqing) Co., Ltd	-	2,500,000.00	205,079.57	-	-	-	2,478,830.95	5,183,910.52	-
Zhongqi Chuangzhi Technology Co., Ltd.	168,492,790.78	300,000,000.00	-19,977,570.24	-	-	-	-	448,515,220.54	-
Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership)	170,440,054.08	37,711,000.00	-3,632,657.70	-	-	-	-	204,518,396.38	-
Anhe Chongqing Dingfeng Auto Contractual Private Equity Investment Fund	61,568,706.08	-	123,646.33	-	-	-	-	61,692,352.41	-
Avatr Technology (Chongqing) Co., Ltd.	2,644,535,940.48	1,229,820,000.00	-1,584,167,346.90	-	5,521,666.21	-	-	2,295,710,259.79	-
Chongqing Changan Innovation private Equity Investment Fund Partnership (Limited Partnership)	1,000,844.59	69,230,769.00	-127,139.60	-	-	-	-	70,104,473.99	-
Anhe (Chongqing) Stock Right Investment Fund Management Co.,Ltd.	5,150,787.41	-	656,221.13	-	163,807.32	-	-	5,970,815.86	-
Hangzhou Chelizi Intelligent Technology Co., Ltd.	3,020,026.80	-	-1,908,363.60	-	-	-	-	1,111,663.20	-
Master Changan Automobile Limited	45,248,645.36	-	8,946,469.63	-	-10,817,915.33	-	-	43,377,199.66	-
Subtotal	9,626,226,954.20	2,278,261,769.00	-1,242,918,870.60	-1,454,051.91	-5,132,441.80	-107,883,463.64	-550,613,680.42	9,997,940,266.74	-
Total	14,406,662,456.28	2,278,261,769.00	-2,202,948,602.04	-1,454,051.91	-5,132,441.80	-137,383,463.64	-550,613,680.42	13,787,391,985.47	-

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11. Investment in other equity instruments

2023

	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
China South Industry Group Finance Co., Ltd	178,519,200.00	335,540,000.00	180,656,814.04	Unlisted equity instruments
National Innovation Center of Intelligent and connected Vehicles	33,000,000.00	83,000,000.00		Unlisted equity instruments
Guolian Automobile Power Battery Research Institute Co.,Ltd.	-410,000.00	39,590,000.00		Unlisted equity instruments
China South Industries Financial Leasing Co., Ltd.	-2,252,000.00	28,300,000.00		Unlisted equity instruments
Zhong Fa Lian Investment Co., Ltd.	-6,198,141.28	14,801,858.72	25,385,760.00	Unlisted equity instruments
CAERI(Beijing) automobile Lightweight Technology Research Institution Co., Ltd.	-41,776.01	2,958,223.99	-	Unlisted equity instruments
Total	<u>202,617,282.71</u>	<u>489,950,000.00</u>	<u>206,042,574.04</u>	

2022

	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
China South Industry Group Finance Co., Ltd	181,979,200.00	339,000,000.00	143,737,363.49	Unlisted equity instruments
National Innovation Center of Intelligent and connected Vehicles	2,700,000.00	52,700,000.00	73,034.00	Unlisted equity instruments
Guolian Automobile Power Battery Research Institute Co.,Ltd.	-	40,000,000.00	-	Unlisted equity instruments
China South Industries Financial Leasing Co., Ltd.	3,698,000.00	34,250,000.00	411,666.67	Unlisted equity instruments
Zhong Fa Lian Investment Co., Ltd.	-	21,000,000.00	15,866,100.00	Unlisted equity instruments
CAERI(Beijing) automobile Lightweight Technology Research Institution Co., Ltd.	-	3,000,000.00	-	Unlisted equity instruments
Total	<u>188,377,200.00</u>	<u>489,950,000.00</u>	<u>160,088,164.16</u>	

12. Investment property

Cost Model

Buildings	2023	2022
Original cost		
Beginning and Ending balance	<u>10,050,100.00</u>	<u>10,050,100.00</u>
Accumulated depreciation and amortization		
Beginning	3,627,384.96	3,400,673.40
Accrual	<u>226,711.56</u>	<u>226,711.56</u>
Ending	<u>3,854,096.52</u>	<u>3,627,384.96</u>
Impairment Provision		
Beginning and Ending	<u>-</u>	<u>-</u>
Carrying amount		
Ending	<u>6,196,003.48</u>	<u>6,422,715.04</u>
Beginning	<u>6,422,715.04</u>	<u>6,649,426.60</u>

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

As at 31 December 2023, there was no investment property without property certificate (As at 31 December 2022: Nil).

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13. Fixed assets

(1) Details of fixed assets

2023

	Buildings	Machinery	Vehicles	Other Equipment	Total
Original cost					
Beginning	9,828,625,137.70	26,295,137,118.43	1,983,195,890.87	9,475,715,171.05	47,582,673,318.05
Purchase	706,533,581.95	9,802,052.35	1,517,311.38	202,294,796.54	920,147,742.22
Transfer from Construction in progress	164,306,817.76	1,901,912,764.41	26,182,833.90	837,640,602.21	2,930,043,018.28
Business combination	-	482,696,122.52	97,376.64	84,273,275.42	567,066,774.58
Fluctuations in exchange	8,399,878.58	7,007,646.12	-	119,299.03	15,526,823.73
Government grants	-	58,261,221.88	8,275,601.20	107,400,577.29	173,937,400.37
Disposal	305,015,534.29	547,606,412.85	333,562,325.80	94,407,055.10	1,280,591,328.04
Fluctuations in exchange	-	431,263.94	-	-	431,263.94
Ending	<u>10,402,849,881.70</u>	<u>28,090,256,805.16</u>	<u>1,669,155,485.79</u>	<u>10,398,235,511.86</u>	<u>50,560,497,684.51</u>
Accumulated depreciation					
Beginning	3,123,481,499.40	16,387,379,193.35	712,742,045.45	5,343,343,137.24	25,566,945,875.44
Accrual	344,055,307.70	1,923,757,726.39	187,760,095.93	536,345,748.31	2,991,918,878.33
Business combination	-	88,123,493.69	11,806.91	30,208,499.83	118,343,800.43
Fluctuations in exchange	781,002.33	2,262,440.79	-	119,299.03	3,162,742.15
Disposal	216,272,376.70	497,096,573.15	129,579,029.84	82,279,152.31	925,227,132.00
Fluctuations in exchange	-	389,601.60	-	-	389,601.60
Ending	<u>3,252,045,432.73</u>	<u>17,904,036,679.47</u>	<u>770,934,918.45</u>	<u>5,827,737,532.10</u>	<u>27,754,754,562.75</u>
Impairment provision					
Beginning	97,718,327.95	2,189,788,051.83	57,769,334.61	323,687,036.78	2,668,962,751.17
Accrual	1,194,531.79	175,982,243.03	584,361.62	75,443,557.21	253,204,693.65
Disposal	35,744,034.56	46,577,150.36	24,996,448.83	3,191,597.45	110,509,231.20
Ending	<u>63,168,825.18</u>	<u>2,319,193,144.50</u>	<u>33,357,247.40</u>	<u>395,938,996.54</u>	<u>2,811,658,213.62</u>
Carrying amount					
Ending	<u>7,087,635,623.79</u>	<u>7,867,026,981.19</u>	<u>864,863,319.94</u>	<u>4,174,558,983.22</u>	<u>19,994,084,908.14</u>
Beginning	<u>6,607,425,310.35</u>	<u>7,717,969,873.25</u>	<u>1,212,684,510.81</u>	<u>3,808,684,997.03</u>	<u>19,346,764,691.44</u>

Chongqing Changan Automobile Company Limited
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13. Fixed assets (continued)

(1) Details of fixed assets (continued)

2022

	Buildings	Machinery	Vehicles	Other Equipment	Total
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	1,265,124.39	3,890,620.93	1,608,965.83	10,537,259.44	17,301,970.59
Transfer from Construction in progress	15,846,963.74	576,973,067.51	670,805,017.81	373,187,890.97	1,636,812,940.03
Government grants	16,984,544.50	146,643,567.32	-	24,611,126.55	188,239,238.37
Disposal	52,803,557.15	153,014,327.54	109,955,267.54	316,751,699.72	632,524,851.95
Other deduction	-	-	433,482.76	8,742,126.24	9,175,609.00
Ending	<u>9,828,625,137.70</u>	<u>26,295,137,118.43</u>	<u>1,983,195,890.87</u>	<u>9,475,715,171.05</u>	<u>47,582,673,318.05</u>
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	319,496,770.54	1,708,030,839.79	228,535,233.82	580,979,774.97	2,837,042,619.12
Disposal	26,785,669.57	91,638,342.44	52,941,050.82	225,100,138.35	396,465,201.18
Other deduction	-	-	205,021.23	1,225,713.14	1,430,734.37
Ending	<u>3,123,481,499.40</u>	<u>16,387,379,193.35</u>	<u>712,742,045.45</u>	<u>5,343,343,137.24</u>	<u>25,566,945,875.44</u>
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	858,451.71	465,342,187.03	763,786.28	6,436,099.39	473,400,524.41
Disposal	2,561,175.92	47,971,857.94	42,928,054.22	15,715,749.88	109,176,837.96
Ending	<u>97,718,327.95</u>	<u>2,189,788,051.83</u>	<u>57,769,334.61</u>	<u>323,687,036.78</u>	<u>2,668,962,751.17</u>
Carrying amount					
Ending	<u>6,607,425,310.35</u>	<u>7,717,969,873.25</u>	<u>1,212,684,510.81</u>	<u>3,808,684,997.03</u>	<u>19,346,764,691.44</u>
Beginning	<u>6,951,109,700.63</u>	<u>9,470,526,906.11</u>	<u>783,884,171.30</u>	<u>4,120,439,072.12</u>	<u>21,325,959,850.16</u>
	Buildings	Machinery	Vehicles	Other Equipment	Total
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	1,265,124.39	3,890,620.93	1,608,965.83	10,537,259.44	17,301,970.59
Transfer from Construction in progress	15,846,963.74	576,973,067.51	670,805,017.81	373,187,890.97	1,636,812,940.03
Government grants	16,984,544.50	146,643,567.32	-	24,611,126.55	188,239,238.37
Disposal	52,803,557.15	153,014,327.54	109,955,267.54	316,751,699.72	632,524,851.95
Other deduction	-	-	433,482.76	8,742,126.24	9,175,609.00
Ending	<u>9,828,625,137.70</u>	<u>26,295,137,118.43</u>	<u>1,983,195,890.87</u>	<u>9,475,715,171.05</u>	<u>47,582,673,318.05</u>
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	319,496,770.54	1,708,030,839.79	228,535,233.82	580,979,774.97	2,837,042,619.12
Disposal	26,785,669.57	91,638,342.44	52,941,050.82	225,100,138.35	396,465,201.18
Other deduction	-	-	205,021.23	1,225,713.14	1,430,734.37

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Ending	<u>3,123,481,499.40</u>	<u>16,387,379,193.35</u>	<u>712,742,045.45</u>	<u>5,343,343,137.24</u>	<u>25,566,945,875.44</u>
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	858,451.71	465,342,187.03	763,786.28	6,436,099.39	473,400,524.41
Disposal	<u>2,561,175.92</u>	<u>47,971,857.94</u>	<u>42,928,054.22</u>	<u>15,715,749.88</u>	<u>109,176,837.96</u>
Ending	<u>97,718,327.95</u>	<u>2,189,788,051.83</u>	<u>57,769,334.61</u>	<u>323,687,036.78</u>	<u>2,668,962,751.17</u>
Carrying amount					
Ending	<u>6,607,425,310.35</u>	<u>7,717,969,873.25</u>	<u>1,212,684,510.81</u>	<u>3,808,684,997.03</u>	<u>19,346,764,691.44</u>
Beginning	<u>6,951,109,700.63</u>	<u>9,470,526,906.11</u>	<u>783,884,171.30</u>	<u>4,120,439,072.12</u>	<u>21,325,959,850.16</u>

(2) Fixed assets that are temporarily unused

On December 31, 2023, fixed assets with a book value of approximately RMB 187,074,047.38 (December 31, 2022: book value of approximately RMB 191,192,253.37) were temporarily idle due to product planning and other reasons.

Chongqing Changan Automobile Company Limited
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(3) The fixed assets which are rented out under operating leases is as follow:

2023

	Buildings	Machinery	Vehicles	Total
Original cost				
Beginning	2,488,884,425.25	4,895,655,978.57	1,690,556,607.27	9,075,097,011.09
Addition	1,118,879,622.96	142,830,539.29	83,293,181.80	1,345,003,344.05
Deduction	<u>1,138,575,772.16</u>	<u>15,597,434.48</u>	<u>260,746,586.25</u>	<u>1,414,919,792.89</u>
Ending	<u>2,469,188,276.05</u>	<u>5,022,889,083.38</u>	<u>1,513,103,202.82</u>	<u>9,005,180,562.25</u>
Accumulated depreciation				
Beginning	1,173,475,939.45	3,173,259,755.76	548,224,825.54	4,894,960,520.75
Addition	218,745,523.15	269,118,109.09	181,048,474.00	668,912,106.24
Deduction	<u>597,521,948.03</u>	<u>5,568,968.41</u>	<u>121,431,708.83</u>	<u>724,522,625.27</u>
Ending	<u>794,699,514.57</u>	<u>3,436,808,896.44</u>	<u>607,841,590.71</u>	<u>4,839,350,001.72</u>
Impairment provision				
Beginning	14,371,205.80	402,165,577.72	-	416,536,783.52
Addition	-	62,855,567.23	52,616.94	62,908,184.17
Deduction	<u>400,000.00</u>	<u>2,443,894.07</u>	-	<u>2,843,894.07</u>
	<u>13,971,205.80</u>	<u>462,577,250.88</u>	<u>52,616.94</u>	<u>476,601,073.62</u>
Carrying amount				
Ending	<u>1,660,517,555.68</u>	<u>1,123,502,936.06</u>	<u>905,208,995.17</u>	<u>3,689,229,486.91</u>
Beginning	<u>1,301,037,280.00</u>	<u>1,320,230,645.09</u>	<u>1,142,331,781.73</u>	<u>3,763,599,706.82</u>

Chongqing Changan Automobile Company Limited
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Year ended 31 December 2023
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13. Fixed assets (continued)

(3) The fixed assets which are rented out under operating leases is as follow:

2022

	Buildings	Machinery	Vehicles	Total
Original cost				
Beginning	407,385,917.78	193,922,403.14	1,142,516,412.19	1,743,824,733.11
Addition	2,106,368,074.56	4,818,277,154.51	655,644,459.59	7,580,289,688.66
Deduction	<u>24,869,567.09</u>	<u>116,543,579.08</u>	<u>107,604,264.51</u>	<u>249,017,410.68</u>
Ending	<u>2,488,884,425.25</u>	<u>4,895,655,978.57</u>	<u>1,690,556,607.27</u>	<u>9,075,097,011.09</u>
Accumulated depreciation				
Beginning	98,821,531.20	68,789,989.43	438,775,091.17	606,386,611.80
Addition	1,078,562,000.71	3,157,041,669.93	193,774,365.75	4,429,378,036.39
Deduction	<u>3,907,592.46</u>	<u>52,571,903.60</u>	<u>84,324,631.38</u>	<u>140,804,127.44</u>
Ending	<u>1,173,475,939.45</u>	<u>3,173,259,755.76</u>	<u>548,224,825.54</u>	<u>4,894,960,520.75</u>
Impairment provision				
Beginning	13,971,205.80	63,528,839.55	-	77,500,045.35
Addition	<u>400,000.00</u>	<u>338,636,738.17</u>	-	<u>339,036,738.17</u>
	<u>14,371,205.80</u>	<u>402,165,577.72</u>	-	<u>416,536,783.52</u>
Carrying amount				
Ending	<u>1,301,037,280.00</u>	<u>1,320,230,645.09</u>	<u>1,142,331,781.73</u>	<u>3,763,599,706.82</u>
Beginning	<u>294,593,180.78</u>	<u>61,603,574.16</u>	<u>703,741,321.02</u>	<u>1,059,938,075.96</u>

(4) As at December 31, 2023, the Company has no fixed assets that has not been issued with property certificates

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14. Construction in progress

(1) Details of construction in progress

Item	2023			2022		
	Balance	Provision	Carrying amount	Balance	Provision	Carrying amount
Construction project	750,986,351.54	-	750,986,351.54	142,449,903.88	-	142,449,903.88
Production line construction and technical innovation project	626,139,410.60	-	626,139,410.60	709,221,196.20	-	709,221,196.20
Engine plant	204,550,269.22	20,921,684.06	183,628,585.16	30,761,643.22	20,921,684.06	9,839,959.16
Environmental relocation project	59,586,596.48	-	59,586,596.48	306,134,604.02	-	306,134,604.02
Others	<u>302,845,555.72</u>	<u>8,841,139.67</u>	<u>294,004,416.05</u>	<u>245,063,849.66</u>	<u>24,811,294.28</u>	<u>220,252,555.38</u>
Total	<u>1,944,108,183.56</u>	<u>29,762,823.73</u>	<u>1,914,345,359.83</u>	<u>1,433,631,196.98</u>	<u>45,732,978.34</u>	<u>1,387,898,218.64</u>

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

	Beginning balance	Provision	Write-off	Ending balance
2023	45,732,978.34	5,343,493.61	21,313,648.22	29,762,823.73
2022	<u>71,691,670.00</u>	<u>1,533,334.00</u>	<u>27,492,025.66</u>	<u>45,732,978.34</u>

Chongqing Changan Automobile Company Limited
Notes to Financial Statement
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14. Construction in progress (continued)

(2) Movements of significant construction in progress in 2023

	Budget (RMB0,000)	Beginning balance	Addition	Transfer to fixed assets	Ending balance	The project investments' proportion of budget	Progress of construction	Source of funds
Construction project	831,204.00	142,449,903.88	737,732,863.28	129,196,415.62	750,986,351.54	49.23%	49.23%	Self-funded
Production line construction and technical innovation project	683,360.77	709,221,196.20	1,505,740,539.45	1,588,822,325.05	626,139,410.60	46.52%	46.52%	Self-rasied and additional issuance
Engine plant	44,276.00	30,761,643.22	198,149,011.67	24,360,385.67	204,550,269.22	51.07%	51.07%	Self-funded
Environmental relocation project	182,476.00	306,134,604.02	251,932,293.60	498,480,301.14	59,586,596.48	75.93%	75.93%	Self-rasied and additional issuance
Others		245,063,849.66	746,965,296.86	689,183,590.80	302,845,555.72			
Total		<u>1,433,631,196.98</u>	<u>3,440,520,004.86</u>	<u>2,930,043,018.28</u>	<u>1,944,108,183.56</u>			

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14. Construction in progress (continued)

(2) Movements of significant construction in progress in 2022: (continued)

	Budget (RMB0,000)	Beginning balance	Addition	Other deduction	Transfer to fixed assets	The project investments' proportion of budget	Progress of construction	Source of funds	Ending balance
Mini-bus production equipment	137,470.00	110,892,336.09	191,447,800.99	-	227,314,759.26	62%	62%	Self-funded	75,025,377.82
Car production equipment	360,738.00	283,628,123.26	282,894,772.61	120,121,061.17	226,106,906.06	35%	35%	Self-raised and additional issuance	220,294,928.64
Engine plant	485,216.00	127,069,581.90	507,405,858.99	-	129,916,781.84	63%	63%	Self-raised and additional issuance	504,558,659.05
Vehicle research institution	209,906.00	27,661,450.64	36,536,296.38	-	46,457,644.52	75%	75%	Self-funded	17,740,102.50
Car production project of Hefei Changan	394,980.00	13,073,052.88	80,152,211.39	-	37,361,748.01	88%	88%	Self-raised and additional issuance	55,863,516.26
Light vehicle project	65,828.00	20,953,663.84	58,492,273.87	-	65,904,728.84	44%	44%	Self-funded	13,541,208.87
Car-sharing project		721,192,899.46	19,868,623.27	64,969,026.54	666,460,917.58				9,631,578.61
Others		155,705,431.36	572,826,869.45	-	237,289,453.92				491,242,846.89
Total		<u>1,460,176,539.43</u>	<u>1,749,624,706.95</u>	<u>185,090,087.71</u>	<u>1,636,812,940.03</u>				<u>1,387,898,218.64</u>

