

Company Code: 600699

Company Abbreviation: Joyson Electronics

# **Ningbo Joyson Electronic Corp. 2023 Semi-Annual Report**



**均胜电子**  
JOYSON ELECTRONICS

## **August 2023**

## Important Notification

- 1. The Company's Board of Directors, Board of Supervisors, directors, supervisors and senior management should guarantee that all information in the semi-annual report is true, accurate and complete, and it contains no false records, misleading statements or major omissions, in addition to undertaking the individual and joint responsibilities.**
- 2. All directors of the Company attended the conferences of the Board of Directors.**
- 3. This semi-annual report has not been audited.**
- 4. Wang Jianfeng (Legal Representative), Li Junyu (CFO) and Zhang Jiaqi (The head of the Accounting Department) guarantee that all financial reports in this semi-annual report are true, accurate and complete.**
- 5. Preplans of profit distribution or transfer from capital reserve to common shares deliberated by the Board of Directors during the reporting period**

N/A

**6. Risk disclosure statements for forward-looking statements**

Applicable  Not applicable

Future plans, development strategies and other forward-looking descriptions in this report do not constitute a material commitment of the Company to investors. Please pay attention to the investment risk.

**7. Whether there is non-operational appropriation of funds by the controlling shareholder and other related parties**

No

**8. Whether there is a violation of the prescribed decision-making procedures to provide external guarantee**

No

**9. Whether more than half of the members of the Board of Directors cannot guarantee the authenticity, accuracy and completeness of the semi-annual report disclosed by the Company**

No

**10. Major risks prompt**

The Company has described various risks that the Company may face, please refer to the Chapter "Management Discussion and Analysis".

**11. Others**

Applicable  Not applicable

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List of documents available for inspection	The Financial Statements signed and sealed by the person-in-charge of the Company, the person-in-charge of the Company's accounting work and the person-in-charge of the accounting department (the head of the accounting department)
	The original copies of all documents and announcements of the Company which have been disclosed to the public on the website designated by CSRC during the reporting period

## Chapter 1 Definition

In this report, except otherwise indicated, the following words and expressions shall have the meanings as follows:

Definitions for generally used expressions		
CSRC	refers to	China Securities Regulatory Commission
SSE	refers to	Shanghai Stock Exchange
CAAM	refers to	China Association of Automobile Manufacturers
NTCAS	refers to	National Technical Committee of Auto Standardization
Company, the Company, listed company or Joyson Electronics	refers to	Ningbo Joyson Electronic Corp.
Joyson Group	refers to	Joyson Holding Co., Ltd.
JSS	refers to	Automobile Safety Division of the Company
V2X	refers to	Vehicle to Everything, which refers to information exchange between vehicles and the outside world
5G V2X	refers to	V2X based on 5th generation mobile telecommunications technology
Yuan, 10,000 yuan, 100 million yuan	refers to	RMB Yuan, RMB 10,000 yuan, RMB 100 million yuan

## Chapter 2 Company Profile and Major Financial Indicators

### I. Company information

Chinese name of the Company	宁波均胜电子股份有限公司
Abbreviation of the Chinese name	均胜电子
English name of the Company	NINGBO JOYSON ELECTRONIC CORP.
Abbreviation of the English name	NJEC
Legal representative of the Company	Wang Jianfeng

### II. Contact persons and contact details

	Board Secretary	Representative of Securities Affairs
Name	Yu Zhaohui	
Address	No. 99 Qingyi Road High-Tech Park Ningbo China	
Tel.	0574-87907001	
Fax	0574-87402859	
E-mail	600699@joyson.cn	

### III. Introduction of changes in basic information on the Company

Registered address	No. 99 Qingyi Road High-Tech Park Ningbo China
Historical changes of registered address	N/A
Office address	No. 99 Qingyi Road High-Tech Park Ningbo China
Postal code	315040
Website address	<a href="https://www.joyson.cn">https://www.joyson.cn</a>
E-mail	600699@joyson.cn

**IV. Introduction of changes in information disclosure and places for inspection**

The name of the information disclosure newspaper selected by the Company	Shanghai Securities News
Website address for publishing the semi-annual report	http://www.sse.com.cn
Location for preparing the Company's semi-annual report	No. 99 Qingyi Road High-Tech Park Ningbo China