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15. Right-of-use assets

2023

	Buildings 2023	Buildings 2022
Cost		
Beginning	152,893,426.61	92,864,546.90
Addition	186,945,842.28	141,510,763.34
Disposal	1,500,158.70	2,689,483.42
Other deduction		78,792,400.21
Ending	<u>338,339,110.19</u>	<u>152,893,426.61</u>
Accumulated depreciation		
Beginning	52,080,040.60	26,551,483.92
Accrual	78,278,552.25	29,882,264.96
Disposal	1,500,158.70	582,721.40
Other deduction		3,770,986.88
Ending	<u>128,858,434.15</u>	<u>52,080,040.60</u>
Carrying amount		
Ending	<u>209,480,676.04</u>	<u>100,813,386.01</u>
Beginning	<u>100,813,386.01</u>	<u>66,313,062.98</u>

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16. Intangible assets

2023

	Land use rights	Software use rights	Trademark use rights	Non-patent technology	Patent technology	Total
Original cost						
Beginning	2,237,966,691.60	845,391,055.17	211,864,157.55	7,695,744,860.28	85,556,571.30	11,076,523,335.90
Purchase	100,195,305.27	34,751,882.26	46,276.23	5,936,930.14	24,943.40	139,344,264.55
Internal research and development	-	-	-	2,018,394,526.72	-	2,018,394,526.72
Business combination	-	2,866,725.32	2,412,758,750.00	8,724,453,355.13	-	11,140,076,830.45
Fluctuations in exchange	-	840,010.76	-	-	-	840,010.76
Government grants	-	1,611,072.75	-	-	-	1,611,072.75
Disposal	<u>526,361.41</u>	<u>-</u>	<u>-</u>	<u>6,000.00</u>	<u>-</u>	<u>532,361.41</u>
Ending	<u>2,337,635,635.46</u>	<u>882,238,600.76</u>	<u>2,624,669,183.78</u>	<u>18,444,521,672.27</u>	<u>85,581,514.70</u>	<u>24,374,646,606.97</u>
Accumulated amortization						
Beginning	468,031,897.59	726,462,315.72	211,791,516.98	4,904,544,443.73	7,129,714.27	6,317,959,888.29
Accrual	46,046,280.63	33,239,628.48	221,185,346.46	1,923,283,524.17	8,556,280.71	2,232,311,060.45
Business combination	-	1,531,371.38	-	279,188,219.15	-	280,719,590.53
Fluctuations in exchange	-	797,371.30	-	-	-	797,371.30
Disposal	<u>197,871.96</u>	<u>-</u>	<u>-</u>	<u>1,450.00</u>	<u>-</u>	<u>199,321.96</u>
Ending	<u>513,880,306.26</u>	<u>762,030,686.88</u>	<u>432,976,863.44</u>	<u>7,107,014,737.05</u>	<u>15,685,994.98</u>	<u>8,831,588,588.61</u>
Impairment provision						
Beginning	-	23,617,923.17	-	288,560,268.76	-	312,178,191.93
Accrual	-	-	19,916,416.63	50,676,624.03	-	70,593,040.66
Business combination	-	-	-	114,723,135.98	-	114,723,135.98
Ending	<u>-</u>	<u>23,617,923.17</u>	<u>19,916,416.63</u>	<u>453,960,028.77</u>	<u>-</u>	<u>497,494,368.57</u>
Carrying amount						
Ending	<u>1,823,755,329.20</u>	<u>96,589,990.67</u>	<u>2,171,775,903.71</u>	<u>10,883,546,906.45</u>	<u>69,895,519.72</u>	<u>15,045,563,649.79</u>
Beginning	<u>1,769,934,794.01</u>	<u>95,310,816.28</u>	<u>72,640.57</u>	<u>2,502,640,147.79</u>	<u>78,426,857.03</u>	<u>4,446,385,255.68</u>

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17. Goodwill

2023

	Beginning balance	Addition	Deduction	Ending balance
Hebei Changan Automobile Co., Ltd.	9,804,394.00	-	-	9,804,394.00
Nanjing Changan Automobile Co., Ltd.	-	-	-	-
DEEPAL Automotive Technology Co., Ltd.	-	1,800,926,049.16	-	1,800,926,049.16
Total	<u>9,804,394.00</u>	<u>1,800,926,049.16</u>		<u>1,810,730,443.16</u>

The movement of provision for goodwill is as follow:

2023 and 2022

	Beginning balance	Addition	Deduction	Ending balance
Nanjing Changan Automobile Co., Ltd.	<u>73,465,335.00</u>	-	-	<u>73,465,335.00</u>

Due to the accumulated losses of Nanjing Changan Automobile Co., Ltd., provision for related goodwill has been fully accrued and amounted to RMB73,465,335.00.

18. Long-term deferred expenses

	Beginning balance	Addition	Deduction	Ending balance
2023	<u>26,375,422.17</u>	<u>1,357,462.16</u>	<u>3,570,664.27</u>	<u>24,162,220.06</u>
2022	<u>15,032,814.19</u>	<u>15,184,585.04</u>	<u>3,841,977.06</u>	<u>26,375,422.17</u>

19. Deferred tax assets and liabilities

Deferred income tax assets and deferred income tax liabilities that are not offset:

	2023		2022	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Assets provision	3,326,010,289.07	505,667,423.10	3,278,951,051.51	491,238,489.39
Accrued expenses and contingent liabilities	9,745,432,595.40	1,478,634,793.00	8,585,308,052.56	1,298,584,169.65
Unpaid tech development expense and advertisement expense	108,882,829.52	16,332,424.43	372,397,166.51	55,859,574.98
Deferred income	3,143,730,047.41	516,280,314.00	2,699,509,959.27	457,007,113.15
Unpaid salary and bonus and others	<u>5,069,078,308.78</u>	<u>762,158,961.20</u>	<u>4,933,440,721.02</u>	<u>741,142,942.18</u>
Total	<u>21,393,134,070.18</u>	<u>3,279,073,915.73</u>	<u>19,869,606,950.87</u>	<u>3,043,832,289.35</u>
	2023		2022	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities:				

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Available-for-sale financial assets on the changes in fair value recorded in capital reserve	271,136,632.22	40,670,494.83	358,180,218.36	53,727,032.75
Fair value adjustment of business combination not under common control	9,077,843,422.40	1,361,676,513.36	204,733,319.00	30,709,997.85
Long-term equity investment	1,053,139,619.28	157,970,942.89	971,329,619.28	145,699,442.89
Other	<u>234,662,947.30</u>	<u>36,576,889.00</u>	<u>133,866,716.92</u>	<u>21,733,246.50</u>
Total	<u>10,636,782,621.20</u>	<u>1,596,894,840.08</u>	<u>1,668,109,873.56</u>	<u>251,869,720.00</u>

Deferred income tax assets and deferred income tax liabilities that are offset:

Items:	2023		2022	
	Offset amount between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting	Offset amount between deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting
Deferred tax assets	30,819,858.08	3,248,254,057.65	14,832,978.84	3,028,999,310.51
Deferred Tax Liability	<u>30,819,858.08</u>	<u>1,566,074,982.00</u>	<u>14,832,978.84</u>	<u>237,036,741.16</u>

Unrecognized deductible temporary differences and tax losses of unrecognized are as follows:

	2023	2022
The deductible temporary difference	1,764,330,466.02	1,785,535,297.97
The deductible tax loss	<u>10,207,352,860.58</u>	<u>3,908,340,793.95</u>
Total	<u>11,971,683,326.60</u>	<u>5,693,876,091.92</u>

20. Deferred tax assets and liabilities (continued)

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.

Maturity period for unrecognized deductible tax losses:

	2023	2022
2023		719,486,343.29
2024	1,026,714,782.44	644,243,430.69
2025	1,484,227,541.07	669,056,651.63
2026	2,622,637,735.99	172,527,777.26
2027	2,162,063,388.55	14,762,188.38
2028 and beyond	<u>2,911,709,412.53</u>	<u>1,688,264,402.70</u>
Total	<u>10,207,352,860.58</u>	<u>3,908,340,793.95</u>

20. Other non current assets

	2023	2022
Advance payment for engineering	<u>450,000,000.00</u>	
Total	<u>450,000,000.00</u>	

21. The assets with ownership or right restricted

	2023	2022
Cash and cash equivalents	945,084,846.77	1,038,748,779.60
Note receivables	7,309,419,058.87	6,340,255,963.00
Intangible assets		42,203,917.80
Fixed assets		<u>20,942,566.80</u>
	<u>8,254,503,905.64</u>	<u>7,442,151,227.20</u>

22. Short-term loans

Classification of short-term loans :

	2023	2022
Credit loans	30,039,416.74	
Mortgage loans		<u>29,000,000.00</u>
Total	<u>30,039,416.74</u>	<u>29,000,000.00</u>

As at 31 December 2023, the interest rates of the above loans were 3.90%-4.50% (as at 31

December 2022: 4.60%-4.75%).

As at 31 December 2023, there was no overdue short-term loan (as at 31 December 2022: Nil).

23. Notes payable

	2023	2022
Commercial acceptance bill	2,943,672,886.95	5,001,155,687.84
Bank acceptance bill	<u>34,512,997,041.12</u>	<u>17,071,638,176.99</u>
Total	<u><u>37,456,669,928.07</u></u>	<u><u>22,072,793,864.83</u></u>

As at 31 December 2023, there is no overdue unpaid notes payable (as at 31 December 2022: Nil)

24. Accounts payable

	2023	2022
Accounts payable	<u><u>38,289,947,321.45</u></u>	<u><u>29,449,664,138.75</u></u>

As at 31 December 2023, there were no significant accounts payable aged over one year (as at 31 December 2022: Nil).

25. Advance payment

	2023	2022
unearned rent	<u><u>686,755.00</u></u>	<u><u></u></u>

26. Contract liabilities/Advances from customers

	2023	2022
Advance payment	6,780,177,101.71	4,808,762,223.46
Advance service payment	<u>1,143,615,751.06</u>	<u>846,494,569.20</u>
Total	<u><u>7,923,792,852.77</u></u>	<u><u>5,655,256,792.66</u></u>

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27. Payroll payable

2023

	Beginning balance	Addition	Deduction	Ending balance
Short term salary benefits	2,716,484,740.12	10,526,154,931.41	10,597,058,347.32	2,645,581,324.21
Defined contribution plans	88,857,749.73	914,289,145.67	915,891,050.74	87,255,844.66
Early retirement benefits	1,816,000.00	24,175,889.85	8,167,721.46	17,824,168.39
Total	<u>2,807,158,489.85</u>	<u>11,464,619,966.93</u>	<u>11,521,117,119.52</u>	<u>2,750,661,337.26</u>

2022

	Beginning balance	Addition	Deduction	Other deduction	Ending balance
Short term salary benefits	2,474,414,390.26	8,829,988,102.78	8,546,570,667.33	41,347,085.59	2,716,484,740.12
Defined contribution plans	89,216,538.26	667,430,841.13	665,797,989.33	1,991,640.33	88,857,749.73
Early retirement benefits	2,940,000.00	2,323,630.24	3,447,630.24	-	1,816,000.00
Total	<u>2,566,570,928.52</u>	<u>9,499,742,574.15</u>	<u>9,215,816,286.90</u>	<u>43,338,725.92</u>	<u>2,807,158,489.85</u>

27. Payroll payable (continued)

Short term salary benefits:

2023

	Beginning balance	Addition	Deduction	Ending balance
Salary, bonus, allowance and subsidy	2,221,656,081.04	8,452,204,683.00	8,502,894,778.05	2,170,965,985.99
Employee benefit	50,756,371.68	382,215,686.12	412,846,663.88	20,125,393.92
Social insurance				
Medical insurance	21,350,192.95	533,438,605.38	534,604,800.89	20,183,997.44
Industrial injury insurance	11,102,522.24	59,402,870.38	59,750,558.36	10,754,834.26
Maternity insurance	1,395,744.99	2,761,057.26	2,232,733.92	1,924,068.33
Others		24,783,404.93	24,783,404.93	
Housing accumulation fund	83,944,161.72	570,666,608.11	631,689,858.47	22,920,911.36
Labor fund and employee education fund	<u>326,279,665.50</u>	<u>500,682,016.23</u>	<u>428,255,548.82</u>	<u>398,706,132.91</u>

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Total	<u>2,716,484,740.12</u>	<u>10,526,154,931.41</u>	<u>10,597,058,347.32</u>	<u>2,645,581,324.21</u>
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2022

	Beginning balance	Addition	Deduction	Other deduction	Ending balance
Salary, bonus, allowance and subsidy	2,051,402,711.53	7,146,292,092.31	6,945,040,964.14	30,997,758.66	2,221,656,081.04
Employee benefit	50,630,435.22	386,349,815.91	386,037,939.85	185,939.60	50,756,371.68
Social insurance					
Medical insurance	21,021,344.24	395,967,753.79	394,480,490.19	1,158,414.89	21,350,192.95
Industrial injury insurance	11,118,683.26	40,723,587.86	40,684,896.28	54,852.60	11,102,522.24
Maternity insurance	1,382,325.53	1,172,637.29	1,159,217.83	-	1,395,744.99
Housing accumulation fund	82,772,742.30	491,467,767.44	488,154,268.15	2,142,079.87	83,944,161.72
Labor fund and employee education fund	<u>256,086,148.18</u>	<u>368,014,448.18</u>	<u>291,012,890.89</u>	<u>6,808,039.97</u>	<u>326,279,665.50</u>
Total	<u>2,474,414,390.26</u>	<u>8,829,988,102.78</u>	<u>8,546,570,667.33</u>	<u>41,347,085.59</u>	<u>2,716,484,740.12</u>

27. Payroll payable (continued)

Defined contribution plans :

2023

	Beginning balance	Addition	Deduction	Ending balance
Basic retirement security	79,031,084.59	885,375,217.34	886,518,169.93	77,888,132.00
Unemployment insurance	<u>9,826,665.14</u>	<u>28,913,928.33</u>	<u>29,372,880.81</u>	<u>9,367,712.66</u>
Total	<u>88,857,749.73</u>	<u>914,289,145.67</u>	<u>915,891,050.74</u>	<u>87,255,844.66</u>

2022

	Beginning balance	Addition	Deduction	Other Deduction	Ending balance
Basic retirement	79,483,988.05	646,286,750.65	644,976,261.42	1,763,392.69	79,031,084.59

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security					
Unemployment insurance	<u>9,732,550.21</u>	<u>21,144,090.48</u>	<u>20,821,727.91</u>	<u>228,247.64</u>	<u>9,826,665.14</u>
Total	<u>89,216,538.26</u>	<u>667,430,841.13</u>	<u>665,797,989.33</u>	<u>1,991,640.33</u>	<u>88,857,749.73</u>

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.

28. Taxes payable

	2023	2022
Value-added tax	366,815,941.84	655,162,944.40
Consumption tax	307,949,880.80	378,822,293.63
Corporate income tax	1,136,075,075.53	550,250,134.24
City maintenance and construction tax and	51,726,243.42	106,797,577.85
Others	<u>66,156,765.79</u>	<u>58,913,132.20</u>
Total	<u>1,928,723,907.38</u>	<u>1,749,946,082.32</u>

29. Other payables

	2023	2022
Purchase and construction of fixed assets, intangible assets and engineering deposits	1,550,681,604.04	1,190,478,260.12
Customer and supplier margin	874,043,416.71	839,653,876.07
Advanced receipt of land and plant disposal fees	150,000,000.00	635,268,035.18
Treasury stock repurchase	382,277,095.96	627,060,416.52
Advertisement fees	648,229,494.43	505,569,065.16
Storage fees and freight	488,072,948.00	382,409,902.25
Maintenance fees	295,480,247.86	278,765,596.52
Capital increase from third parties received in advance by subsidiaries	138,398,550.00	697,956,559.00
Others	<u>1,353,699,155.97</u>	<u>925,604,713.85</u>
Total	<u><u>5,880,882,512.97</u></u>	<u><u>4,562,626,344.69</u></u>

30. Non-current liability within 1 year

	2023	2022
Long-term loan within 1 year	4,000,000.00	604,000,000.00
Defined benefit plans that expire within 1 year	1,190,000.00	
Long-term payables within 1 year		244,429,325.65
Lease liabilities within 1 year	<u>74,887,042.88</u>	<u>37,294,575.69</u>
	<u><u>80,077,042.88</u></u>	<u><u>885,723,901.34</u></u>

31. Other current liabilities

	2023	2022
Accrued commercial discount payable	5,277,859,952.56	3,837,216,057.38
Accrued market development expense	1,229,871,896.85	1,004,950,610.70
Accrued transportation fee	428,540,512.92	728,264,657.72
Accrued technology royalty	712,779,170.48	534,463,454.23
Accrued labor service fee	52,021,714.94	107,051,967.02
Accrued negative points for fuel consumption	76,611,049.98	59,308,609.28
Others	<u>1,120,252,102.19</u>	<u>355,789,311.29</u>
Total	<u>8,897,936,399.92</u>	<u>6,627,044,667.62</u>

32. Long-term Loan

	2023	2022
Net long-term borrowings	<u>72,000,000.00</u>	<u>36,000,000.00</u>

As at 31 December 2023, the interest rates of the above loans were 1.00% (as at 31 December 2022: 1.00%-3.00%).

As at 31 December 2023, there is no overdue long-term loans (as at 31 December 2022: Nil).

33. Bonds Payable

	2023	2022
Corporate Bonds	<u>999,607,547.16</u>	<u>999,528,301.88</u>

In December 2023, the Company publicly issued technology innovation corporate bonds (Phase I) to professional investors, with a face value of RMB1,000,000,000.00, a coupon rate of 3%, simple interest payable annually, the interest payment date is December 20 of each year from 2023 to 2027, and the final redemption date is December 20, 2027.

34. Lease liabilities

	2023	2022
Lease liabilities	209,141,440.95	97,499,973.67
Less: Lease liabilities within 1 year	<u>74,887,042.88</u>	<u>37,294,575.69</u>
	<u>134,254,398.07</u>	<u>60,205,397.98</u>

35. Long-term payables

	2023	2022
Long-term payables	804,264,787.97	408,939,511.34
Special payables	<u>148,181,330.60</u>	<u>144,579,238.78</u>
Total	<u><u>952,446,118.57</u></u>	<u><u>553,518,750.12</u></u>

Long-term payables:

	2023	2022
Accounts payable for construction projects on behalf of others	804,264,787.97	
Purchase of fixed assets		653,368,836.99
Less: Long-term payables within 1 year		<u>244,429,325.65</u>
Total	<u><u>804,264,787.97</u></u>	<u><u>408,939,511.34</u></u>

Special payables:

2023

	Beginning	Addition	Deduction	Ending
Intelligent manufacturing project	54,122,972.00	106,346,500.00	81,350,954.74	79,118,517.26
Lightweight design of automobile structure	14,410,557.94		7,640,605.31	6,769,952.63
Others	<u>76,045,708.84</u>	<u>53,178,952.56</u>	<u>66,931,800.69</u>	<u>62,292,860.71</u>
Total	<u><u>144,579,238.78</u></u>	<u><u>159,525,452.56</u></u>	<u><u>155,923,360.74</u></u>	<u><u>148,181,330.60</u></u>

2022

	Beginning	Addition	Deduction	Ending
Land relocation compensation of Nanjing changan	55,350,709.40	-	55,350,709.40	-
Intelligent manufacturing project	82,777,201.36	6,169,200.00	34,823,429.36	54,122,972.00
Lightweight design of automobile structure	18,903,766.50	4,900,000.00	9,393,208.56	14,410,557.94
Others	<u>25,928,275.13</u>	<u>71,133,518.47</u>	<u>21,016,084.76</u>	<u>76,045,708.84</u>
Total	<u><u>182,959,952.39</u></u>	<u><u>82,202,718.47</u></u>	<u><u>120,583,432.08</u></u>	<u><u>144,579,238.78</u></u>

36. Long-term payroll payable

	2023	2022
Net obligation of defined benefit plan	26,880,000.00	29,227,000.00
Early retirement	<u>3,534,000.00</u>	<u>5,786,000.00</u>
Total	<u><u>30,414,000.00</u></u>	<u><u>35,013,000.00</u></u>

In addition to basic retirement security and unemployment insurance, which are managed by local government, the Group offers different kinds of overall pension and annual compensation to some retired employees until their death. The Group provides subsidies to former military personnel who participated in specific wars and offers large medical treatment insurance for all retired personnel. The Group also offered early-retired salary, social insurances and housing accumulation fund with different standards until their formal retirement (Male: Age 60; Female: Age 50 or 55). These amounts of social insurances and housing accumulation fund are based on cost base and statutory proportion.

The present value of the defined benefits plans is valued by expected cumulative welfare units determination, which was ensured by Aon Enterprise Solutions Shanghai Co Ltd. at 31 December 2023.