**V. Company stock profile**

Stock type	Stock exchange where the shares of the Company are listed	Stock abbreviation	Stock code	Former stock abbreviation
A Share	Shanghai Stock Exchange	Joyson Electronics	600699	Liaoyuan Deheng

**VI. Other relevant information**

Applicable  Not applicable

**VII. Principal accounting data and financial indicators of the Company****(I) Principal accounting data**

Unit: Yuan Currency: RMB

Key accounting data	Reporting period (January - June)	Same period last year	Year-on-year change (%)
Revenue	27,014,364,503.23	22,919,881,049.92	17.86
Net profits attributable to shareholders of the listed company	475,508,341.55	-105,491,476.04	N/A
Net profit excluding extraordinary gains and losses attributable to shareholders of the listed company	396,121,416.77	81,753,091.69	384.53
Net cash flow from operating activities	1,610,499,983.95	289,670,519.08	455.98
	End of the reporting period	End of last year	Change during the Period (%)
Net assets attributable to shareholders of the listed company	12,978,112,564.01	12,252,899,554.81	5.92
Total assets	56,009,534,890.28	54,112,093,352.25	3.51

**(II) Principal financial indicators**

Principal financial indicators	Reporting period (January - June)	Same period last year	Year-on-year change (%)
Basic EPS (RMB/share)	0.35	-0.08	N/A
Diluted EPS (RMB/share)	0.35	-0.08	N/A
Basic EPS excluding extraordinary gains and losses (RMB/share)	0.29	0.06	383.33
Weighted average ROE (%)	3.77	-0.93	4.70 percentage points increase
Weighted average ROE excluding extraordinary gains and losses (%)	3.14	0.72	2.42 percentage points increase

Interpretation of principal accounting data and financial indicators of the Company

Applicable  Not applicable

During the reporting period, the business environment of the auto parts industry improved due to the gradual recovery of demand in major global automobile markets, the stabilized supply chain of the automobile industry, and the rapid development of intelligent electric vehicles. During the reporting period, the Company generated approximately RMB 27 billion in total revenue, representing a year-on-year growth of roughly 18%. Among them, Automotive Electronics contributed a business revenue of approximately RMB 8.3 billion, reflecting a year-on-year uptick of roughly 24%. The robust growth can be credited to the advancements made in vehicle electrification and intelligence. Automotive Safety recorded a main business revenue of approximately RMB 18.7 billion, representing a year-on-year growth of roughly 15%. The consistent growth in revenue was fueled by expansion in major automotive markets across the world.

While maintaining steady revenue growth, the Company has implemented various measures to improve efficiency, control costs, and reduce expenses in order to enhance profitability, gradually having positive effects. The gross profit margin, administrative expense ratio, net profit margin, and other related indicators continued to be improved, with gradual scale effects emerging, particularly in the Europe and Americas regions of Automotive Safety business. During the reporting period, the Company's gross profit margin on revenue from its main business was approximately 13.44%, an improvement of 2.47 percentage points year-on-year, and the net profit attributable to shareholders of the Company was approximately RMB 476 million, a significant YoY turnaround. The net profit attributable to shareholders of the Company after deducting extraordinary gains and losses was approximately RMB 396 million, a year-on-year increase of about 385%. Notably, the Automotive Safety business has switched from incurring losses to generating profits. The change in net cash flow from operating activities was primarily due to the increase in revenue during the period and the ongoing improvement of working capital controls.

In addition, the Company has successfully secured new orders by capitalizing on business opportunities resulting from the trend towards intelligence and electrification within the worldwide auto industry and the emergence of China's domestic brands. The Company received new full lifecycle orders worldwide with a combined value of approximately RMB 42.2 billion. Over 70% of the orders, totaling more than RMB 30 billion, were specifically for new energy vehicles.

#### **VIII. Differences in accounting data under domestic and foreign accounting standards**

Applicable  Not applicable

#### **IX. Items and amounts of extraordinary gains and losses**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Items of extraordinary gains and losses	Amount	Note (if applicable)
Gains and losses from disposal of non-current assets	-590,459.77	
Government grants recognized through profit or loss (excluding those having	79,277,317.42	

close relationships with the Company's operation and enjoyed in fixed amount or quantity according to uniform national standard)		
Investment income or loss from entrusted investments or assets management	3,397,362.91	
Accrual for the impairment of assets due to force majeure, such as natural disasters	477,980.56	
Restructuring costs, such as staff compensation cost and integration expenses	-143,511,272.04	
Changes in fair value of financial assets and liabilities held for trading, and disposal of financial assets and liabilities held for trading and available-for-sale financial assets, other than those held for effective hedging related to normal operations	107,128,931.65	
Other non-operating income and expenses besides items above	1,716,603.30	
Other items qualified as extraordinary gain and loss	-2,968,302.47	
Less: Income tax effect	7,954,119.72	
Effect on non-controlling interests (after taxation)	-42,412,882.94	
Total	79,386,924.78	

Reasons shall be stated for the items of extraordinary gains and losses according to the definition of the Explanatory Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities - Extraordinary Gains and Losses, and defining the items of extraordinary gains and losses listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities - Extraordinary Gains and Losses as the items of ordinary gains and losses.

Applicable  Not applicable

#### **X. Others**

Applicable  Not applicable

## Chapter 3 Management Discussion and Analysis

### I. Description of the industry and main business of the Company during the reporting period

Driven by factors such as the alleviation of global supply chain shortages and the resurgence of demand in major consumer markets, the automotive markets in Europe, the Americas and Asia all experienced rapid growth in the first half of 2023. According to GlobalData, global sales of light vehicles from January to June amounted to approximately 43.0 million, representing an increase of approximately 10.7% year-on-year. Specifically, 13.0 million were sold in China, a year-on-year increase of around 8.7%; 8.5 million were sold in Europe, an increase of around 17.7% year-on-year, and the U.S. accounted for around 7.7 million units, an increase of around 12.8% year-on-year. Following months of sales growth, GlobalData has published their latest projection for global light vehicle sales in 2023 which estimates the figure to reach approximately 87.5 million, representing an 8% year-on-year rise. In addition, data from Clean Technica and InsideEVs show that the global sales of new energy vehicles (NEVs) reached 5,832,000 units in the first half of this year, an increase of 40.2% year-on-year. The NEV market share is up to 15%, and the trend of rapid growth continues globally.

The Chinese market is subject to several influencing factors, such as consumption stimulus policies, the rollout of China VI light-duty vehicle emission standards, automotive promotional campaigns, and the launch of many new car models. Consequently, production and sales volumes of the automotive industry continued to escalate in the first half year. The proportion of NEV models is on the rise, and Chinese OEMs are growing rapidly and expanding their exports. According to the China Association of Automobile Manufacturers (CAAM), in the first half of 2023, the production and sales of automobiles in the Chinese market reached 13.248 million units and 13.239 million units respectively in the first half year of 2023, representing a year-on-year growth of 9.3% and 9.8%. Notably, the production and sales of passenger cars were 11.281 million units and 11.268 million units respectively, representing a year-on-year growth of 8.1% and 8.8%. NEV production and sales were 3.788 million units and 3.747 million units respectively, representing a year-on-year growth of 42.4% and 44.1%. The sales penetration rate grew to 28.3%. Chinese-branded passenger cars achieved a sales volume of 5.986 million units, a year-on-year increase of 22.4% and a market share of 53.1%, exceeding 50% for the first time. In addition, the Chinese market is experiencing a significant increase in exports. In the first half of 2023, OEMs exported 2.14 million units, representing a 75.7% year-over-year increase.

As the global automotive sector moves towards electrification and intelligent development, China stands out with its robust competitive edges in both fields. Chinese OEMs will embrace more diverse modes of cooperation as well as competition with international counterparts. The introduction of relevant policies, including the *National Guidelines for the Development of Industry Standards for Internet of Vehicles (IOV Guidelines) (2023 Edition)*, further promotes the formulation of standards for intelligent driving and its commercialization. For the automotive sector, this translates into accelerating the penetration rate of intelligent cockpit and smart driving, bringing significant opportunities to suppliers of relevant parts and components.

## II. Analysis of core competitive strengths during the reporting period

√ Applicable □ Not applicable

There were no significant changes in the Company's core competitive strengths during the reporting period. Please refer to the 2022 Annual Report of the Company.