The related plans recognized in the profit and loss of the defined benefit plan are as follows:

	2023	2022
Service costs- current period	57,000.00	56,000.00
Net interest	<u>-940,000.00</u>	<u>818,000.00</u>
Net post-employment benefit costs	<u>-908,000.00</u>	<u>874,000.00</u>
Recorded in general administrative expenses	-908,000.00	874,000.00

Movement of present value of defined benefits plan is as follows:

	Defined Benefit Plan Obligation	
	2023	2022
Beginning balance	29,227,000.00	30,917,000.00
Charged to income Statement of the current period		
Service costs- current period	313,000.00	56,000.00
Interest expense, net	-940,000.00	818,000.00
Actuarial losses charged to other comprehensive income	-540,000.00	-112,000.00
Benefits Payment	<u>-899,000.00</u>	<u>-2,452,000.00</u>
Ending balance	<u><u>26,880,000.00</u></u>	<u><u>29,227,000.00</u></u>

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37. Accrued liabilities

2023

	Beginning	Addition	Deduction	Ending
Warranty	4,152,001,660.31	2,893,224,624.23	1,068,664,474.45	5,976,561,810.09
Contingent liabilities of contract performance	<u>437,297,661.18</u>	<u>51,551,251.31</u>	<u>188,369,305.79</u>	<u>300,479,606.70</u>
Total	<u>4,589,299,321.49</u>	<u>2,944,775,875.54</u>	<u>1,257,033,780.24</u>	<u>6,277,041,416.79</u>

2022

	Beginning	Addition	Deduction	Ending
Warranty	3,295,272,783.50	1,595,486,879.87	738,758,003.06	4,152,001,660.31
Contingent liabilities of contract performance	<u>543,742,894.34</u>	<u>26,346,680.32</u>	<u>132,791,913.48</u>	<u>437,297,661.18</u>
Total	<u>3,839,015,677.84</u>	<u>1,621,833,560.19</u>	<u>871,549,916.54</u>	<u>4,589,299,321.49</u>

38. Deferred income

2023

	2022.12.31	Addition	Deduction	Other deduction	2023.12.31
Government grants related to assets	166,416,924.2	619,538,720.00	175,548,473.12		248,266,726.10
Government grants related to gains	<u>181,151,625.42</u>	<u>-</u>	<u>72,718,252.98</u>		<u>108,433,372.44</u>
	<u>347,568,549.62</u>	<u>619,538,720.00</u>	<u>248,266,726.10</u>		<u>718,840,543.52</u>

2022

	2021.12.31	Addition	Deduction	Other deduction	2022.12.31
Government grants related to assets	224,903,605.46	129,752,557.11	188,239,238.37	-	166,416,924.2
Government grants related to gains	<u>699,846,125.66</u>	<u>-</u>	<u>299,235,506.09</u>	<u>219,458,994.15</u>	<u>181,151,625.42</u>
	<u>924,749,731.12</u>	<u>129,752,557.11</u>	<u>487,474,744.46</u>	<u>219,458,994.15</u>	<u>347,568,549.62</u>

As at 31 December 2023, details of liabilities related to government grants are as follows:

	2022.12.31	Addition	Deduction	2023.12.31
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Notes to Financial Statement
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Related to assets:	166,416,924.20	619,538,720.00	175,548,473.12	610,407,171.08
Production and construction subsidies	166,416,924.20	619,538,720.00	175,548,473.12	610,407,171.08
Related to gains:	181,151,625.42		72,718,252.98	108,433,372.44
R&D technology subsidies	121,750,757.27		44,099,593.29	77,651,163.98
Other government subsidies	59,400,868.15		28,618,659.83	59,400,868.15
Total	<u>347,568,549.62</u>	<u>619,538,720.00</u>	<u>248,266,726.10</u>	<u>718,840,543.52</u>

39. Other non-current liabilities

	2023	2022
Advance service payment	1,497,773,818.69	882,226,966.14

Chongqing Changan Automobile Company Limited
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40. Share capital

2023

	Beginning	Issuance of shares	Stock dividend	movement Transfer of reserve to common shares	Others	Sub-total	Ending
I. Restricted shares							
1 Shares held by state-owned legal persons	515,311,738.00	-	-				515,311,738.00
2 Other domestic shareholdings	159,248,366.00	-	-				159,248,366.00
Including:							
shares held by domestic legal persons	-	-	-				-
shares held by domestic natural persons	159,248,366.00	-	-				159,248,366.00
3 Foreign shareholdings	1,215,370.00	-	-				1,215,370.00
Total of restricted shares	<u>675,775,474.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675,775,474.00</u>
II. Unrestricted shares							
1 RMB ordinary shares	7,604,409,171.00	-	-		4,510,389.00	4,510,389.00	7,599,898,782.00
2 Foreign-funded shares listed domestically	<u>1,641,614,777.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,641,614,777.00</u>
Total of unrestricted shares	<u>9,246,023,948.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,510,389.00</u>	<u>4,510,389.00</u>	<u>9,241,513,559.00</u>
III. Total shares	<u>9,921,799,422.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,917,289,033.00</u>

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2022

	Beginning	Issuance of shares	Stock dividend	movement Transfer of reserve to common shares	Others	Sub-total	Ending
I. Restricted shares							
1 Shares held by state-owned legal persons	396,393,645.00	-	-	118,918,093.00	-	118,918,093.00	515,311,738.00
2 Other domestic shareholdings	122,490,320.00	-	-	36,747,096.00	10,950.00	36,758,046.00	159,248,366.00
Including:							
shares held by domestic legal persons	-	-	-	-	-	-	-
shares held by domestic natural persons	122,490,320.00	-	-	36,747,096.00	10,950.00	36,758,046.00	159,248,366.00
3 Foreign shareholdings	934,900.00	-	-	280,470.00	-	280,470.00	1,215,370.00
Total of restricted shares	<u>519,818,865.00</u>	<u>-</u>	<u>-</u>	<u>155,945,659.00</u>	<u>10,950.00</u>	<u>155,956,609.00</u>	<u>675,775,474.00</u>
II. Unrestricted shares							
1 RMB ordinary shares	5,849,553,939.00	-	-	1,754,866,182.00	(10,950.00)	1,754,855,232.00	7,604,409,171.00
2 Foreign-funded shares listed domestically	1,262,780,598.00	-	-	378,834,179.00	-	378,834,179.00	1,641,614,777.00
Total of unrestricted shares	<u>7,112,334,537.00</u>	<u>-</u>	<u>-</u>	<u>2,133,700,361.00</u>	<u>(10,950.00)</u>	<u>2,133,689,411.00</u>	<u>9,246,023,948.00</u>
III. Total shares	<u>7,632,153,402.00</u>	<u>-</u>	<u>-</u>	<u>2,289,646,020.00</u>	<u>-</u>	<u>2,289,646,020.00</u>	<u>9,921,799,422.00</u>

Chongqing Changan Automobile Company Limited
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41. Capital reserves

2023

	Beginning	Addition	Deduction	Ending
Share premium	6,485,177,332.59	333,258,382.40	14,067,193.00	6,804,368,521.99
Share-based payments	648,749,767.92	362,576,400.00	333,258,382.40	678,067,785.52
Capital reserve transferred arising from the old standards	44,496,899.00	-	-	44,496,899.00
Restricted capital reserve of equity investments	17,015,985.20	-	-	17,015,985.20
Others (Note 1)	<u>1,337,366,701.06</u>	<u>33,537,855.64</u>	<u>663,566,110.70</u>	<u>707,338,445.99</u>
Total	<u>8,532,806,685.77</u>	<u>729,372,638.03</u>	<u>1,010,891,686.10</u>	<u>8,251,287,637.70</u>

2022

	Beginning	Addition	Deduction	Ending
Share premium	8,774,823,352.59	-	2,289,646,020.00	6,485,177,332.59
Share-based payments	268,539,867.92	380,209,900.00	-	648,749,767.92
Capital reserve transferred arising from the old standards	44,496,899.00	-	-	44,496,899.00
Restricted capital reserve of equity investments	17,015,985.20	-	-	17,015,985.20
Others (Note 1)	<u>671,317,255.67</u>	<u>666,049,445.39</u>	-	<u>1,337,366,701.06</u>
Total	<u>9,776,193,360.38</u>	<u>1,046,259,345.39</u>	<u>2,289,646,020.00</u>	<u>8,532,806,685.77</u>

42. Treasury stock

2023

	Beginning	Addition	Deduction	Ending
Treasury stock	<u>627,060,416.52</u>	-	<u>244,783,320.56</u>	<u>382,277,095.96</u>

2022

	Beginning	Addition	Deduction	Ending
Treasury stock	<u>655,812,327.60</u>	-	<u>28,751,911.08</u>	<u>627,060,416.52</u>

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43. Other comprehensive income

Accumulated other comprehensive income in consolidated balance sheet attributable to parent company is as follows:

2023

	2022.12.31	Movement	2023.12.31
Re-measurement of changes in defined benefit plans	-185,000.00	540,000.00	355,000.00
Other comprehensive income that cannot be transferred to profit or loss under the equity method	-2,765,221.82	-1,454,051.91	-4,219,273.73
Other comprehensive income on convertible gains and losses under the equity method	75,815.98		-75,815.98
Changes in the fair value of other equity instrument investments	160,120,620.00	12,104,070.30	172,224,690.30
Translation difference of foreign currency financial statements	-58,252,966.78	8,287,150.23	-50,041,632.53
Total	<u>98,841,615.42</u>	<u>19,477,168.62</u>	<u>118,318,784.04</u>

2022

	2021.12.31	Movement	2022.12.31
Re-measurement of changes in defined benefit plans	(297,000.00)	112,000.00	(185,000.00)
Other comprehensive income that cannot be transferred to profit or loss under the equity method	(3,368,053.89)	602,832.07	(2,765,221.82)
Other comprehensive income on convertible gains and losses under the equity method	-	(75,815.98)	(75,815.98)
Changes in the fair value of other equity instrument investments	169,861,280.00	(9,740,660.00)	160,120,620.00
Translation difference of foreign currency financial statements	(96,753,756.58)	38,500,789.80	(58,252,966.78)
Total	<u>69,442,469.53</u>	<u>29,399,145.89</u>	<u>98,841,615.42</u>

41. Other comprehensive income (continued)

Current occurrence amount of other comprehensive income in consolidated income statement attributable to parent company:

2023

	Amount before tax	Deduct: amounts transferred to income statement which were recognized in other comprehensive income in prior period	Deduct: amounts transferred to retained earnings which were recognized in other comprehensive income in prior period	Deduct: Income tax	Amount attributable to owners	Amount attributable to minority interests
Other comprehensive income not to be reclassified to profit or loss in subsequent period						
Change in net liability or assets from defined benefit plan	540,000.00	-	-	-	540,000.00	-
Other comprehensive income that cannot be transferred to profit or loss under the equity method	-1,454,051.91	-	-	-	-1,454,051.91	-
Fair value change of Investment in other equity instruments	<u>14,240,082.71</u>	-	-	<u>2,136,012.41</u>	<u>12,104,070.30</u>	-
Subtotal	<u>13,326,030.80</u>	-	-	<u>2,136,012.41</u>	<u>11,190,018.39</u>	-
Other comprehensive income will be reclassified to profit or loss in subsequent period		-				
Other comprehensive income which can convert to gain and loss under the equity method						
Foreign currency translation difference	<u>8,287,150.23</u>	-	-	-	<u>8,287,150.23</u>	-
Subtotal	<u>8,287,150.23</u>	-	-	-	<u>8,287,150.23</u>	-
Total	<u>21,613,181.03</u>	-)	<u>2,136,012.41</u>	<u>19,477,168.62</u>	-

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2022

	Amount before tax	Deduct: amounts transferred to income statement which were recognized in other comprehensive income in prior period	Deduct: amounts transferred to retained earnings which were recognized in other comprehensive income in prior period	Deduct: Income tax	Amount attributable to owners	Amount attributable to minority interests
Other comprehensive income not to be reclassified to profit or loss in subsequent period						
Change in net liability or assets from defined benefit plan	(112,000.00)	-	-	-	(112,000.00)	-
Other comprehensive income that cannot be transferred to profit or loss under the equity method	(602,832.07)	-	-	-	(602,832.07)	-
Fair value change of Investment in other equity instruments	<u>5,500,000.00</u>	-	(5,065,660.00)	825,000.00	<u>9,740,660.00</u>	-
Subtotal	<u>4,785,167.93</u>	-	<u>(5,065,660.00)</u>	<u>825,000.00</u>	<u>9,025,827.93</u>	-
Other comprehensive income will be reclassified to profit or loss in subsequent period		-				
Other comprehensive income which can convert to gain and loss under the equity method	75,815.98	-	-	-	75,815.98	-
Foreign currency translation difference	<u>(37,775,975.99)</u>	<u>722,897.12</u>	-	-	<u>(38,500,789.80)</u>	<u>1,916.69</u>
Subtotal	<u>(37,700,160.01)</u>	<u>722,897.12</u>	-	-	<u>(38,424,973.82)</u>	<u>1,916.69</u>
Total	<u>(32,914,992.08)</u>	<u>722,897.12</u>	<u>(5,065,660.00)</u>	<u>825,000.00</u>	<u>(29,399,145.89)</u>	<u>1,916.69</u>

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44. Special reserves

2023

	Beginning	Addition	Deduction	Ending
Safety fund	<u>24,090,898.05</u>	<u>126,209,917.06</u>	<u>95,977,484.77</u>	<u>54,323,330.34</u>

2022

	Beginning	Addition	Deduction	Ending
Safety fund	<u>27,988,260.61</u>	<u>104,696,987.95</u>	<u>108,594,350.51</u>	<u>24,090,898.05</u>

45. Surplus reserves

2023

	Beginning	Addition	Deduction	Ending
Statutory surplus	<u>3,528,137,635.53</u>	<u>748,080,862.37</u>	<u>-</u>	<u>4,276,245,864.64</u>

2022

	Beginning	Addition	Deduction	Ending
Statutory surplus	<u>2,982,292,413.67</u>	<u>545,845,221.86</u>	<u>-</u>	<u>3,528,137,635.53</u>

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46. Retained earnings

	2023	2022
Retained earnings at beginning of the year	41,379,965,149.07	35,900,674,525.13
Adjusting the total undistributed profits at the beginning of the year (increase+, decrease -)		152,935.82
Add: Profits attributable to parent company for the current year	11,327,463,013.15	7,798,785,367.38
Add: Other comprehensive income transferred to retained earnings		5,065,660.00
Less: Appropriation to statutory surplus reserves	748,080,862.37	545,857,147.72
Less: Ordinary share dividend of cash	<u>2,341,414,868.12</u>	<u>1,778,856,191.54</u>
Retained earnings at the end of year	<u><u>49,617,932,431.73</u></u>	<u><u>41,379,965,149.07</u></u>

47. Operating revenue and cost

	<u>2023</u>		<u>2022</u>	
	Revenue	Cost	Revenue	Cost
Main business	148,183,136,224.90	121,653,251,310.51	117,565,143,198.95	94,573,428,488.62
Other business	<u>3,114,570,422.07</u>	<u>1,869,405,043.21</u>	<u>3,687,720,886.45</u>	<u>1,836,182,385.14</u>
Total	<u><u>151,297,706,646.97</u></u>	<u><u>123,522,656,353.72</u></u>	<u><u>121,252,864,085.40</u></u>	<u><u>96,409,610,873.76</u></u>

Operating revenue listed as follows:

	2023	2022
Revenue generated from customer contracts	150,837,473,020.25	120,838,238,851.66
Provide labor and other services	<u>460,233,626.72</u>	<u>414,625,233.74</u>
Total	<u><u>151,297,706,646.97</u></u>	<u><u>121,252,864,085.40</u></u>

The breakdown of operating revenue generated from contracts with customers is as follows:

45. Operating revenue and cost (continued)

Revenue generated from customer contracts:

	2023	2022
Revenue recognition time		
Recognize revenue at a certain point in time	149,806,264,812.48	120,203,760,630.11
Recognize revenue within a certain period of time	<u>1,031,208,207.77</u>	<u>634,478,221.55</u>
Total	<u><u>150,837,473,020.25</u></u>	<u><u>120,838,238,851.66</u></u>

The income recognized in the current year and included in the book value of contract liabilities at the beginning of the year is as follows:

	2023	2022
Sales of goods	145,303,581,062.21	114,066,406,439.25
Provision of services and others	<u>5,533,891,958.04</u>	<u>6,771,832,412.41</u>
Total	<u><u>150,837,473,020.25</u></u>	<u><u>120,838,238,851.66</u></u>

The estimated time when the total transaction price that has not been fulfilled (or partially fulfilled) performance obligations allocated to the end of the year is recognized as revenue is as follows:

	2023	2022
Domestic	130,301,011,943.81	107,426,791,857.44
overseas	<u>20,536,461,076.44</u>	<u>13,411,446,994.22</u>
Total	<u><u>150,837,473,020.25</u></u>	<u><u>120,838,238,851.66</u></u>

48. Tax and surcharges

	2023	2022
Consumption tax	3,689,083,562.44	3,022,759,216.21
City maintenance and construction tax	416,207,782.33	454,863,299.03
Educational surcharge	180,693,475.51	229,702,527.01
Others	<u>472,441,461.42</u>	<u>394,522,780.25</u>
Total	<u><u>4,758,426,281.70</u></u>	<u><u>4,101,847,822.50</u></u>

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49. Operating expenses

	2023	2022
Sales service fee	3,435,342,406.81	2,132,352,506.82
Promotion, advertising fee	2,685,049,398.19	1,760,645,464.70
Payroll and welfare	754,840,131.95	718,415,703.07
Transportation and storage fees	426,167,063.06	296,302,707.75
Travelling expenses	128,037,954.91	71,192,697.52
Package expenses	34,279,133.27	42,180,208.06
Consulting fee	25,208,016.75	31,870,498.85
Training fee	37,558,797.59	27,499,082.32
Others	<u>118,722,690.35</u>	<u>57,811,293.86</u>
Total	<u><u>7,645,205,592.88</u></u>	<u><u>5,138,270,162.95</u></u>

50. General and administrative expenses

	2023	2022
Payroll and welfare	2,510,857,635.06	2,361,704,245.03
Share-based payments	362,576,400.00	380,209,900.00
Administrative expenses	533,464,030.04	342,662,496.31
Depreciation and amortization	506,232,270.50	209,021,291.13
Traffic expenses	50,337,862.88	54,685,498.40
Travelling expenses	31,365,995.19	7,465,840.51
Others	<u>102,703,336.00</u>	<u>176,708,927.38</u>
Total	<u><u>4,097,537,529.67</u></u>	<u><u>3,532,458,198.76</u></u>

51. Research and development expenses

	2023	2022
Payroll and welfare	1,751,875,403.13	1,744,089,751.78
Depreciation and amortization	2,235,391,711.61	1,221,653,901.00
Subcontract fee	844,870,793.73	580,052,391.93
Material fee	617,867,191.88	192,475,951.44
Test fee	186,414,711.98	109,549,382.65
Others	<u>343,424,840.90</u>	<u>467,623,485.96</u>
Total	<u><u>5,979,844,653.23</u></u>	<u><u>4,315,444,864.76</u></u>

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52. Financial income

	2023	2022
Interest income	1,172,272,116.20	1,014,346,758.69
Less: Foreign exchange gain or loss	169,367,527.65	-79,104,476.10
Interest expense	65,658,308.92	48,683,490.36
Others	<u>39,902,539.83</u>	<u>27,462,001.35</u>
Total	<u><u>-897,343,739.80</u></u>	<u><u>-1,017,305,743.08</u></u>

53. Other income

	2023	2022	Amount recognized in 2021 as non-recurring profit and loss
Government subsidies related to daily activities	<u>1,644,319,505.04</u>	<u>529,819,888.31</u>	<u>1,644,319,505.04</u>

Government subsidies related to daily activities are as follows:

	2023	2022
Production and construction subsidies	935,787,265.00	385,172,523.26
Other government subsidies	<u>708,532,240.04</u>	<u>144,647,365.05</u>
	<u><u>1,644,319,505.04</u></u>	<u><u>529,819,888.31</u></u>

54. Investment income

	2023	2022
Long-term equity investment income/(loss) accounted for by the equity method	-2,201,515,632.81	-3,060,648,491.82
The investment income of financial asset held for trading during its holding period	1,406,842.07	3,289,610.51
Dividend income from remaining investments in other equity instruments	206,042,574.04	160,088,164.16
Investment income from disposal of long-term equity investments	1.00	
Investment income obtained from the disposal of trading financial assets	18,106,159.85	
Business combination	5,021,482,128.74	
Gains from the remeasurement of the remaining equity at fair value after the loss of control		2,128,313,646.36
Others	<u>4,890,972.21</u>	<u>-</u>
Total	<u><u>3,050,413,045.10</u></u>	<u><u>-768,957,070.79</u></u>

55. Fair value change

	2023	2022
Financial assets held for trading	<u>-19,061,189.53</u>	<u>3,570,229.29</u>

56. Impairment loss of credit

	2023	2022
Bad debt for account receivable	48,168,990.90	30,511,950.73
Bad debt for other receivables	<u>-1,426,874.99</u>	<u>1,730,059.54</u>
Total	<u>46,742,115.91</u>	<u>32,242,010.27</u>

57. Impairment loss on assets

	2023	2022
Impairment of inventory	248,550,585.56	284,897,475.48
Impairment of contract assets	236,406,130.60	119,820,417.81
Impairment of fixed assets	252,935,096.10	473,400,524.41
Impairment of intangible assets	70,593,040.66	66,201,964.50
Impairment of construction in progress	<u>5,343,493.61</u>	<u>1,533,334.00</u>
Total	<u>813,828,346.53</u>	<u>945,853,716.20</u>

58. Gain on disposal of assets

	2023	2022	Amount recognized in 2023 as non-recurring profit and loss
Gain on disposal of intangible assets	431,533,750.49	74,862,481.00	431,533,750.49
Gain on disposal of fixed-assets	9,461,986.74		9,461,986.74
Total	<u>440,995,737.23</u>	<u>74,862,481.00</u>	<u>440,995,737.23</u>

59. Non-operating income

	2023	2022	Amount recognized in 2023 as non-recurring profit and loss
Fines, penalties and others	<u>169,793,538.35</u>	<u>128,910,416.79</u>	<u>169,793,538.35</u>

60. Non-operating expenses

	2023	2022	Amount recognized in 2023 as non-recurring profit and loss
Donation	23,663,690.00	19,172,451.80	23,663,690.00
Fines and penalties	4,073,147.35	1,168,042.33	4,073,147.35
Others	<u>336,554.48</u>	<u>34,050,545.66</u>	<u>336,554.48</u>
Total	<u>28,073,391.83</u>	<u>54,391,039.79</u>	<u>28,073,391.83</u>

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61. Income tax expense

	2023	2022
Current income tax expense	1,450,814,903.31	689,928,709.52
Deferred income tax expense	<u>-363,517,186.79</u>	<u>-726,353,981.40</u>
Total	<u>1,087,297,716.52</u>	<u>-36,425,271.88</u>

The relationship between income tax expense and profit/(loss) before tax is as follows:

	2023
Profit before tax	<u>10,589,196,757.49</u>
Tax at the applicable tax rate	1,588,379,513.62
Impact of different tax rates of subsidiaries	55,937,616.85
Adjustments to current income tax of previous period	-16,714,286.64
Non-taxable income	183,906,215.55
Non-deductible tax expense	1,905,984.77
Usage previous deductible losses	-67,491,591.34
Unrecognized deductible temporary differences and deductible losses	77,420,652.42
Additional deduction arising from research and development expense	-749,436,146.91
Others	<u>13,389,758.20</u>
Tax expense under actual tax rate of the Group	<u>1,087,297,716.52</u>

62. Earnings per share ("EPS")

	2023	2022
Basic EPS		
Going concern	<u>1.15</u>	<u>0.80</u>
Diluted EPS		
Going concern	<u>1.13</u>	<u>0.78</u>

The basic EPS is calculated by dividing the net profit of the current period attributable to the ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares.

The numerator of diluted earnings per share is determined based on the current net profit attributable to the ordinary shareholders of the company after adjusting the following factors: (1) the interest of diluted potential ordinary shares that have been recognized as expenses in the current period; (2) The proceeds or expenses that will be incurred upon conversion of diluted potential ordinary shares; (3) the income tax impact related to the above adjustment.

The denominator of diluted earnings per share is equal to the sum of the following two items: (1) the weighted average number of ordinary shares issued by the parent company in the basic earnings per share; (2) the weighted average number of ordinary shares increased by assuming the conversion of diluted potential ordinary shares into ordinary shares.

When calculating the weighted average number of ordinary shares increased by the conversion of diluted potential ordinary shares into issued ordinary shares, the diluted potential ordinary shares issued in previous periods are assumed to be converted at the beginning of the current period; Diluted potential ordinary shares issued in the current period are assumed to be converted on the issuance date. In 2023, the restricted stock incentive plan implemented by the company diluted earnings per share.

63. Notes to cash flow statement

(1) Items of cash received relating to other operating activities are as follows:

	2023	2022
Interest income	1,172,272,116.20	1,014,346,758.69
Government grants	1,841,460,063.44	711,835,358.28
Others	<u>344,581,255.97</u>	<u>715,500,477.90</u>
Total	<u>3,358,313,435.61</u>	<u>2,441,682,594.87</u>

64. Supplementary information of cash flow statement

(1) Supplementary information of cash flow statement

Cash flows from operating activities calculated by adjusting the net profit:

	2023	2022
Net profit	9,501,899,040.97	7,745,026,102.60
Add: Impairment provision for assets	860,570,462.44	978,095,726.47
Depreciation of fixed assets	2,991,918,878.33	2,837,042,619.12
Right-of-use assets depreciation	70,896,183.37	29,882,264.96
Depreciation and amortization of investment property	226,711.56	226,711.56
Amortization of intangible assets	2,232,311,060.45	1,045,661,359.97
Amortization of long-term deferred expense	3,570,664.27	3,841,977.06
Disposal income on fixed assets, intangible assets and others		
long-term assets	-440,995,737.23	-74,862,481.00
Loss/(income) of abandonment of fixed assets	4,891.17	
Income of fair value movement	19,061,189.53	-3,570,229.29
Financial expense	156,147,198.25	8,976,404.49
Investment income/(loss)	-3,050,413,045.10	768,957,070.79
Increase in deferred tax assets	-219,254,747.14	-748,011,416.82
Increase/(decrease) in inventory	-7,706,466,368.68	744,669,432.21
Deferred income tax liabilities Increased/(decreased)	-144,262,439.65	21,313,688.79
Increase/(decrease) in operating receivables	-1,687,114,693.11	-10,855,537,441.91
Increase in operating payables	17,273,366,988.13	3,164,635,069.52
Net cash flows from operating activities	<u>19,861,466,237.56</u>	<u>5,666,346,858.52</u>
Movement of cash and cash equivalents:		
Ending balance of cash	63,925,957,901.11	52,491,435,047.74
Less: beginning balance of cash	<u>52,491,435,047.74</u>	<u>49,517,916,834.99</u>
Increase in cash and cash equivalents	<u>11,434,522,853.37</u>	<u>2,973,518,212.75</u>

64. Supplementary information of cash flow statement (continued)

(2) Net cash paid for acquiring subsidiaries in this period:

	2023	2022
Net cash received from subsidiaries	<u>-6,216,944,276.29</u>	<u></u>

(3) Cash and cash equivalents

	2023	2022
Cash		
Including: Cash	35,257.05	32,155.77
Bank deposits that can be readily used	63,902,699,987.48	52,455,913,791.28
Other cash and cash equivalents that can be readily used	23,222,656.58	35,489,100.69
Cash equivalents	<u></u>	<u></u>
Ending balance of cash and cash equivalents	<u>63,925,957,901.11</u>	<u>52,491,435,047.74</u>

Note: The restricted cash and cash equivalents of the Group are not included in the cash and cash equivalents.

65. Foreign Monetary Item

	2023		
	Original Currency	Exchange Rate	Translated to RMB
Cash			775,543,757.76
USD	27,673,169.85	7.0827	196,000,760.10
EUR	10,732,881.24	7.8592	84,351,860.24
GBP	4,076,378.88	9.0411	36,854,949.09
RUB	4,115,101,447.98	0.0803	330,442,646.27
THB	586,060,854.78	0.2074	121,549,021.28
JPY	126,384,876.00	0.0502	6,344,520.78
Accounts receivable			227,291,127.63
USD	32,091,028.51	7.0827	227,291,127.63
Other receivables			53,011,478.72
GBP	1,340,852.36	9.0411	12,122,780.27
EUR	5,027,057.30	7.8592	39,508,648.73
USD	100,559.00	7.0827	712,229.23
JPY	13,303,197.00	0.0502	667,820.49
Accounts Payable			134,371,726.09
RUB	1,246,829,072.52	0.0803	100,120,374.52
JPY	20,714,693.00	0.0502	1,039,877.59
EUR	4,199,560.51	7.8592	33,005,185.96
USD	3,830.58	7.0827	27,130.85
GBP	19,815.86	9.0411	179,157.17
Other Payables			2,321,563.33

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USD	27,470.66	7.0827	194,566.44
EUR	<u>235,258.64</u>	9.0411	<u>2,126,996.89</u>

66. Lease arrangements

(1) As lessor

The income related to operating leases are listed as follows:

	2023	2022
Leasehold Income	<u>460,233,626.72</u>	<u>414,625,233.74</u>

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

	2023	2022
Less than 1 year (including 1 year)	388,255,072.48	485,069,034.35
1 to 2 years (including 2 years)	260,689,384.89	393,916,228.04
2 to 3 years (including 3 years)	130,967,274.89	258,908,078.26
3 to 4 years (including 3 years)	34,577,303.73	116,180,073.26
4 to 5 years (including 3 years)	26,810,816.32	33,175,628.20
Over 5 years	<u>1,506,050.47</u>	<u>25,435,140.79</u>
	<u>842,805,902.78</u>	<u>1,312,684,182.90</u>

(2) As lessee

	2023	2022
Interest expense of lease liabilities	9,034,012.98	3,315,624.26
Short term lease expenses with simplified treatment included in current profit and loss	78,849,902.44	68,405,663.80
Lease expense of low value assets with simplified treatment included in current profit and loss	920,517.27	3,208,292.72
Total cash outflow related to leasing	<u>98,885,795.36</u>	<u>96,132,331.89</u>

VI Research and development expenses

	2023	2022
Employee Benefits	3,556,084,891.96	2,183,744,717.61
Depreciation and amortization	2,237,878,184.31	1,221,653,901.00

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Outsourcing fees	1,216,189,214.55	1,038,910,329.94
Material costs	749,129,534.46	215,645,999.38
Test fee	557,428,126.11	446,674,285.17
Others	690,840,581.50	571,178,735.26
Total	<u>9,007,550,532.89</u>	<u>5,677,807,968.36</u>

2023

	Beginning balance	Addition Internal research and development	Addition Business combination	Deduction		Ending balance
				Recognized as intangible assets	Other deduction	
Automobile Development	<u>723,211,277.47</u>	568,748,628.02	<u>3,027,705,879.66</u>	<u>2,018,394,526.72</u>	<u>59,450,601.737</u>	<u>2,241,820,556.70</u>

2022

	Beginning balance	Addition Internal research and development	Recognized as intangible assets	Deduction		Ending balance
				Charged to income Statement of the current year	Other deduction	
Automobile Development	<u>727,568,248.78</u>	<u>1,362,363,103.60</u>	<u>1,052,395,491.38</u>	<u>62,815,604.46</u>	<u>251,509,079.07</u>	<u>723,211,277.47</u>

VII Changes in the scope of consolidation

1. Mergers of enterprises not under the same control that occurred in this period

	Time of equity acquisition	Cost of equity acquisition	Equity acquisition ratio	Equity acquisition method	Purchase date	Basis for determining the purchase date	Income of the purchased party from the purchase date to the end of the period	Net profit of the purchased party from the purchase date to the end of the period	Cash flow of the purchased party from the purchase date to the end of the period
DEEPAL Automotive Technology Co., Ltd.	2023.2.1	1,331,621,441.70	10.34	Cash	2023.2.1	Acquiring control	25,882,512,213.36	-2,998,926,405.37	1,365,253,450.96

**1. Mergers of enterprises not under the same control that occurred in this period
(Continued)**

	DEEPAL Automotive Technology Co., Ltd.
Merge costs	
—Cash	1,331,621,441.70
—Fair value of equity held before the purchase date on the purchase date	5,248,006,233.55
Merge costs	6,579,627,675.25
decrease: Fair value share of identifiable net assets acquired	4,778,701,626.09
Goodwill/merger cost less than the fair value share of identifiable net assets acquired	1,800,926,049.16

The identifiable assets and liabilities of the purchased party on the purchase date:

	Fair value	Book value
Inventories	2,755,821,424.92	2,673,407,113.72
Fixed assets	448,453,376.58	436,567,361.38
Intangible assets	10,744,634,103.94	1,028,650,075.89
Other Current Assets	14,267,576,307.83	14,258,892,818.92
Other Non-Current Asset	1,592,032,100.39	1,593,696,147.48
Asset	29,808,517,313.66	19,991,213,517.39
current liabilities	18,995,437,442.81	18,995,437,442.81
Non current liabilities	1,485,143,844.91	13,850,798.81
liabilities	20,480,581,287.72	19,009,288,241.62
Net assets	9,327,936,025.94	981,925,275.77

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VIII Shares in other entities

1. Shares in subsidiaries

The subsidiaries of the Company are as follows:

Company name	Main operating place	Registered place	Nature of business	Registered capital (0,000)	Total proportion of shareholders (%)	
					direct	indirect
I. The subsidiary formed by establish or investment						
Chongqing Changan International Automobile Sales Co., Ltd.	Chongqing	Chongqing	Sales	118,275.64	100.00	-
Chongqing Changan Connected Car Technology Co., Ltd.	Chongqing	Chongqing	Lease	8,850.00	100.00	-
Chongqing Changan Special Automobile Co., Ltd.(note 2)	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	EUR1,738	100.00	-
Changan United Kingdom R&D Center Co., Ltd.	Nottingham, United Kingdom	Nottingham, United Kingdom	R&D	GBP2,639	100.00	-
Beijing Changan R&D Center Co., Ltd.	Beijing	Beijing	R&D	100.00	100.00	-
Changan Japan Designing Center Co.,Ltd.	Yokohama, Japan	Yokohama, Japan	R&D	JPY1,000	100.00	-
Changan United States R&D Center Co., Ltd.	Troy, United states	Detroit, United states	R&D	USD154	100.00	-
Changan Automobile Russia Co., Ltd.	Moscow, Russia	Moscow, Russia	Sales	SUR220,382	100.00	-
Changan Automobile Investment (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	Sales	23,789.00	100.00	-
Nanjing Changan New Energy Automobile Sales & Service Co., Ltd.	Nanjing	Nanjing	Sales	5,000.00	100.00	-
Chongqing Anyi Automobile Technical Service Co., Ltd.	Chongqing	Chongqing	Sales	200.00	100.00	-
Xiamen Changan New Energy Automobile Co. Ltd.	Xiamen	Xiamen	Sales	200.00	100.00	-
Guangzhou Changan New Energy Automobile 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 Xingzhi Technology Co., Ltd.	Chongqing	Chongqing	Sales	4,900.00	100.00	-
Chongqing Changan Technology Co., Ltd.	Chongqing	Chongqing	R&D	9,000.00	100.00	-
Chongqing ChanganXing Technology Co., Ltd.	Chongqing	Chongqing	R&D	2,000.00	100.00	-
Nanjing Changan Automobile Co., Ltd. (note 1)	Nanjing	Nanjing	Manufacturing	60,181.00	84.73	-
Chongqing Changan Lingyao Automobile Co., Ltd.	Chongqing	Chongqing	Manufacturing	133,764.00	100.00	-
DEEPAL Automotive Technology Co., Ltd	Chongqing	Chongqing	Manufacturing	32,810.83	51.00	-
Hefei Changan Automobile Co.,Ltd.	Hefei	Hefei	Manufacturing	227,500.00	100.00	-

Note 1: The proportion of the company's voting rights in Nanjing Changan Automobile Co., Ltd. is 91.53%. The reason for the inconsistency between the shareholding ratio and the proportion of voting rights is that some minority shareholders entrust the company to exercise their voting rights.

Note 2: The remaining shareholders of Chongqing Changan Special Purpose Vehicle Co., Ltd. have signed the "Concerted Acting Persons Agreement" with the company, all agreeing to vote in accordance with the company's voting intentions, so the company can exercise control over it, so it is included in the scope of consolidated financial report.

2. Important non wholly-owned subsidiaries

subsidiary	Minority shareholder shareholding ratio	Profit and loss attributable to minority shareholders in the current period	Closing balance of minority shareholders' equity
DEEPAL Automotive Technology Co., Ltd	49%	-1,466,822,887.69	-963,121,538.83

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3. Main financial information of important non wholly-owned subsidiaries

2023

subsidiary	current assets	Non current assets	assets	current liabilities	Non current liabilities	liabilities
DEEPAL Automotive Technology Co., Ltd	19,532,107,979.29	3,335,776,374.16	22,867,884,353.45	23,372,178,834.61	1,464,812,108.74	24,836,990,943.35

2022

subsidiary	current assets	Non current assets	assets	current liabilities	Non current liabilities	liabilities
DEEPAL Automotive Technology Co., Ltd	17,304,462,820.64	3,031,817,521.55	20,336,280,342.19	18,443,264,762.77	802,998,605.97	19,246,263,368.74

2023

subsidiary	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
DEEPAL Automotive Technology Co., Ltd	25,882,512,213.36	-2,998,926,405.37	-2,998,926,405.37	3,338,314,121.63

2022

subsidiary	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
DEEPAL Automotive Technology Co., Ltd	15,677,573,297.11	-3,196,559,864.14	-3,196,559,864.14	5,685,083,425.27

4. Important joint ventures or associates

subsidiary	Main operating place	Registered place	Nature of business	Total proportion of shareholders (%)		Accounting treatment methods for investments in joint ventures or joint ventures	Is it strategic for our company's activities
				direct	indirect		
Avatr Technology (Chongqing) Co., Ltd.	Chongqing	Chongqing	research and development	40.9939		Equity method	Yes

5. Main financial information of important joint ventures

	2023	2022
	Avatr Technology (Chongqing) Co., Ltd.	Avatr Technology (Chongqing) Co., Ltd.
current assets	10,513,768,163.43	4,119,117,631.56
Non current assets	2,130,278,114.28	1,080,940,094.70
assets	12,644,046,277.71	5,200,057,726.26
current liabilities	9,864,279,866.61	2,344,911,952.16
Non current liabilities	685,987,794.52	82,076,507.58
liabilities	10,550,267,661.13	2,426,988,459.74
Minority shareholder equity		
Equity attributable to shareholders of the parent company	2,093,778,616.58	2,773,069,266.52
Net asset share calculated based on shareholding ratio	858,321,512.30	1,136,789,242.05
Adjustment matters	1,437,388,747.49	1,507,746,698.43
Book value of equity investment in joint ventures	2,295,710,259.79	2,644,535,940.48
Net profit	-3,692,504,949.03	-2,015,302,440.74
Total comprehensive income	-3,692,504,949.03	-2,015,302,440.74

6. The table below shows the financial status of the less important joint ventures and associates:

	2023	2022
Joint venture		
Total book value of the investment	3,789,451,718.73	4,780,435,502.08
Total amount calculated by shareholding proportion		
Net profit	-960,029,731.44	-967,472,466.00
Other comprehensive income	-1,454,051.91	602,832.07
Total comprehensive income	<u>-961,483,783.35</u>	<u>-966,869,633.93</u>
Associates		
Total book value of the investment	7,702,230,006.95	6,981,691,013.72
Total amount calculated by shareholding proportion		
Net profit	341,248,476.30	-1,154,049,730.76
Other comprehensive income		
Total comprehensive income	<u>341,248,476.30</u>	<u>-1,154,049,730.76</u>

As at 31 December 2023, since the Group has no obligation to undertake the extra loss of Chongqing Changan Kuayue Automobile Sales Co., Ltd, Jiangling Motors Co., Ltd and Changan Ford Automobile Co., Ltd. When extra loss occurs, the Group writes down the long-term investment to zero without recognizing the extra loss.

IX Government grants

(1) Types, amounts, and reporting items of government subsidies

1. Government subsidies included in current profit and loss

Government subsidies related to assets

Items presented in the balance sheet	Government subsidy balance	Offsetting the book value of related assets		Projects for offsetting related assets
		Current amount	Previous period amount	
Deferred income	610,407,171.08	175,548,473.12	188,239,238.37	Offsetting fixed assets/ intangible assets
Total	610,407,171.08	175,548,473.12	188,239,238.37	

grants related to income

Items to offset related cost and expense losses	The amount of offsetting related cost and expense losses	
	Current amount	Previous period amount
Operating cost	170,360,460.12	87,580,801.54
Operating expenses	46,703,658.08	4,958,904.12
General and administrative expenses	13,512,686.32	62,862,742.73

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Items to offset related cost and expense losses	The amount of offsetting related cost and expense losses	
	Current amount	Previous period amount
Research and development expenses	86,393,841.24	179,583,821.24
Total	316,970,645.76	334,986,269.63

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2. Debt projects involving government subsidies

Liability items	Last year's year-end balance	Newly added subsidy amount in this period	Projects for offsetting related assets	Current period offset cost expense amount	Closing balance	Related to assets / returns
Deferred income	166,416,924.20	619,538,720.00	175,548,473.12		610,407,171.08	Related to assets
Deferred income	181,151,625.42			72,718,252.98	108,433,372.44	Related to returns

X Risks associated with financial instruments

(1) Various risks arising from financial instruments

Our company faces various financial risks in the process of operation, including credit risk, liquidity risk, and market risk (including exchange rate risk, interest rate risk, and other price risk). The above financial risks and the risk management policies adopted by our company to reduce these risks are as follows:

The overall goal of our company's risk management is to develop risk management policies that minimize risks as much as possible without excessively affecting the company's competitiveness and adaptability.