## III. Discussion and analysis of business conditions

In the first half of 2023, the Company has successfully secured new orders by capitalizing on business opportunities from the global trend towards electrification and intelligent development, and from the rise of Chinese automotive brands. Key financial indicators of the Company remain robust. In particular, the increase in revenue and the effective measures for performance enhancement have consistently strengthened the Company's overall profitability. Details are as follows:

### (1) Steady growth in revenue and substantial improvement in profitability indicate the gradual materialization of scale effects

In the first half of 2023, the Company generated approximately RMB 27 billion in total revenue, representing a year-on-year growth of roughly 18%. Among them, Automotive Electronics business contributed revenue of approximately RMB 8.3 billion, reflecting a year-on-year uptick of roughly 24%. The robust growth can be credited to the advancements made in vehicle electrification and intelligence. Automotive Safety business recorded revenue of approximately RMB 18.7 billion, representing a year-on-year growth of roughly 15%. The consistent growth in revenue was fueled by expansion in major automotive markets across the world.

While maintaining steady growth in revenue, the Company has taken a series of measures to improve efficiency, control cost, and reduce expenses, so as to enhance profitability. These measures have achieved good results, as gross profit margin, general and administrative expenses ratio, net interest rate and other relevant indicators continue to optimize. The scale effects are increasingly evident. In particular, the Automotive Safety business in Europe and the Americas has improved significantly. The Company achieved a gross profit margin of around 13.44% of the main business revenue during the reporting period, a year-on-year increase of 2.47%, and net profit attributable to shareholders of the Company of approximately RMB 476 million, a substantial reversal of loss. Specifically, the Automotive Safety business has shifted the situation from loss to profit. The net profit attributable to shareholders of the Company after deducting extraordinary gains and losses amounted to approximately RMB 396 million, a year-on-year increase of around 385%.

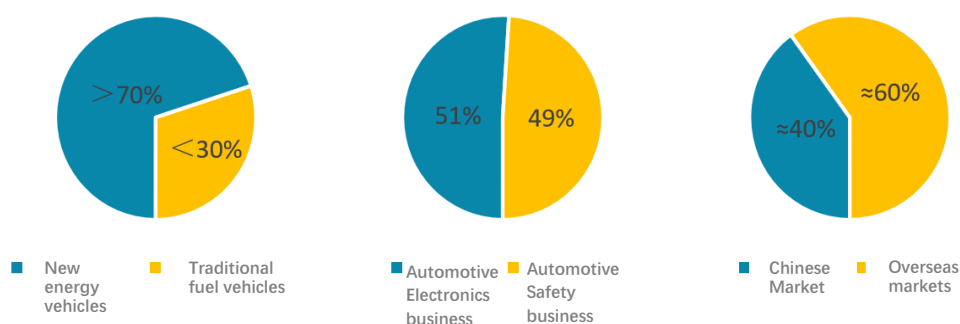
### (2) New business opportunities lead to rapid order increase and continuous structural optimization

In recent years, the Company has maintained sound business relationships with existing key customers, while paying close attention to business opportunities from the ongoing New Energy Vehicle penetration and the growing market share of Chinese automotive manufacturers and emerging OEMs. Tapping into its strengths in local deployment and collaboration with super factories in China, the Company has intensified its efforts in developing the Chinese market, especially targeting leading Chinese OEMs in the automotive sector.

In the first half of 2023, the Company recorded an impressive increase in its new business orders. Its new full lifecycle orders worldwide amounted to a combined value of approximately RMB 42.2 billion. Details are as follows:

- Automotive Electronics received new full lifecycle orders with a value of approximately RMB 21.6 billion. In particular, the business division landed major global orders for its 800V fast charging power electronics. Automotive Safety obtain new full lifecycle orders of around RMB 20.6 billion;
- New orders related to new energy vehicles amounted to more than RMB 30 billion, accounting for over 70% of the total order value;
- In the Chinese market, the Company has been constantly enhancing its partnership with Chinese OEMs, and achieved new orders worth RMB 16.7 billion, a share of nearly 40%. In particular, the share of orders from Chinese industry leaders and emerging OEMs are continuous increasing. Notably, Automotive Safety business has secured orders from the TOP 10 manufacturers of best-selling new energy vehicles.