1. Credit risk

Credit risk refers to the risk of financial losses incurred by the company due to the counterparty's failure to fulfill contractual obligations.

The credit risk of our company mainly arises from monetary funds, notes receivable, accounts receivable, accounts receivable financing, other receivables, as well as debt instrument investments measured at fair value with changes recognized in current profit and loss that are not included in the impairment assessment scope.

Our company's monetary funds are mainly deposited in state-owned banks with good reputation and high credit ratings, as well as other large and medium-sized listed banks. We believe that there is no significant credit risk and there will be almost no significant losses caused by bank defaults.

In addition, our company has established relevant policies to control credit risk exposure for notes receivable, accounts receivable, accounts receivable financing, contract assets, and other receivables. Our company evaluates the credit qualifications of customers based on their financial status, the possibility of obtaining guarantees from third parties, credit records, and other factors such as current market conditions, and sets corresponding credit periods. Our company will regularly monitor customer credit records. For customers with poor credit records, we will use written reminders, shorten or cancel credit periods, etc. to ensure that our overall credit risk is within a controllable range.

2. Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when a company fulfills its obligation to settle by delivering cash or other financial assets.

Our company's policy is to ensure sufficient cash to repay maturing debts. Liquidity risk is centrally controlled by the finance department of our company. The finance department ensures that the company has sufficient funds to repay debts under all reasonable forecasts by monitoring cash balances, readily available securities, and rolling forecasts of cash flows for the next 12 months. Simultaneously, continuously monitor whether the company complies with the provisions of the loan agreement and obtain commitments from major financial institutions to provide sufficient standby funds to meet short-term and long-term funding needs.

The various financial liabilities of our company are presented as undiscounted contract cash flows at maturity as follows:

Item	Closing balance				Total undiscounted contract amount	Book value
	Within one year	One to two years	Two to five years	Over five years		
Short-term loans	30,862,587.57				30,862,587.57	30,039,416.74
Notes payable	37,456,669,928.07				37,456,669,928.07	37,456,669,928.07
Accounts payable	38,289,947,321.45				38,289,947,321.45	38,289,947,321.45
Other payables	5,592,483,962.97				5,592,483,962.97	5,880,882,512.97
Non-current	85,021,520.17				85,021,520.17	80,077,042.88

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Item	Closing balance				Total undiscounted contract amount	Book value
	Within one year	One to two years	Two to five years	Over five years		
Liabilities due within 1 year						
Long-term loan	772,666.67	36,462,000.00	36,076,000.00		73,310,666.67	72,000,000.00
Lease liabilities		58,380,494.01	86,883,614.74		145,264,108.75	134,254,398.07
Long-term payables				970,485,209.92	970,485,209.92	804,264,787.97
Bonds payable	30,000,000.00	30,000,000.00	1,060,000,000.00		1,120,000,000.00	999,607,547.16
Total	81,485,757,986.90	124,842,494.01	1,182,959,614.74	970,485,209.92	83,764,045,305.57	83,747,742,955.31

Item	Closing balance				Total undiscounted contract amount	Book value
	Within one year	One to two years	Two to five years	Over five years		
Short-term loans	29,621,345.00				29,621,345.00	29,000,000.00
Notes payable	22,072,793,864.83				22,072,793,864.83	22,072,793,864.83
Accounts payable	29,449,664,138.75				29,449,664,138.75	29,449,664,138.75
Other payables	4,749,541,830.49				4,749,541,830.49	6,082,766,424.67
Non-current liabilities due within 1 year	907,011,961.68				907,011,961.68	885,723,901.34
Long-term loan		360,000.00	36,090,000.00		36,450,000.00	36,000,000.00
Lease liabilities		28,446,270.64	36,466,546.80		64,912,817.44	60,205,397.98
Long-term payables		195,656,936.33	229,263,541.66		424,920,477.99	408,939,511.34
Bonds payable	30,000,000.00	30,000,000.00	1,090,000,000.00		1,150,000,000.00	999,528,301.88
Total	57,238,633,140.75	254,463,206.97	1,391,820,888.46		58,884,916,436.18	60,024,621,540.79

3. Market risk

The market risk of financial instruments refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to market price changes, including exchange rate risk, interest rate risk, and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates.

Fixed interest rate and floating interest rate interest bearing financial instruments expose the company to fair value interest rate risk and cash flow interest rate risk, respectively. Our company determines the ratio of fixed and floating rate instruments based on the market environment, and maintains an appropriate combination of fixed and floating rate instruments through regular review and supervision. When necessary, our company will use interest rate swap tools to hedge interest rate risk.

Our company's revenue and operating cash flow are generally not affected by fluctuations in market interest rates. As of December 31, 2023, all bank loans and payable bonds of our company bear interest at a fixed rate. Our company currently does not hedge interest rate risk.

(2) Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates.

Our company continuously monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks we face. In addition, the company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risks. In this period and the previous period, our company did not sign any forward foreign exchange contracts or currency swap contracts.

The exchange rate risk faced by our company mainly comes from financial assets and liabilities

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denominated in US dollars. The amount of foreign currency financial assets and foreign currency financial liabilities converted into RMB is listed below:

Item	2023. 12. 31			2022. 12. 31		
	Dollar	Other foreign currencies	Total	Dollar	Other foreign currencies	Total
Cash	196,000,760.10	579,542,997.66	775,543,757.76	391,277,812.22	111,466,597.50	502,744,409.72
Accounts receivable	227,291,127.63		227,291,127.63	281,485,439.30		281,485,439.30
Other receivables	712,229.23	52,299,249.49	53,011,478.72	222,592.10	17,185,394.43	17,407,986.53
Account payable	27,130.85	134,344,595.24	134,371,726.09	415,271.94	23,599,339.69	24,014,611.63
Other payables	194,566.44	2,126,996.89	2,321,563.33	8,187,604.86	1,755,928.37	9,943,533.23
Total	424,225,814.25	768,313,839.28	1,192,539,653.53	681,588,720.42	154,007,259.99	835,595,980.41

As of December 31, 2023, with all other variables remaining unchanged, if the RMB appreciates or depreciates by 5% against the US dollar, the company will increase or decrease its net profit by RMB 18,029,597.10.

The management believes that 5% reasonably reflects the reasonable range of possible changes in the Chinese yuan against the US dollar in the next year.

(3) Other price risks

Other price risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to market price changes other than exchange rate and interest rate risks.

Our company's other price risks mainly arise from various equity instrument investments, and there is a risk of price fluctuations in equity instruments.

As of December 31, 2023, with all other variables remaining unchanged, if the value of equity instruments increases or decreases by 5%, the company will increase or decrease its net profit by RMB 6,831,651.16. The management believes that 5% reflects a reasonable range of possible changes in the value of equity instruments in the next year.

XI Disclosure of fair value

1. Assets and liabilities measured at fair value

2023

	Input measured at fair value			Total
	Quoted price in active market (The first level)	Important and observable input (The second level)	Important but unobservable input (The third level)	
Financial asset held for trading				
Equity instrument investment	160,744,733.27		-	160,744,733.27
Others	-	6,774,614.02	-	6,774,614.02
Investment in other equity instruments	-	-	504,190,082.71	504,190,082.71
Total	<u>160,744,733.27</u>	<u>6,774,614.02</u>	<u>504,190,082.71</u>	<u>671,709,430.00</u>

2022

Input measured at fair value

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	Quoted price in active market (The first level)	Important and observable input (The second level)	Important but unobservable input (The third level)	Total
Financial asset held for trading				
Equity instrument investment	126,112,500.00	125,052,628.80	-	251,165,128.80
Others	-	29,150,442.29	-	29,150,442.29
Investment in other equity instruments	-	-	489,950,000.00	489,950,000.00
Total	<u>126,112,500.00</u>	<u>154,203,071.09</u>	<u>489,950,000.00</u>	<u>770,265,571.09</u>

2. 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			
2023	504,190,082.71	Market approach	Comparable transaction value multiplier / Post-tax discount rate
2022	489,950,000.00	Market approach	Comparable transaction value multiplier / Post-tax discount rate

XII Related party relationships and transactions

1. The holding company

Holding 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	Automobile and its engines, spare parts manufacturing, marketing	6,092,273,400.00	20.81%	20.81%

The ultimate holding company is China South Industries Group Corporation.

2. Subsidiaries

Refer to Note VIII. Interests in Other Entities for details of the Group's subsidiaries.

3. Joint ventures and associates

Refer to Note VIII. Interests in Other Entities for details of the Group's important joint ventures and associates.

4. Other related parties

Related parties	Relationship
Chongqing Changfeng Jiquan Machinery Co., Ltd.	Controlled by the same ultimate holding company
Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd	Controlled by the same ultimate holding company
Chongqing Chang'an Construction Engineering Co., Ltd	Controlled by the same ultimate holding company
Chongqing Chang'an Industrial (Group) Co., Ltd	Controlled by the same ultimate holding company
Chongqing Yihong Defense Technology Co., Ltd	Controlled by the same ultimate holding company
Chongqing Xiyi Automobile Connecting Rod Co., Ltd	Controlled by the same ultimate holding company
Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Chongqing Wanyou Xingjian Automobile Sales and 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 Ducheng Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Chongqing Chang'an Property Management Co., Ltd	Controlled by the same ultimate holding company
Chongqing Qingshan Transmission Sales Co., Ltd	Controlled by the same ultimate holding company
Chongqing Shangfang Automotive Parts Co., Ltd	Controlled by the same ultimate holding company
Chongqing Qingshan Industrial Co., Ltd	Controlled by the same ultimate holding company
Chongqing Automotive Air Conditioner Co., Ltd	Controlled by the same ultimate holding company
Chongqing Pingshan Taikai Carburetor Co., Ltd	Controlled by the same ultimate holding company
Chongqing Construction Tongda Industrial Co., Ltd	Controlled by the same ultimate holding company
Chongqing Construction Electromechanical Co., Ltd	Controlled by the same ultimate holding company
Chongqing Construction Industry (Group) Co., Ltd	Controlled by the same ultimate holding company
Chongqing Construction Transmission Technology Co., Ltd	Controlled by the same ultimate holding company
Related parties	Relationship

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Chongqing Construction Automotive Air Conditioner Co., Ltd	Controlled by the same ultimate holding company
Chongqing Jialing Yimin Special Equipment Co., Ltd	Controlled by the same ultimate holding company
Chongqing Fuji Supply Chain Management Co., Ltd	Controlled by the same ultimate holding company
Chongqing Dajiang Xinda Vehicle Co., Ltd	Controlled by the same ultimate holding company
Chongqing Dajiang Jiexin Forging Co., Ltd	Controlled by the same ultimate holding company
Chongqing Anfu Automobile Marketing Co., Ltd	Controlled by the same ultimate holding company
China Changan Automobile Group Tianjin Sales 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 Ordnance Equipment Group Commercial Factoring Co., Ltd	Controlled by the same ultimate holding company
China Ordnance Equipment Group Financial Leasing Co., Ltd	Controlled by the same ultimate holding company
Chang'an Automobile Finance Co., Ltd	Controlled by the same ultimate holding company
Yunnan Wanyou Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Yunnan Wanxing Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Ya'an Wanyou Automobile Sales and Service 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
Wanyou Automobile Investment Co., Ltd	Controlled by the same ultimate holding company
Sichuan Ningjiang Shanchuan Machinery Co., Ltd	Controlled by the same ultimate holding company
Sichuan Jian'an Industry Co., Ltd	Controlled by the same ultimate holding company
Panzhuhua Wanyou Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Luzhou Wanyou Automobile Service Co., Ltd	Controlled by the same ultimate holding company
Longchang Shanchuan Machinery Co., Ltd	Controlled by the same ultimate holding company
Jiangsu Wanyou Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Construction Industry Group (Yunnan) Co., Ltd	Controlled by the same ultimate holding company

Related parties

Relationship

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Hubei Xiaogan Huazhong Car Lamp Co., Ltd	Controlled by the same ultimate holding company
Hubei Huazhong Marelli Automotive Lighting Co., Ltd	Controlled by the same ultimate holding company
Harbin Dong'an Automotive Engine Manufacturing Co., Ltd	Controlled by the same ultimate holding company
Harbin Dong'an Automotive Power Co., Ltd	Controlled by the same ultimate holding company
Guizhou Wanyou Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Guangxi Wanyou Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Dali Wanfu Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Chengdu Wanyou Xiangyu Automobile 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 Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Chengdu Wanyou Trading Co., Ltd	Controlled by the same ultimate holding company
Chengdu Wanyou Filter Co., Ltd	Controlled by the same ultimate holding company
Chengdu Lingchuan Special Industry Co., Ltd	Controlled by the same ultimate holding company
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd	Controlled by the same ultimate holding company
Chengdu Jialing Huaxi Optics and Precision Machinery Co., Ltd	Controlled by the same ultimate holding company
Chengdu Huachuan Electric Equipment Co., Ltd	Controlled by the same ultimate holding company
Chenzhi (Chongqing) Brake System Co., Ltd	Controlled by the same ultimate holding company
Weapon Equipment Group Finance Co., Ltd	Controlled by the same ultimate holding company
Beijing Beiji Electromechanical Industry Co., Ltd	Controlled by the same ultimate holding company
Beijing North Changfu Automobile Sales Co., Ltd	Controlled by the same ultimate holding company
Bazhong Wanyou Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Anhui Wanyou Automobile Sales and Service Co., Ltd	Controlled by the same ultimate holding company
Chenzhi (Chengdu) Intelligent Suspension Co., Ltd	Controlled by the same ultimate holding company
Chengdu Zhongzi Guangming Catalytic Technology Co., Ltd	Controlled by the same ultimate holding company
Related parties	Relationship

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Chongqing Chang'an Minsheng Logistics Co., Ltd	Controlled by the same ultimate holding company
Hunan Tianyan Machinery Co., Ltd	Controlled by the same ultimate holding company
China Ordnance Equipment Group Human Resources Development Center	Controlled by the same ultimate holding company
China Ordnance Newspaper	Controlled by the same ultimate holding company
Southern Yingte Air Conditioning Co., Ltd	Controlled by the same ultimate holding company
Southern Faurecia Automotive Parts Co., Ltd	Controlled by the same ultimate holding company
Hunan Tianyan Machinery Co., Ltd	Controlled by the same ultimate holding company
Beijing Zhongbing Insurance Brokerage Co., Ltd	Controlled by the same ultimate holding company
Chongqing Naishite Steering System Co., Ltd	Participated by the Ultimate holding company
Chongqing Lingchuan Automotive Parts Manufacturing Technology Co., Ltd	Participated by the Ultimate holding company
Chongqing Jianshe Hanang Automotive Thermal Management System Co., Ltd	Participated by the Ultimate holding company
Chongqing Dajiang Yuqiang Plastic Products Co., Ltd	Participated by the Ultimate holding company
Chongqing Dajiang Yapu Automotive Parts Co., Ltd	Participated by the Ultimate holding company
Chongqing Dajiang National Precision Machinery Manufacturing Co., Ltd	Participated by the Ultimate holding company
Chongqing Dajiang Dongyang Plastic Products Co., Ltd	Participated by the Ultimate holding company
United Automotive Electronics (Chongqing) Co., Ltd	Participated by the Ultimate holding company
Li Er Chang'an (Chongqing) Automotive Systems Co., Ltd	Participated by the Ultimate holding company
Chang'an Laisi (Chongqing) Robot Intelligent Equipment Co., Ltd	Participated by the Ultimate holding company
Tiannake Lingchuan (Chongqing) Exhaust System Co., Ltd	Participated by the Ultimate holding company
Nanjing Tiefu Transmission System (Chongqing) Co., Ltd	Participated by the Ultimate holding company
Hafei Automobile Co., Ltd	Participated by the Ultimate holding company

5. Major transactions between the Group and its related parties

(1) Transactions of goods and services

Purchases of goods and services from related parties

Related parties	Nature of the transaction	2023	2022
Chongqing Qingshan Industrial Co., Ltd	Purchase of spare parts and accept service	7,909,257,881.61	5,929,105,477.16
Chongqing Chang'an Minsheng Logistics Co., Ltd	Purchase of spare parts and accept service	5,165,658,104.43	3,463,898,449.23
Jiangling Holdings Limited	Purchase of spare parts and accept service	2,501,907,444.50	138,548,818.43
Sichuan Jian'an Industry Co., Ltd	Purchase of spare parts and accept service	1,189,789,519.57	797,061,806.68
Chenzhi (Chongqing) Brake System Co., Ltd	Purchase of spare parts and accept service	1,169,593,423.84	850,217,286.61
Hubei Huazhong Marelli Automotive Lighting Co., Ltd	Purchase of spare parts and accept service	1,123,367,388.13	1,000,676,703.53
Chongqing Naishite Steering System Co., Ltd	Purchase of spare parts and accept service	1,057,076,294.06	831,405,194.98
United Automotive Electronics (Chongqing) Co., Ltd	Purchase of spare parts and accept service	1,010,229,555.68	822,043,773.13
Harbin Dong'an Automotive Engine Manufacturing Co., Ltd	Purchase of spare parts and accept service	821,839,603.40	1,059,383,069.06
Southern Yingte Air Conditioning Co., Ltd	Purchase of spare parts and accept service	802,270,183.24	417,113,793.15
Southern Faurecia Automotive Parts Co., Ltd	Purchase of spare parts and accept service	706,168,677.33	474,902,181.20
Chengdu Zhongzi Guangming Catalytic Technology Co., Ltd	Purchase of spare parts	688,149,261.93	29,580,684.02
Shenlan Automotive Technology Co., Ltd	Purchase of spare parts and accept service	666,172,597.14	4,693,770,740.03
Chongqing Dajiang Dongyang Plastic Products Co., Ltd	Purchase of spare parts and accept service	618,976,091.63	390,094,811.70
Chongqing Dajiang National Precision Machinery Manufacturing Co., Ltd	Purchase of spare parts and accept service	496,995,640.59	353,842,435.47
Chengdu Huachuan Electric Equipment Co., Ltd	Purchase of spare parts and accept service	461,695,054.62	433,491,184.42
Chongqing Dajiang Yapu Automotive Parts Co., Ltd	Purchase of spare parts	452,268,436.90	367,878,744.52

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

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Purchases of goods and services from related parties (continued)

Related parties	Nature of the transaction	2023	2022
Sichuan Ningjiang Shanchuan Machinery Co., Ltd	Purchase of spare parts and accept service	432,815,652.22	236,368,439.32
Harbin Dong'an Automotive Power Co., Ltd	Purchase of spare parts and accept service	395,901,799.55	510,666,022.83
Natiefu Transmission System (Chongqing) Co., Ltd	Purchase of spare parts and accept service	389,817,223.54	349,384,726.01
Chongqing wutong Chelian Technology Co., Ltd	Purchase of spare parts and accept service	343,192,676.83	162,264,149.40
Li Er Chang'an (Chongqing) Automotive Systems Co., Ltd	Purchase of spare parts	336,686,106.50	398,441,173.61
Chongqing Construction Transmission Technology Co., Ltd	Purchase of spare parts and accept service	280,512,432.69	188,542,642.58
Chongqing Lingchuan Automotive Parts Manufacturing Technology Co., Ltd	Purchase of spare parts	213,630,757.24	136,745,996.51
Chang'an Automobile Finance Co., Ltd	Accept service	203,900,716.83	
Chongqing Jianshe Hanang Automotive Thermal Management System Co., Ltd	Purchase of spare parts	174,129,034.27	151,002,052.30
Hunan Tianyan Machinery Co., Ltd	Purchase of spare parts	143,867,189.64	
Hubei Xiaogan Huazhong Car Lamp Co., Ltd	Purchase of spare parts and accept service	137,367,855.66	100,374,013.64
Chengdu Wanyou Filter Co., Ltd	Purchase of spare parts and accept service	131,715,230.00	131,651,417.70
Chongqing Shangshang Automotive Parts Co., Ltd	Purchase of spare parts	129,114,128.66	84,981,815.82
Era Chang'an Power Battery Co., Ltd	Purchase of spare parts	95,181,872.65	
Chongqing Changxian Intelligent Technology Co., Ltd	Purchase of spare parts and accept service	93,604,392.49	
Chongqing Yihong Defense Technology Co., Ltd	Purchase of spare parts	75,489,406.20	36,665,517.10

5. Major transactions between the Group and its related parties (continued)

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(1) Transactions of goods and services (continued)

Purchases of goods and services from related parties (continued)

Related parties	Nature of the transaction	2023	2022
Tiannake Lingchuan (Chongqing) Exhaust System Co., Ltd	Purchase of spare parts and accept service	75,395,544.57	67,353,980.86
Chongqing Qingshan Transmission Sales Co., Ltd	Purchase of spare parts	67,569,783.88	32,926,122.52
Beijing Wutong Chelian Technology Co., Ltd	Purchase of spare parts and accept service	66,771,769.32	104,475,718.53
Chongqing Construction Automotive Air Conditioner Co., Ltd	Purchase of spare parts	55,811,393.01	60,528,242.94
Chongqing Wanyou Economic Development Co., Ltd	Purchase of spare parts and accept service	53,578,718.07	66,255,194.45
Chongqing Construction Tongda Industrial Co., Ltd	Purchase of spare parts and accept service	52,480,106.10	25,814,511.10
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd	Purchase of spare parts	49,988,528.24	33,992,791.02
Jiangsu Wanyou Automobile Sales and Service Co., Ltd	Accept service	47,556,715.66	7,102,848.68
Avita (Chongqing) Automobile Sales and Service Co., Ltd	Purchase of spare parts	42,227,013.92	
Yunnan Wanyou Automobile Sales and Service Co., Ltd	Accept service	39,341,743.95	25,188,983.36
Chengdu Wanyou Xiangyu Automobile Sales and Service Co., Ltd	Purchase of spare parts and accept service	32,444,290.19	12,062,273.95
Guizhou Wanyou Automobile Sales and Service Co., Ltd	Accept service	25,147,910.62	13,511,730.91
Longchang Shanchuan Machinery Co., Ltd	Purchase of spare parts	24,200,356.23	27,909,131.44
Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd	Accept service	15,950,070.92	2,946,005.80
Chongqing Chang'an Property Management Co., Ltd	Accept service	15,428,001.25	4,134,339.52
Chongqing Chang'an Industrial (Group) Co., Ltd	Accept service	13,270,362.89	12,292,136.25
Chengdu Wanyou Auto Trade Service Co., Ltd	Accept service	11,285,463.97	9,348,028.62
China Changan Automobile Group Tianjin Sales Co., Ltd	Accept service	9,516,199.15	1,371,694.94

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Purchases of goods and services from related parties (continued)

Related parties	Nature of the transaction	2023	2022
Anhui Wanyou Automobile Sales and Service Co., Ltd	Accept service	8,013,949.98	5,293,300.68
Construction Industry Group (Yunnan) Co., Ltd	Purchase of spare parts	7,389,085.00	107,396,789.80
Chongqing Wanyou Ducheng Automobile Sales and Service Co., Ltd	Accept service	6,717,354.59	4,101,094.51
Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd	Accept service	3,832,530.21	1,423,274.77
Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd	Accept service	3,773,979.88	
Chang'an Mazda Automobile Co., Ltd	Accept service	3,645,821.90	
Chang'an Mazda Engine Co., Ltd	Accept service	3,237,665.14	
China Changan Automobile Group Co., Ltd	Accept service	3,001,862.66	
Ya'an Wanyou Automobile Sales and Service Co., Ltd	Purchase of spare parts and accept service	2,761,315.77	1,946,181.65
Chengdu Wanyou Automobile Sales and Service Co., Ltd	accept service	2,176,652.22	678,453.32
Chongqing Dajiang Jiexin Forging Co., Ltd	Purchase of spare parts	1,404,946.66	3,078,583.33
Luzhou Wanyou Automobile Service Co., Ltd	accept service	1,343,676.63	509,671.25
Chengdu Jialing Huaxi Optics and Precision Machinery Co., Ltd	Purchase of spare parts	931,742.59	2,786,069.10
Panzhuhua Wanyou Automobile Sales and Service Co., Ltd	accept service	672,314.14	451,213.56
Avita Technology (Chongqing) Co., Ltd	Purchase of spare parts	517,327.44	
Zhongqi Chuangzhi Technology Co., Ltd	accept service	480,000.00	320,000.00
Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd	accept service	445,897.62	2,049,165.81

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Purchases of goods and services from related parties (continued)

Related parties	Nature of the transaction	2023	2022
Chenzhi (Chengdu) Intelligent Suspension Co., Ltd	Purchase of spare parts	329,060.27	10,745,694.02
Chongqing Dajiang Yuqiang Plastic Products Co., Ltd	Purchase of spare parts	284,403.78	459,367.27
Beijing Zhongbing Insurance Brokerage Co., Ltd	Purchase of spare parts and accept service	226,367.35	226,434.19
Beijing Beiji Electromechanical Industry Co., Ltd	Purchase of spare parts	181,057.41	38,462.43
Chengdu Wanyou Trading Co., Ltd	accept service	109,105.05	55,017.09
China Ordnance Equipment Group Commercial Factoring Co., Ltd	accept service	93,693.30	
Shanghai Jiaxing Automotive Service Co., Ltd	accept service	80,043.15	
Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd	Purchase of spare parts and accept service	76,401.73	12,900.95
Nanjing Lingxing Technology Co., Ltd	Purchase of spare parts and accept service	59,006.16	348,114.07
China Ordnance Equipment Group Human Resources Development Center	accept service	23,113.20	
China Ordnance Newspaper	Purchase of spare parts and accept service	22,467.73	
Nanjing Chelai Chuxing Technology Co., Ltd	accept service	15,222.66	
Changan Ford Motor Co., Ltd	Purchase of spare parts	203.40	35,475.70
Hunan Tianyan Machinery Co., Ltd	Purchase of spare parts and accept service		2,092,525.14
Chongqing Construction Industry (Group) Co., Ltd	Purchase of spare parts		1,197,461.49
Chongqing Pingshan Taikai Carburetor Co., Ltd	Purchase of spare parts		170,426.18
Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd	Purchase of spare parts		127,433.63

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Purchases of goods and services from related parties (continued)

Related parties	Nature of the transaction	2023	2022
Yunnan Wanxing Automobile Sales and Service Co., Ltd	accept service		76,719.72
China Ordnance Equipment Group Co., Ltd	accept service		22,339.62
Chongqing Chang'an Industrial (Group) Co., Ltd	Pay comprehensive service fee	86,759,331.24	72,388,391.31
Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd	Procurement of engineering materials	2,049,697.68	
Chang'an Laisi (Chongqing) Robot Intelligent Equipment Co., Ltd	Procurement of engineering materials	1,756,066.31	14,202,332.81
Chongqing Chang'an Minsheng Logistics Co., Ltd	Procurement of engineering materials		13,862.82
Sichuan Jian'an Industry Co., Ltd	Procurement of engineering materials		44.14

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Sales of goods and services to related parties

Related parties	Nature of the transaction	2023	2022
Avita Technology (Chongqing) Co., Ltd	Sales of vehicle parts and services	3,005,944,066.62	714,145,977.09
Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd	Selling parts and services	2,615,879,134.66	1,476,308,931.64
Chongqing Wanyou Economic Development Co., Ltd	Sales of vehicle parts and services	1,767,117,262.72	1,684,301,990.87
Chengdu Wanyou Xiangyu Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	1,737,535,522.44	1,284,359,479.27
Jiangsu Wanyou Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	1,328,878,775.22	470,683,276.14
Guizhou Wanyou Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	1,311,607,201.25	884,848,504.37
Yunnan Wanyou Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	1,105,265,913.83	1,142,270,993.20
Chengdu Wanyou Auto Trade Service Co., Ltd	Sales of vehicle parts and services	597,327,672.80	549,991,470.85
Wanyou Automobile Investment Co., Ltd	Selling vehicles and services	584,399,985.39	598,010,950.82
Chongqing Fuji Supply Chain Management Co., Ltd	Selling vehicles	538,716,791.96	
Chang'an Automobile Finance Co., Ltd	Provide labor services	354,417,122.66	490,826,007.07
Anhui Wanyou Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	306,169,916.41	260,352,341.97
China Changan Automobile Group Tianjin Sales Co., Ltd	Sales of vehicle parts and services	304,080,496.29	247,493,153.78
Chang'an Mazda Automobile Co., Ltd	Sales of vehicle parts and services	288,828,348.49	64,329,600.00
Master Changan Automobile Co., Ltd	Sales of vehicle parts and services	279,656,730.41	924,463,919.88
Shenlan Automotive Technology Co., Ltd	Sales of vehicle parts and services	111,103,766.19	2,609,084,124.78
Chongqing Chang'an Kuayue Vehicle Co., Ltd	Selling parts and services	93,017,748.87	77,335,639.06
Chongqing Anfu Automobile Marketing Co., Ltd	Sales of vehicle parts and services	58,386,460.13	27,875,221.32

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Sales of goods and services to related parties (continued)

Related parties	Nature of the transaction	2023	2022
Chongqing Qingshan Industrial Co., Ltd	Sales of vehicle parts and services	31,157,207.00	158,523,290.48
China Ordnance Equipment Group Financial Leasing Co., Ltd	Provide labor services	25,691,328.80	48,064,780.21
Changan Ford Motor Co., Ltd	Selling parts and services	9,082,666.28	179,318,692.12
Chang'an Mazda Engine Co., Ltd	Selling parts and services	4,748,723.27	
Chongqing Wanyou Ducheng Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	3,605,914.02	2,714,289.11
Harbin Dong'an Automotive Engine Manufacturing Co., Ltd	Selling parts	3,358,934.35	28,271,075.57
Chongqing Chang'an Industrial (Group) Co., Ltd	Provide labor services	3,283,373.72	
Chongqing Chang'an Minsheng Logistics Co., Ltd	Selling parts and services	3,088,120.79	2,148,551.67
Ya'an Wanyou Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	2,547,798.92	3,074,292.53
Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	2,366,433.23	1,575,307.62
Weapon Equipment Group Finance Co., Ltd	Provide labor services	2,065,012.08	1,852,079.79
Nanjing Lingxing Technology Co., Ltd	Provide labor services	1,947,663.55	1,871,703.43
Chengdu Wanyou Automobile Sales and Service Co., Ltd	Sales of vehicle parts and services	1,731,121.33	934,370.23
Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd	Provide labor services	1,656,676.95	
Southern Yingte Air Conditioning Co., Ltd	Provide labor services	1,651,787.03	2,943.40
Chongqing Shangshang Automotive Parts Co., Ltd	Provide labor services	1,252,080.34	
Jiangling Holdings Limited	Selling parts and services	1,243,519.20	397,278.07

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Sales of goods and services to related parties (continued)

Related parties	Nature of the transaction	2023	2022
Chongqing wutong Chelian Technology Co., Ltd	Provide labor services	1,096,933.00	11,320.75
Luzhou Wanyou Automobile Service Co., Ltd	Sales of vehicle parts and services	1,009,690.18	820,143.92
Chongqing Naishite Steering System Co., Ltd	Selling parts and services	995,304.99	
Chongqing Chang'an Kuayue Vehicle Marketing Co., Ltd	Selling parts	704,862.14	281,930.93
Panzhuhua Wanyou Automobile Sales and Service Co., Ltd	Selling parts and services	671,997.23	712,145.73
Sichuan Ningjiang Shanchuan Machinery Co., Ltd	Provide labor services	632,600.17	13,329.40
Southern Faurecia Automotive Parts Co., Ltd	Provide labor services	498,120.79	
China Ordnance Equipment Group			
Commercial Factoring Co., Ltd	Provide labor services	358,584.46	106,858.13
China Changan Automobile Group Hefei Investment Co., Ltd	Selling vehicles	230,752.22	2,169,330.09
Sichuan Jian'an Industry Co., Ltd	Provide labor services	228,618.74	
Chenzhi (Chongqing) Brake System Co., Ltd	Provide labor services	214,511.78	
Chongqing Construction Transmission Technology Co., Ltd	Selling parts and services	187,996.19	
Hunan Tianyan Machinery Co., Ltd	Provide labor services	169,811.32	
Chengdu Wanyou Trading Co., Ltd	Selling parts and services	167,458.36	25,171.68
Chengdu Huachuan Electric Equipment Co., Ltd	Selling vehicles and services	164,961.79	
Chongqing Dajiang National Precision Machinery Manufacturing Co., Ltd	Selling parts and services	114,266.17	37,118,575.61

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Sales of goods and services to related parties (continued)

Related parties	Nature of the transaction	2023	2022
China Changan Automobile Group Co., Ltd	Provide labor services	85,080.76	84,905.66
Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd	Selling parts	79,500.96	
Dali Wanfu Automobile Sales and Service Co., Ltd	Selling parts	59,084.14	
Nanjing Tiefu Transmission System (Chongqing) Co., Ltd	Provide labor services	52,739.15	
Chongqing Lingchuan Automotive Parts Manufacturing Technology Co., Ltd	Selling parts and services	32,454.14	1,866,175.08
Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd	Provide labor services	18,983.24	
Chongqing Dajiang Dongyang Plastic Products Co., Ltd	Selling parts and services	18,867.92	750,186.19
Chongqing Construction Automotive Air Conditioner Co., Ltd	Selling parts and services	8,490.57	11,946.90
Hubei Huazhong Marelli Automotive Lighting Co., Ltd	Provide labor services	1,313.00	
Chongqing Construction Tongda Industrial Co., Ltd	Provide labor services	1,070.21	
Hubei Xiaogan Huazhong Car Lamp Co., Ltd	Provide labor services	340.99	
Zhongqi Chuangzhi Technology Co., Ltd	Provide labor services	0.94	
Yunnan Wanxing Automobile Sales and Service Co., Ltd	Selling vehicles and parts		18,948,851.57
Tiannake Lingchuan (Chongqing) Exhaust System Co., Ltd	Selling parts		4,244,013.23
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd	Selling parts		1,480,056.13
Construction Industry Group (Yunnan) Co., Ltd	Selling parts		1,365,240.00
Chongqing Construction Industry (Group) Co., Ltd	Selling parts		253,525.27

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Sales of goods and services to related parties (continued)

Related parties	Nature of the transaction	2023	2022
Li Er Chang'an (Chongqing) Automotive Systems Co., Ltd	Selling parts and services		147,535.15
Chongqing Dajiang Yuqiang Plastic Products Co., Ltd	Selling parts		131,400.00
Hainan Anxinxing Information Technology Co., Ltd	Provide labor services		28,301.89
Harbin Dong'an Automotive Power Co., Ltd	Provide labor services		1,173.00
Changan Ford Motor Co., Ltd	Provide personnel technical support	22,556,634.55	26,618,313.54
Chang'an Mazda Automobile Co., Ltd	Provide personnel technical support	19,654,432.21	20,766,828.90
Jiangling Holdings Limited	Provide personnel technical support	16,029,196.23	1,465,987.40
Chang'an Mazda Engine Co., Ltd	Provide personnel technical support	13,114,270.22	13,623,103.29
Chongqing Chang'an Kuayue Vehicle Co., Ltd	Provide personnel technical support	3,633,857.52	2,724,505.28
Jiangling Automobile Co., Ltd	Provide personnel technical support	2,003,201.96	1,158,831.59
Chongqing Chang'an Minsheng Logistics Co., Ltd	Provide personnel technical support	1,271,925.14	
Time FAW Power Battery Co., Ltd	Provide personnel technical support	1,234,091.00	
Avita Technology (Chongqing) Co., Ltd	Provide personnel technical support	682,780.43	
Chongqing Anda Semiconductor Co., Ltd	Provide personnel technical support	291,666.67	
Chongqing wutong Chelian Technology Co., Ltd	Provide personnel technical support	208,063.02	
China Changan Automobile Group Co., Ltd	Provide personnel technical support	169,811.32	
Weapon Equipment Group Finance Co., Ltd	Provide personnel technical support	143,990.86	
Chongqing Shangshang Automotive Parts Co., Ltd	Provide personnel technical support	115,392.25	

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Sales of goods and services to related parties (continued)

Related parties	Nature of the transaction	2023	2022
Chongqing Construction Transmission Technology Co., Ltd	Provide personnel technical support	27,872.04	
Chongqing Naishite Steering System Co., Ltd	Provide personnel technical support	18,026.66	
Chongqing Dajiang National Precision Machinery Manufacturing Co., Ltd	Provide personnel technical support	2,520.00	
Shenlan Automotive Technology Co., Ltd	Provide personnel technical support		87,739,303.52
Hainan Anxinxing Information Technology Co., Ltd	Provide personnel technical support		634,354.87
Yunnan Wanyou Automobile Sales and Service Co., Ltd	Interest income from delayed payment of funds	374,716.09	297,408.89
Chengdu Wanyou Auto Trade Service Co., Ltd	Interest income from delayed payment of funds	54,859.95	109,002.02
Chongqing Wanyou Economic Development Co., Ltd	Interest income from delayed payment of funds	14,602.59	66,581.59
China Changan Automobile Group Tianjin Sales Co., Ltd	Interest income from delayed payment of funds	7,601.77	21,429.12
Jiangsu Wanyou Automobile Sales and Service Co., Ltd	Interest income from delayed payment of funds	1,380.53	32,918.60
Anhui Wanyou Automobile Sales and Service Co., Ltd	Interest income from delayed payment of funds		42,256.63

5. Major transactions between the Group and its related parties (continued)

(1) Transactions of goods and services (continued)

Sales of goods and services to related parties (continued)

Related parties	Nature of the transaction	2023	2022
Wanyou Automobile Investment Co., Ltd	Interest income from delayed payment of funds		19,690.27
Chengdu Wanyou Xiangyu Automobile Sales and Service Co., Ltd	Interest income from delayed payment of funds		9,988.50
Chongqing Chang'an Minsheng Logistics Co., Ltd	Interest income from delayed payment of funds		4,584.91
Guizhou Wanyou Automobile Sales and Service Co., Ltd	Interest income from delayed payment of funds		3,686.97

5. Major transactions between the Group and its related parties (continued)

(2) Lease between related parties

As lessor

Tenant Name	Type of leased assets	2023	2022
Shanghai Jiaying Automotive Service Co., Ltd	Vehicle	45,796,707.70	28,781,100.74
Shenlan Automotive Technology Co., Ltd	Building and equipment	27,782,737.08	129,219,487.60
Chongqing Chang'an Industrial (Group) Co., Ltd	Building	3,283,373.72	6,667,632.38
Nanjing Lingxing Technology Co., Ltd	Vehicle	2,605,067.26	89,060,494.43
Chongqing Wanyou Economic Development Co., Ltd	Building and land	660,932.72	642,201.84
Chongqing Chang'an Minsheng Logistics Co., Ltd	Building and land	541,948.47	703,167.61
Avita Technology (Chongqing) Co., Ltd	Vehicle	364,393.81	
Southern Yingte Air Conditioning Co., Ltd	Vehicle	48,849.56	67,752.21
Chongqing Chang'an Real Estate Development Co., Ltd	Vehicle	24,424.78	

5. Major transactions between the Group and its related parties (continued)

(2) Lease between related parties (continued)

As lessee

Name of lessor	Type of leased assets	Simplified rental fees for short-term leases and low value asset leases	Variable lease payments not included in the measurement of lease liabilities	2023			2022		
				Rent paid	Interest expenses on lease liabilities assumed	Increased usage rights assets	Simplified rental fees for short-term leases and low value asset leases	Variable lease payments not included in the measurement of lease liabilities	Rent paid
Chongqing Minsheng Logistics Co., Ltd	Chang'an Warehouse	27,741,456.55	21,347,779.20			21,845,685.75		17,233,282.09	
Chongqing Property Co., Ltd	Chang'an Land Management	5,955,322.40	3,245,650.70						

5. Major transactions between the Group and its related parties (continued)

(3) Key management personnel compensation

Projects	2023	2022
Key management personnel compensation	34,385,715.00	29,192,727.00

(4) Other related-party transactions

Deposit and loan matters with Ordnance Equipment Group Finance Co., Ltd.:

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Related parties	Related party transaction content	2023.12.31/2023.1-12
Weapon Equipment Group Finance Co., Ltd	bank deposit	19,926,021,247.02
Weapon Equipment Group Finance Co., Ltd	Collecting interest	210,297,724.70
Weapon Equipment Group Finance Co., Ltd	Commercial acceptance bill	3,865,904,188.47
Weapon Equipment Group Finance Co., Ltd	Long term loans	76,000,000.00
Weapon Equipment Group Finance Co., Ltd	Payment of interest and handling fees	6,065,040.06

Deposit and loan matters with Changan Automobile Finance Co., Ltd.:

Related parties	Related party transaction content	2023.12.31/2023.1-12
Chang'an Automobile Finance Co., Ltd	bank deposit	14,990,000,000.00
Chang'an Automobile Finance Co., Ltd	Collecting interest	287,218,750.00

6. Amounts due from/to related parties

(1) Accounts receivables

Entry name	Related parties	2023	2022
Accounts receivable			
	Avita Technology (Chongqing) Co., Ltd	674,602,846.19	320,592,883.29
	Chang'an Mazda Automobile Co., Ltd	177,061,948.01	72,378,357.38
	Chongqing Chang'an Kuayue Vehicle Co., Ltd	23,099,903.46	39,592,219.39
	Chang'an Automobile Finance Co., Ltd	21,019,909.48	68,199,053.80
	Maaster Changan Automobile Co., Ltd	16,553,872.36	37,958,837.25

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Chang'an Mazda Engine Co., Ltd	15,886,858.18	3,494,661.85
Chongqing Fuji Supply Chain Management Co., Ltd	13,934,855.12	
Changan Ford Motor Co., Ltd	9,976,923.10	195,582,372.52
Jiangling Holdings Limited	9,791,503.74	83,513,666.55
Chongqing Chang'an Industrial (Group) Co., Ltd	7,139,838.45	3,626,628.57
Jiangsu Wanyou Automobile Sales and Service Co., Ltd	6,117,845.18	

6. Amounts due from/to related parties (continued)

(1) Accounts receivables (continued)

Entry name	Related parties	2023	2022
	China Ordnance Equipment Group Financial Leasing Co., Ltd	5,186,975.56	9,734,968.89
	Shanghai Jiaxing Automotive Service Co., Ltd	4,300,560.00	5,181,800.00
	Chongqing Chang'an Minsheng Logistics Co., Ltd	3,269,852.16	688,099.86
	Chongqing wutong Chelian Technology Co., Ltd	1,210,700.00	
	Chenzhi (Chengdu) Intelligent Suspension Co., Ltd	497,845.97	
	Nanjing Lingxing Technology Co., Ltd	321,563.47	4,209,516.65
	Chongqing Anfu Automobile Marketing Co., Ltd	278,200.00	
	Yunnan Wanyou Automobile Sales and Service Co., Ltd	121,200.00	
	Chongqing Chang'an Kuayue Vehicle Marketing Co., Ltd	26,019.30	31,861.79
	Chengdu Wanyou Xiangyu Automobile Sales and Service Co., Ltd	368.00	127,548.00
	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd	0.02	147,532.81

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Shenlan Automotive Technology Co., Ltd	3,623,354,650.53
Chongqing Qingshan Industrial Co., Ltd	29,579,405.37
Jiangling Automobile Co., Ltd	1,176,831.13
Guizhou Wanyou Automobile Sales and Service Co., Ltd	63,900.00
China Ordnance Equipment Group Commercial Factoring Co., Ltd	1,841.34

6. Amounts due from/to related parties (continued)

(1) Accounts receivables (continued)

Entry name	Related parties	2023	2022
Notes receivable	Wanyou Automobile Investment Co., Ltd	2,618,900,000.00	3,047,690,000.00
	Avita Technology (Chongqing) Co., Ltd	1,162,667,212.07	121,822,864.29
	Chongqing Fuji Supply Chain Management Co., Ltd	70,015,971.00	
	Yunnan Wanyou Automobile Sales and Service Co., Ltd	46,000,000.00	43,000,000.00
	Chongqing Qingshan Industrial Co., Ltd	48,163,692.11	40,463,588.91
	Chongqing Chang'an Kuayue Vehicle Co., Ltd	37,033,400.00	
	Chongqing Wanyou Economic Development Co., Ltd	31,000,000.00	20,250,000.00
	Chengdu Wanyou Auto Trade Service Co., Ltd	22,500,000.00	22,500,000.00
	Guizhou Wanyou Automobile Sales and Service Co., Ltd	14,200,000.00	7,300,000.00
	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd	272,292.05	3,029,467.77
	Shenlan Automotive Technology Co., Ltd		1,011,838,777.69

Prepayments

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Wutong Chelian Technology Co., Ltd	12,438,660.30
Shenlan Automotive Technology Co., Ltd	10,397,480.50

6. Amounts due from/to related parties (continued)

(1) Accounts receivables (continued)

Entry name	Related parties	2023	2022
Other receivables			
	Chongqing Changyu Private Equity Investment Fund Partnership Enterprise (Limited Partnership)	69,600,000.00	
	Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership Enterprise (Limited Partnership)	25,500,000.00	
	Jiangling Holdings Limited	70.00	
	Weapon Equipment Group Finance Co., Ltd		859,049.92
	Chongqing Chang'an Minsheng Logistics Co., Ltd		436.57

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6. Amounts due from/to related parties (continued)

(2) Accounts payables

Entry name	Related parties	2023	2022
Accounts payable	Jiangling Holdings Limited	1,354,996,530.62	1,116,408,615.48
	Chongqing Qingshan Industrial Co., Ltd	1,161,486,369.43	153,454,423.03
	Chongqing Naishite Steering System Co., Ltd	460,868,914.97	278,876,988.05
	Hubei Huazhong Marelli Automotive Lighting Co., Ltd	304,497,612.19	236,096,916.60
	Chengdu Zhongzi Guangming Catalytic Technology Co., Ltd	288,969,832.65	32,759,347.97
	Southern Yingte Air Conditioning Co., Ltd	218,167,579.17	87,495,633.58
	Sichuan Ningjiang Shanchuan Machinery Co., Ltd	217,032,427.38	11,108,409.24
	Sichuan Jian'an Industry Co., Ltd	209,471,637.23	40,868,455.07
	Chongqing Dajiang Yapu Automotive Parts Co., Ltd	188,849,804.56	152,806,662.74
	United Automotive Electronics (Chongqing) Co., Ltd	175,204,866.08	72,864,235.98
	Chongqing Dajiang Dongyang Plastic Products Co., Ltd	160,704,720.85	86,558,622.08
	Chenzhi (Chongqing) Brake System Co., Ltd	146,361,112.11	142,620,012.97
	Chengdu Huachuan Electric Equipment Co., Ltd	133,533,197.37	41,958,250.19
	Southern Faurecia Automotive Parts Co., Ltd	133,412,554.27	79,576,674.87
	Nanjing Tiefu Transmission System (Chongqing) Co., Ltd	131,979,852.57	49,148,122.03
	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd	112,601,705.64	99,563,867.81
	Era Chang'an Power Battery Co., Ltd	95,181,872.65	
Harbin Dong'an Automotive Power Co., Ltd	82,269,854.10	103,616,123.17	

6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
	Chongqing Dajiang National Precision Machinery Manufacturing Co., Ltd	80,230,007.07	6,417,935.77
	Hunan Tianyan Machinery Co., Ltd	62,751,647.18	143,359.78
	Chongqing Construction Transmission Technology Co., Ltd	53,190,098.24	18,773,538.36
	Chongqing Lingchuan Automotive Parts Manufacturing Technology Co., Ltd	44,644,512.83	25,869,763.88
	Chongqing Shangshang Automotive Parts Co., Ltd	32,922,573.42	13,575,599.30
	Hubei Xiaogan Huazhong Car Lamp Co., Ltd	30,315,072.22	19,359,970.66
	Chengdu Wanyou Filter Co., Ltd	23,915,398.04	14,115,700.51
	Chongqing Yihong Defense Technology Co., Ltd	22,446,756.72	4,247,025.85
	Chongqing Construction Tongda Industrial Co., Ltd	21,293,902.87	11,268,342.31
	Chengdu Lingchuan Automotive Fuel Tank Co., Ltd	18,306,736.20	8,056,699.53
	Chongqing Construction Automotive Air Conditioner Co., Ltd	15,466,830.30	10,360,465.69
	Chongqing Chang'an Minsheng Logistics Co., Ltd	12,682,710.95	12,696,301.88
	Chongqing Qingshan Transmission Sales Co., Ltd	11,834,165.78	10,199,151.11
	Chongqing Wanyou Economic Development Co., Ltd	7,393,900.62	757,763.87
	Chongqing Jianshe Hanang Automotive Thermal Management System Co., Ltd	5,633,908.16	2,388,277.76
	Longchang Shanchuan Machinery Co., Ltd	4,292,608.83	1,759,775.48
	Chongqing wutong Chelian Technology Co., Ltd	3,636,473.60	

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Chongqing Dajiang Yuqiang Plastic Products Co., Ltd	3,588,068.59	496,894.20
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6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
	Wutong Chelian Technology Co., Ltd	1,781,815.70	4,301,349.18
	Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd	1,443,978.00	
	Chenzhi (Chengdu) Intelligent Suspension Co., Ltd	1,220,521.72	1,358,424.58
	China Changan Automobile Group Co., Ltd	1,040,003.18	
	Avita Technology (Chongqing) Co., Ltd	914,385.00	
	Chongqing Chang'an Industrial (Group) Co., Ltd	601,675.65	236,355.17
	Avita (Chongqing) Automobile Sales and Service Co., Ltd	587,070.80	
	Chongqing Construction Industry (Group) Co., Ltd	575,587.79	
	Chongqing Dajiang Jiexin Forging Co., Ltd	421,518.30	312,203.77
	Construction Industry Group (Yunnan) Co., Ltd	327,412.94	4,210,156.64
	Chengdu Jialing Huaxi Optics and Precision Machinery Co., Ltd	242,083.74	559,576.76
	Beijing Beiji Electromechanical Industry Co., Ltd	141,911.64	3,165.30
	Chongqing Jialing Yimin Special Equipment Co., Ltd	104,496.50	104,496.50
	Chengdu Lingchuan Special Industry Co., Ltd	101,585.16	220,175.48
	Tiannake Lingchuan (Chongqing) Exhaust System Co., Ltd	93,157.04	5,380,229.34
	Chongqing Construction Electromechanical Co., Ltd	47,265.91	47,265.91

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Li Er Chang'an (Chongqing) Automotive Systems Co., Ltd	41,271.92	109,342,564.03
Chongqing Xiyi Automobile Connecting Rod Co., Ltd	38,422.14	38,422.14
Shanghai Jiaxing Automotive Service Co., Ltd	32,771.36	
Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd	20,842.80	20,842.80
Hangzhou Chelizi Intelligent Technology Co., Ltd	12,350.00	12,350.00
Hafei Automobile Co., Ltd	344.04	344.04
Shenlan Automotive Technology Co., Ltd		822,638,571.39
Chang'an Laisi (Chongqing) Robot Intelligent Equipment Co., Ltd		8,537,490.14
Changan Ford Motor Co., Ltd		1,878,695.33
Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd		963,651.26
Chongqing Automotive Air Conditioner Co., Ltd		205,041.51
Chongqing Dajiang Xinda Vehicle Co., Ltd		56,251.08
Chongqing Chang'an Kuayue Vehicle Co., Ltd		1,382.56
Chongqing Changfeng Jiquan Machinery Co., Ltd		1,340.91
Chengdu Wanyou Auto Trade Service Co., Ltd		250.00
Notes payable		
Chongqing Qingshan Industrial Co., Ltd	1,723,679,349.53	1,078,658,254.05

6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
	Jiangling Holdings Limited	1,047,608,994.41	59,248,188.59
	Chongqing Chang'an Minsheng Logistics Co., Ltd	443,503,065.10	300,858,223.58
	Chongqing Naishite Steering System Co., Ltd	403,879,297.14	327,738,252.79
	Southern Yingte Air Conditioning Co., Ltd	243,848,518.33	130,650,474.98
	Chongqing Dajiang Dongyang Plastic Products Co., Ltd	241,360,000.00	145,840,000.00
	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd	234,620,000.00	197,280,000.00
	Chongqing Dajiang Yapu Automotive Parts Co., Ltd	215,540,000.00	175,450,000.00
	Nanjing Tiefu Transmission System (Chongqing) Co., Ltd	122,855,842.38	98,250,000.00
	Hubei Huazhong Marelli Automotive Lighting Co., Ltd	122,400,000.00	139,690,000.00
	Chongqing Lingchuan Automotive Parts Manufacturing Technology Co., Ltd	113,510,000.00	80,530,000.00
	Southern Faurecia Automotive Parts Co., Ltd	107,251,528.51	36,370,000.00
	Chengdu Zhongzi Guangming Catalytic Technology Co., Ltd	102,880,000.00	560,000.00
	Hunan Tianyan Machinery Co., Ltd	97,750,000.00	630,000.00
	Sichuan Ningjiang Shanchuan Machinery Co., Ltd	80,902,422.85	60,759,442.02
	Chongqing Jianshe Hanang Automotive Thermal Management System Co., Ltd	77,160,000.00	82,600,000.00

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Chenzhi (Chongqing) Brake System Co., Ltd	73,980,457.72	118,961,825.13
Chengdu Wanyou Filter Co., Ltd	51,120,000.00	34,373,849.84
Tiannake Lingchuan (Chongqing) Exhaust System Co., Ltd	44,930,000.00	32,530,000.00
Chongqing Shangshang Automotive Parts Co., Ltd	41,023,156.32	33,869,017.86
Hubei Xiaogan Huazhong Car Lamp Co., Ltd	35,788,907.01	15,650,000.00
Chongqing Yihong Defense Technology Co., Ltd	26,870,000.00	19,560,000.00
Chongqing Construction Tongda Industrial Co., Ltd	15,579,467.79	10,640,000.00
Chongqing Construction Automotive Air Conditioner Co., Ltd	14,260,000.00	20,050,000.00
Harbin Dong'an Automotive Power Co., Ltd	11,090,000.00	59,090,000.00
Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd	10,355,405.72	
Longchang Shanchuan Machinery Co., Ltd	6,670,000.00	6,140,145.72
Chongqing Construction Transmission Technology Co., Ltd	5,667,059.25	1,314,548.20
Sichuan Jian'an Industry Co., Ltd	4,757,300.00	
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd	2,640,000.00	
Chongqing Dajiang Jiexin Forging Co., Ltd	340,000.00	1,090,000.00
Shenlan Automotive Technology Co., Ltd		293,766,946.00
Chongqing Dajiang National Precision Machinery Manufacturing Co., Ltd		7,765,999.95
Chengdu Jialing Huaxi Optics and Precision Machinery Co., Ltd		950,000.00

6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
Other payables			
	Chongqing Chang'an Minsheng Logistics Co., Ltd	500,998,344.99	392,075,910.69
	Chongqing Qingshan Industrial Co., Ltd	18,225,258.51	7,868,918.85
	Jiangsu Wanyou Automobile Sales and Service Co., Ltd	12,433,698.10	4,970,000.00
	Shanghai Jiaxing Automotive Service Co., Ltd	10,098,882.10	
	Chongqing Wanyou Economic Development Co., Ltd	9,733,185.00	7,660,147.80
	Chengdu Wanyou Xiangyu Automobile Sales and Service Co., Ltd	9,558,725.84	7,732,620.00
	Yunnan Wanyou Automobile Sales and Service Co., Ltd	7,847,297.00	10,068,122.20
	Chang'an Laisi (Chongqing) Robot Intelligent Equipment Co., Ltd	7,439,420.93	917,118.52
	Chongqing Chang'an Construction Engineering Co., Ltd	7,120,158.39	26,391,448.08
	Southwest Ordnance Industry Chongqing Environmental Protection Research Institute Co., Ltd	6,567,229.16	
	China Changan Automobile Group Tianjin Sales Co., Ltd	4,967,547.10	3,729,000.00
	Guizhou Wanyou Automobile Sales and Service Co., Ltd	4,854,300.00	4,007,517.20
	Chongqing Chang'an Property Management Co., Ltd	4,291,910.22	1,935,184.57
	Chongqing Chang'an Intelligent Industrial Technology Service Co., Ltd	4,000,701.62	4,404,413.09

6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
	Southern Yingte Air Conditioning Co., Ltd	3,885,605.94	1,567,432.39
	Chengdu Wanyou Automobile Sales and Service Co., Ltd	3,200,000.00	790,000.00
	Southern Faurecia Automotive Parts Co., Ltd	2,292,829.98	
	Ya'an Wanyou Automobile Sales and Service Co., Ltd	2,100,513.14	2,063,900.00
	Chengdu Wanyou Auto Trade Service Co., Ltd	2,041,261.84	3,607,415.80
	Sichuan Jian'an Industry Co., Ltd	1,670,420.64	2,101,400.49
	Chongqing Naishite Steering System Co., Ltd	1,238,092.98	
	Chengdu Wanyou Filter Co., Ltd	939,532.50	1,266,573.71
	Anhui Wanyou Automobile Sales and Service Co., Ltd	938,180.00	1,475,600.00
	Chongqing Chang'an Industrial (Group) Co., Ltd	875,856.10	2,960,859.38
	Changan Ford Motor Co., Ltd	752,549.61	
	Chongqing Wanyou Ducheng Automobile Sales and Service Co., Ltd	737,780.00	1,096,014.24
	Chongqing Lingchuan Automotive Parts Manufacturing Technology Co., Ltd	681,921.10	219,898.32
	Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd	441,740.00	400,000.00
	Hubei Huazhong Marelli Automotive Lighting Co., Ltd	411,875.16	
	Chengdu Huachuan Electric Equipment Co., Ltd	237,375.50	173,206.40

6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
	Chengdu Zhongzi Guangming Catalytic Technology Co., Ltd	229,627.31	
	Luzhou Wanyou Automobile Service Co., Ltd	221,800.00	129,140.00
	Chongqing Shangshang Automotive Parts Co., Ltd	215,604.00	1,113,793.54
	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd	213,235.41	
	Beijing North Changfu Automobile Sales Co., Ltd	200,000.00	
	United Automotive Electronics (Chongqing) Co., Ltd	159,089.20	3,439,700.00
	Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd	120,000.00	
	Chongqing Dajiang Xinda Vehicle Co., Ltd	100,000.00	150,000.00
	Chongqing Dajiang National Precision Machinery Manufacturing Co., Ltd	99,087.65	
	Nanjing Tiefu Transmission System (Chongqing) Co., Ltd	89,598.75	
	Chongqing Construction Transmission Technology Co., Ltd	88,358.88	
	Sichuan Ningjiang Shanchuan Machinery Co., Ltd	84,283.54	
	Chenzhi (Chongqing) Brake System Co., Ltd	81,873.02	293,868.55
	China Ordnance Newspaper	44,850.00	
	Hunan Tianyan Machinery Co., Ltd	21,696.00	1,235,044.80
	Chongqing Dajiang Yapu Automotive Parts Co., Ltd	17,514.74	10,855.59

6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd	12,665.04	203,155.92
	Dali Wanfu Automobile Sales and Service Co., Ltd	1,691.00	
	Chongqing Construction Tongda Industrial Co., Ltd	1,343.94	33,787.00
	Chongqing Yihong Defense Technology Co., Ltd	159.91	
	Shenlan Automotive Technology Co., Ltd		113,039,584.99
	Chongqing Dajiang Dongyang Plastic Products Co., Ltd		1,423,800.00
	Chongqing Anfu Automobile Marketing Co., Ltd		200,000.00
	Construction Industry Group (Yunnan) Co., Ltd		148,030.00
	China Changan Automobile Group Hefei Investment Co., Ltd		106,890.47
	Harbin Dong'an Automotive Power Co., Ltd		106,468.60
	Jiangling Holdings Limited		47,703.40
	Hubei Xiaogan Huazhong Car Lamp Co., Ltd		27,828.32
	Chengdu Wanyou Trading Co., Ltd		11,391.20
	Panzhuhua Wanyou Automobile Sales and Service Co., Ltd		4,550.30
	China Changan Automobile Group Co., Ltd		1,000.00

6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
Contract liabilities			
	Chengdu Wanyou Xiangyu Automobile Sales and Service Co., Ltd	110,584,225.04	64,279,954.50
	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd	89,057,725.73	74,694,999.66
	Guizhou Wanyou Automobile Sales and Service Co., Ltd	68,070,242.12	96,702,773.24
	Chongqing Wanyou Economic Development Co., Ltd	62,975,674.47	124,667,991.83
	Yunnan Wanyou Automobile Sales and Service Co., Ltd	55,836,423.36	49,769,852.59
	Jiangsu Wanyou Automobile Sales and Service Co., Ltd	26,589,072.67	58,420,002.39
	Wanyou Automobile Investment Co., Ltd	23,183,182.96	47,689,212.74
	Chengdu Wanyou Auto Trade Service Co., Ltd	16,498,448.61	18,393,074.44
	Anhui Wanyou Automobile Sales and Service Co., Ltd	9,994,433.27	12,540,522.24
	Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd	9,803,782.94	
	China Changan Automobile Group Tianjin Sales Co., Ltd	8,118,237.92	33,057,138.53
	Maaster Changan Automobile Co., Ltd	6,452,463.66	5,213,676.57
	Avita Technology (Chongqing) Co., Ltd	970,882.61	5,832,549.46
	Chang'an Automobile Finance Co., Ltd	606,371.68	685,200.00

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Hafei Automobile Co., Ltd	417,648.22	471,942.49
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6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
	Chengdu Wanyou Automobile Sales and Service Co., Ltd	345,372.38	101,869.64
	Chongqing Chang'an Minsheng Logistics Co., Ltd	271,047.12	416,441.17
	Chongqing Wanyou Ducheng Automobile Sales and Service Co., Ltd	207,654.20	373,179.91
	Ya'an Wanyou Automobile Sales and Service Co., Ltd	112,302.96	75,083.25
	Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd	66,275.60	155,719.35
	Luzhou Wanyou Automobile Service Co., Ltd	54,775.96	91,342.25
	Dali Wanfu Automobile Sales and Service Co., Ltd	46,416.87	3,486.06
	Bazhong Wanyou Automobile Sales and Service Co., Ltd	44,625.20	50,426.48
	Panzhuhua Wanyou Automobile Sales and Service Co., Ltd	32,689.44	16,305.41
	Chengdu Wanyou Trading Co., Ltd	15,049.38	18,900.00
	China Changan Automobile Group Hefei Investment Co., Ltd	9,091.15	10,273.00
	Chongqing Shangshang Automotive Parts Co., Ltd	3,522.12	12,979.98
	Yunnan Wanxing Automobile Sales and Service Co., Ltd	87.61	6,816.00
	Changan Ford Motor Co., Ltd	0.32	493,954.43
	Jiangling Holdings Limited		6,854,200.00

Chongqing Anfu Automobile Marketing Co., Ltd

149,000.00

6. Amounts due from/to related parties (continued)

(2)Accounts payables(continued)

Entry name	Related parties	2023	2022
	Guangxi Wanyou Automobile Sales and Service Co., Ltd		302.40

XIII Share-based payments

Granting objects	All equity instruments unlocked in this period		All equity instruments that have expired in this period	
	Quantity (10000 shares)	amount	Quantity (10000 shares)	amount
employees	51,641,739.00	199,366,029.42	4,510,389.00	18,591,901.33

Equity-settled share payments are as follows:

	2023	2022
Accumulated amount of equity-settled share-based payments included in capital reserve	1,011,326,167.92	648,749,767.92
Equity-settled share-based payments recognized as expenses	<u>362,576,400.00</u>	<u>380,209,900.00</u>

XIV Contingencies and commitments

1. Commitments

Contracted, but not provided for

	2023	2022
Capital commitments	11,619,677,925.31	11,675,534,857.57
Investment commitments	1,132,500,000.00	1,782,940,000.00
Total	<u>12,752,177,925.31</u>	<u>13,458,474,857.57</u>

XV Events after the balance sheet date

1. The dividends after balance sheet date

The profit distribution plan for 2023 is based on the total share capital of 9,917,289,033 shares, a cash dividend of 3.43 yuan (including tax) will be distributed to all shareholders for every 10 shares, without converting the reserve fund into share capital.

XVI Other important event

Capital management:

	2023	2022
liabilities	115,487,870,299.24	83,099,751,390.43
Less: Cash and cash equivalents	63,925,957,901.11	52,491,435,047.74

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Adjusted net liabilities	51,561,912,398.13	30,608,316,342.69
Owner's equity	74,683,256,839.03	62,949,316,684.82
Adjusted debt/capital ratio	69.04%	48.62%

XVII Notes to the Company's financial statements

1. Accounts Receivable

(1) Aging analysis of accounts receivable as at 31 December 2023 is as follows:

	2023	2022
Less than 1 year (including 1 year)	7,757,039,345.74	4,445,068,297.55
1 to 2 years (including 2 years)	4,629,777.82	997,705,973.80
2 to 3 years (including 3 years)	713,934,590.78	
Over 3 years	172,295,427.89	213,599,440.84
	<u>8,647,899,142.23</u>	<u>5,656,373,712.19</u>
Less: Provision	<u>(68,395,117.00)</u>	<u>(117,868,890.37)</u>
	<u>8,579,504,025.23</u>	<u>5,538,504,821.82</u>

(2) Analysis of the accounts receivable by category as at 31 December 2023 is as follows:

	2023			
	Balance		Provision	
	Amount	%	Amount	%
Individually analyzed provision	8,521,036,971.35	98.53	37,652,846.20	0.44
Provision for bad debts based on credit risk characteristics	<u>126,862,170.88</u>	<u>1.47</u>	<u>30,742,270.80</u>	<u>24.23</u>
Total	<u>8,647,899,142.23</u>	<u>100.00</u>	<u>68,395,117.00</u>	
	2022			
	Balance		Provision	
	Amount	%	Amount	%
Individually analyzed provision	5,137,221,177.03	90.82	76,252,846.20	1.48
Provision for bad debts based on credit risk characteristics	<u>519,152,535.16</u>	<u>9.18</u>	<u>41,616,044.17</u>	<u>8.02</u>
Total	<u>5,656,373,712.19</u>	<u>100.00</u>	<u>117,868,890.37</u>	

(3) Accounts receivable was analyzed for provision by expected credit loss model:

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	2023			2022		
	Balance amount	%	Provision	Balance amount	%	Provision
Within 1 year	92,354,390.53	0.23	212,524.43	452,608,491.21	0.89	4,009,679.22
1 to 2 years	2,924,698.66	4.54	132,902.58	30,625,665.06	7.23	2,214,135.18
2 to 3 years	-	-	-	-	-	-
Over 3 years	<u>31,583,081.69</u>	<u>96.24</u>	<u>30,396,843.79</u>	<u>35,918,378.89</u>	<u>98.54</u>	<u>35,392,229.77</u>
Total	<u>126,862,170.88</u>		<u>30,742,270.80</u>	<u>519,152,535.16</u>		<u>41,616,044.17</u>

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

	Beginning balance	Provision	Write-off	Ending balance
2023	117,868,890.37	10,873,773.37	38,600,000.00	68,395,117.00
2022	<u>102,237,112.42</u>	<u>17,018,007.91</u>	<u>1,386,229.96</u>	<u>117,868,890.37</u>

(5) As at 31 December 2023, accounts receivable from top 5 clients amounted to RMB 6,094,777,237.45, accounted for 70.48% of the total amount.

2. Other receivables

	2023	2022
sports event		
Other receivables	237,247,787.26	859,026,748.64
total	<u>237,247,787.26</u>	<u>859,026,748.64</u>

(1) Aging analysis of other receivables as at 31 December 2023 is as follows:

	2023	2022
Within 1 year	231,794,668.72	842,446,117.27
1 to 2 years	3,543,202.13	7,116,112.63
2 to 3 years	1,987,846.67	1,226,346.51
Over 3 years	<u>6,930,932.77</u>	<u>15,300,830.26</u>
	244,256,650.29	866,089,406.67
Less: Provision	<u>(7,008,863.03)</u>	<u>(7,062,658.03)</u>
Total	<u>237,247,787.26</u>	<u>859,026,748.64</u>

(2) Disclosure of bad debt accrual method by category:

	2023			
	Balance	Provision	Balance	Provision
	Amount	%	Amount	%

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Individually analyzed provision	173,323,245.26	70.96	6,842,932.77	3.95
Provision for bad debts based on credit risk characteristics	<u>70,933,405.03</u>	<u>29.04</u>	<u>165,930.26</u>	<u>0.23</u>
Total	<u>244,256,650.29</u>	<u>100.00</u>	<u>7,008,863.03</u>	
	2022			
	Balance		Provision	
	Amount	%	Amount	%
Individually analyzed provision	777,670,023.39	89.79	6,842,932.77	0.88
Provision for bad debts based on credit risk characteristics	<u>88,419,383.28</u>	<u>10.21</u>	<u>219,725.26</u>	<u>0.25</u>
Total	<u>866,089,406.67</u>	<u>100.00</u>	<u>7,062,658.03</u>	

Accounts receivable was analyzed for provision by expected credit loss model:

	2023		
	Balance amount	%	Provision
Within 1 year	65,487,628.14	0.03	16,272.65
1 to 2 years	3,483,169.23	0.52	18,256.09
2 to 3 years	1,874,607.66	3.62	67,913.39
Over 3 years	<u>88,000.00</u>	<u>72.15</u>	<u>63,488.13</u>
Total	<u>70,933,405.03</u>		<u>165,930.26</u>

(3) Provision for bad debts

	Phase I Expected credit losses for the next 12 months	Phase II Expected credit losses for the entire duration (no credit impairment)	Phase III Expected credit losses over lifetime (credit impairment incurred)	add up the total
Prior year-end balance	219,725.26		6,842,932.77	7,062,658.03
Balance at the end of the previous year for the current period				
--Transfer to Phase II				
--Transferred to phase III				
--Transfer back to phase II				
--Return to phase I				
Provision for the current period				
Reversal during the period	53,795.00			53,795.00
Write-offs during the period				

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	Phase I	Phase II	Phase III	
provision for bad debts	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses over lifetime (credit impairment incurred)	add up the total
Write-offs during the period				
Other changes				
Closing balance	165,930.26		6,842,932.77	7,008,863.03

The movement in the carrying amount of other receivables is shown below:

	Phase I	Phase II	Phase III	
Carrying amount	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses over lifetime (credit impairment incurred)	add up the total
Prior year-end balance	859,246,473.90		6,842,932.77	866,089,406.67
Balance at the end of the previous year for the current period				
--Transfer to Phase II				
--Transferred to phase III				
--Transfer back to phase II				
--Return to phase I				
Additions during the period	5,814,416,518.24			5,814,416,518.24
Derecognition during the period	6,436,249,274.62			6,436,249,274.62
Other changes				
Closing balance	<u>237,413,717.52</u>		6,842,932.77	244,256,650.29

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

	Beginning balance	Provision	Reversal	Ending balance
2023	7,062,658.03	53,795.00-		7,008,863.033
2022	<u>7,219,239.96</u>	<u>-</u>	<u>156,581.93</u>	<u>7,062,658.03</u>

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(5) Analysis of other receivables by nature is as follows:

	2023	2022
Prepaid equity investment	109,286,581.45	399,486,432.52
Energy-saving and new energy subsidy	31,782,936.00	338,394,118.63
Pretty cash	69,048,305.62	63,139,873.12
Internal transactions	25,410,795.04	32,946,539.47
Others	<u>8,728,032.18</u>	<u>32,122,442.93</u>
Total	<u>244,256,650.29</u>	<u>866,089,406.67</u>

(6) Other receivables with the top five closing balances aggregated by party owed, As at 31 December 2023, the top five closing balances of other receivables totalled RMB 154,619,333.48, representing 63.30% of the total closing balance of other receivables.

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3. Long-term investments

(1) Investments in subsidiaries

investee	Prior year-end balance	Impairment provision Prior year-end balance	Increase/decrease during the period			Closing balance	Closing balance of provision for impairment
			Additional investments	Reduced investment	Provision for impairment for the period the rest		
Hefei Chang'an Automobile Co.,Ltd.	1,535,367,765.23					1,535,367,765.23	
Chongqing Changan Automobile International Sales & Service Co.,Ltd.	203,068,581.00		979,000,000.00			1,182,068,581.00	
Chongqing Chang'an Kaicheng Automotive Technology Co.,Ltd	977,793,971.55					977,793,971.55	
Chongqing Suzuyo Automobile Co.,Ltd.	594,949,059.30					594,949,059.30	
Nanjing Chang'an Automobile Co.,Ltd.	422,183,259.00					422,183,259.00	
Chang'an Automobile Russia Co.,Ltd.	251,242,589.15					251,242,589.15	
Changan Automobile UK R&D Centre LLP	250,093,850.95					250,093,850.95	
Changan Automobile Investment (Shenzhen) Co.,Ltd.	237,889,511.00					237,889,511.00	
Chongqing Chang'an European Design Centre Co.,Ltd.	155,469,913.50					155,469,913.50	
Chongqing Chang'an Automobile Software Technology Co.,Ltd.	99,000,000.00					99,000,000.00	
Chongqing Chang'an Technology Co.,Ltd.	90,000,000.00					90,000,000.00	

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Notes to Financial Statement
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(Expressed in Renminbi Yuan)

investee	Prior year-end balance	Impairment provision Prior year-end balance	Increase/decrease during the period			Closing balance	Closing balance of provision for impairment
			Additional investments	Reduced investment	Provision for impairment for the period the rest		
Chongqing Chang'an Auto Link Technology Co.,Ltd.	88,500,000.00					88,500,000.00	
Nanjing Changan New Energy Vehicle Sales & Service Co.,Ltd.	50,000,000.00					50,000,000.00	
Chongqing Zhilai Dadao New Energy Co.,Ltd.	49,194,195.00	49,194,195.00				49,194,195.00	49,194,195.00
Chongqing Changan Automobile Customer Service Co.,Ltd	29,700,000.00					29,700,000.00	
Chongqing Chang'anhang Automobile Co.,Ltd.			20,000,000.00			20,000,000.00	
Deep Blue Automotive Technology Co.,Ltd.					1,655,606,604.29	1,655,606,604.29	
Chang'an American R&D Centre Co.,Ltd.	10,243,460.00					10,243,460.00	
Chongqing Chehemei Technology Co.,Ltd.	10,000,000.00					10,000,000.00	
Guangzhou Changan New Energy Vehicle Sales & Service Co.,Ltd.	4,000,000.00					4,000,000.00	
Chongqing Chang'an Special Purpose Vehicle Co.,Ltd.	2,500,000.00					2,500,000.00	
Xiamen Changan New Energy Vehicle Sales & Service Co.,Ltd.	2,000,000.00					2,000,000.00	
Chongqing Anyi Automobile Technical Service Co.,Ltd.	2,000,000.00					2,000,000.00	
Chang'an Japan Design Centre Co.,Ltd.	1,396,370.15					1,396,370.15	
Beijing Chang'an Automobile Engineering & Technology Research Co.,Ltd.	1,000,000.00					1,000,000.00	
Hebei Changan Automobile Co.,Ltd	350,000.00					350,000.00	
Chang'an Automobile Southeast Asia Co.,Ltd.			3.00			3.00	

Chongqing Changan Automobile Company Limited
Notes to Financial Statement
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

investee	Prior year-end balance	Impairment provision Prior year-end balance	Increase/decrease during the period			Closing balance	Closing balance of provision for impairment
			Additional investments	Reduced investment	Provision for impairment for the period		
Changan Automotive Parts (Thailand) Co.,Ltd.			3.00			3.00	
Changan Automobile Sales (Thailand) Co.,Ltd.			3.00			3.00	
Total	5,067,942,525.83	49,194,195.00	999,000,009.00			1,655,606,604.29	7,722,549,139.12

Chongqing Changan Automobile Company Limited
Notes to Financial Statement
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

(2) Investments in associates, joint ventures

investee	Prior year-end balance	Impairment provision Prior year-end balance	Additional investments	Increase/decrease during the period							Closing balance	Closing balance of provision for impairment	
				Reduced investments	Gains and losses on investments recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	make provision for impairment	the rest			
1. Joint ventures													
Nanchang Jiangling Investment Co.,Ltd.	1,810,629,644.86				297,030,927.25	(1,454,051.91)						2,106,206,520.20	
Chang'an Mazda Motor Corporation	1,433,304,456.32				(555,064,964.19)							878,239,492.13	
Changan Mazda Engine Co.,Ltd.	824,042,049.05				10,463,657.35			(29,500,000.00)				805,005,706.40	
Changan Ford Motor Company, Ltd.	712,459,351.85				(712,459,351.85)								
Subtotal	4,780,435,502.08				(960,029,731.44)	(1,454,051.91)		(29,500,000.00)				3,789,451,718.73	
2. Associated enterprises													
Changan Automobile Finance Co.,Ltd.	2,778,898,410.33				350,378,027.17			(87,883,463.64)				3,041,392,973.86	
Nanjing Link Equity Investment Partnership (Limited Partnership)	2,570,421,464.70				75,371,861.99							2,645,793,326.69	
CAC Chuangzhi Technology Co.,Ltd.	168,492,790.78		300,000,000.00		(19,977,570.24)							448,515,220.54	
Chongqing Chang'an Crossing Vehicle Co.,Ltd.	209,768,936.34				18,996,315.30							228,765,251.64	
Chongqing Changxin Zhiqi Private Equity Investment Fund Partnership (Limited Partnership)	170,440,054.08		37,711,000.00		(3,632,657.70)							204,518,396.38	
Times Changan Power Battery Co.,Ltd.			152,000,000.00		(19,362,367.72)							132,637,632.28	
Chongqing Longline Intelligent Technology Co.,Ltd.			102,000,000.00		1,217,635.38							103,217,635.38	
Chongqing Chang'an Innovation Private Equity Investment Fund Partnership (Limited Partnership)	1,000,844.59		69,230,769.00		(127,139.60)							70,104,473.99	
Changan Ford New Energy Vehicle Co.,Ltd.			100,000,000.00		(32,286,335.07)							67,713,664.93	
Anhe Chongqing Dingfeng Automobile Contractual Private Equity Fund	61,568,706.08				123,646.33							61,692,352.41	

Chongqing Changan Automobile Company Limited
Notes to Financial Statement
Year ended 31 December 2023
(Expressed in Renminbi Yuan)

investee	Prior year-end balance	Impairment provision Prior year-end balance	Additional investments	Increase/decrease during the period							Closing balance	Closing balance of provision for impairment	
				Reduced investment	Gains and losses on investments recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	make provision for impairment	the rest			
Hunan Guoxin Semiconductor Technology Co.,Ltd.	25,452,425.26				3,049,806.83							28,502,232.09	
Nanjing Link Equity Investment Management Co.,Ltd.	1,112,210.69				(4,810.57)							1,107,400.12	
Nanjing Chelai Travelling Technology Co.,Ltd.	624,773.31				(39,948.66)							584,824.65	
Avita Technology (Chongqing) Co.,Ltd.	1,228,287,241.13		1,229,820,000.00		(1,525,530,933.78)		5,521,666.21					938,097,973.56	
Deep Blue Automotive Technology Co.,Ltd.	369,885,426.05		1,331,621,441.70		(45,900,263.46)						(1,655,606,604.29)		
Subtotal	7,585,953,283.34		3,322,383,210.70		(1,197,724,733.80)		5,521,666.21	(87,883,463.64)			(1,655,606,604.29)	7,972,643,358.52	
Total	12,366,388,785.42		3,322,383,210.70		(2,157,754,465.24)	(1,454,051.91)	5,521,666.21	(117,383,463.64)			(1,655,606,604.29)	11,762,095,077.25	

4. Operating revenue and cost

	2023		2022	
	Revenue	Cost	Revenue	Cost
Primary Operation	111,283,143,529.64	95,058,222,527.07	99,659,461,376.20	83,039,189,231.43
Other Operation	<u>7,414,890,253.13</u>	<u>3,451,631,559.23</u>	<u>7,005,683,913.08</u>	<u>3,202,290,576.52</u>
Total	<u>118,698,033,782.77</u>	<u>98,509,854,086.30</u>	<u>106,665,145,289.28</u>	<u>86,241,479,807.95</u>

5. Investment income/loss

	2023	2022
Long-term equity investment income accounted for by the cost method	722,850,000.00	653,072,387.00
Long-term equity investment income/(loss) accounted for by the equity method	(2,157,754,465.24)	(3,075,237,898.94)
The investment income of financial asset held for trading during its holding period	1,406,842.07	3,289,610.51
Dividend income from remaining investments in other equity instruments	206,042,574.04	160,088,164.16
Investment income from disposal of long-term equity investments	1.00	(1,805,399.76)
Gains from the remeasurement of the remaining equity at fair value after the loss of control		337,514,571.42
Others	<u>3,223,611.10</u>	<u>-</u>
Total	<u>(1,224,231,437.03)</u>	<u>(1,923,078,565.61)</u>

XVIII Notes to the Company's financial statements

1. Schedule of non-recurring profit and loss

	2023
Non-current asset disposal gains and losses (including the write-off portion of the asset impairment provision)	441,000,628.40
Government subsidies included in the current profit and loss (closely related to the business of the enterprise, except for government subsidies that are fixed or quantified according to the national unified standard)	1,463,381,979.58
Interest on late payment of funds charged to non-financial enterprises	66,074,620.29
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	-955,029.68
Reversal of impairment provision for accounts receivable that are tested separately for impairment	21,286,713.50
Other non-operating income and expenses other than the above	141,715,255.35
Business combination	5,021,482,128.74
Other	673,232,447.45
Income tax impact	-255,466,128.30
Minority shareholders' equity impact (after tax)	-26,136,331.29
Total	<u><u>7,545,616,284.04</u></u>

2. Return on equity and earnings per share

2023

	Weighted average return on equity (%)	Earnings per share	
		Basic EPS	Diluted EPS
Net profit attributable to the Company's ordinary shareholders	16.55	1.15	1.13
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit and loss	<u>5.53</u>	<u>0.38</u>	<u>0.38</u>