Breakdown of New Orders in the First Half of 2023 (RMB 42.2 billion)



### (3) Accelerating R&D and product application with intelligence and electrification as the core

Since 2023, the global automotive industry has further accelerated its transition towards intelligence and electrification. The Company has also stepped up its efforts to develop and commercialize products including intelligent driving domain controllers, cockpit fusion domain controllers, central computing units, next-generation empathetic cockpit, vehicle-road collaboration 5G+C-V2X products, software innovation business, and 800V fast charging platforms for new energy vehicles. The Company has achieved significant progress in these fields. For example, some of these projects have successfully completed prototype and POC (proof-of-concept) testing. nDriveH, the first intelligent driving domain controller developed on the basis of second-generation Snapdragon Ride chip from Qualcomm has been released. The Company signed a strategic cooperation agreement with Horizon Robotics to develop products such as advanced assisted driving (ADAS), autonomous driving, and intelligent human-computer interaction. A software service company has been established to strengthen software innovation and mobility efficiency. Substantial progress has been achieved in localizing battery management chips and power chips with China Resources Microelectronics and Tongji University. This will further secure the supply of NEV automotive-grade chips and empower the development of China's NEV industry.

As autonomous driving technology evolves against the backdrop of increasingly stringent safety regulations in various countries, the Company has been actively promoting the research and development of active and passive safety products for future intelligent driving. It has also participated in the formulation of new technical standards as a NTCAS working group member, so as to strengthen the Company's core competitive advantages. For example, Joyson Safety Systems, a subsidiary of the Company, has been assigned by the NTCAS working group to draft standards for active seat belts and participate in the formulation of many standards such as the *Subjective Evaluation Specification for Intelligent Connected Vehicles*. Joyson Safety Systems also researched and developed vital signs detection steering wheels for the protection of health and safety, foldable steering wheels for L3 autonomous driving and above, next-generation pyrotechnic battery disconnect (PBD) for 800V fast-charging platforms, and seatbelt airbag (supplement restraint system) for autonomous driving integrated into a zero-gravity seat. With the ongoing materialization of the application scenarios, the value of safety products per vehicle is expected to be further increased.

#### **(4) Improvement of cost competitiveness and resilient growth through a variety of measures**

In response to the competitive landscape and supply chain structure of the global automotive and component industry, the Company has been promoting a number of cost improvement measures globally, on the basis of the actual operating conditions, with the aim to further enhance the cost competitiveness of its products and improve the resilience of its performance growth. These measures include: (1) continuous optimization and improvement of the global supply chain; (2) enhancement of the capacity integration of regional and global product line management; (3) strengthening of global production capacity synergies; (4) deepening of the concept of cost into the full project life cycle; and (5) establishment of a global talent pool and strengthening of regional talent synergies. The aim is to sustain cost improvement in the short- to mid- and long-term through continuous optimization of the supplier system, adjusting raw material purchasing strategy, and leveraging on the "platform-based and modular" R&D strategy. In addition, the Company also fully utilizes its management and production advantages in China and the Asian region to send outstanding managers and China's intelligent manufacturing experience overseas, so as to optimize its global production capacity and improve factory performance overseas.

#### **(5) Steady progress in optimizing global production capacity, with a focus on the Chinese market**

Taking into account the global trend in the automotive and parts industry and the future source of business orders, the Company has continued to optimize its global production capacity by transferring production to low-cost countries or regions and China, and improving the capacity utilization rate in Europe and the Americas. In particular, platform-based projects take advantage of the excellent operation and management capabilities as well as supply chain strengths in Asia. Through global layout, platform-based design and lean production, the Company reduces costs, enhances efficiency and improves product profitability.

Meanwhile, to meet the growing market demand in China and Asia, and to give full play to the advantages of China's supply chain, the Company continues to implement its production capacity enhancement plan in China. For example, Automotive Safety's new industrial base in Hefei is expected to complete phase I for operations in the third quarter of this year. It is currently under commissioning and trial runs. Leading Chinese OEMs have already audited and approved the production facilities, while audit work by other joint venture OEMs and emerging brands are well underway. The intelligent manufacturing base will include an R&D center, a testing and verification laboratory, a passenger car steering wheel and airbag production center, among other facilities. Upon completion, the facility is expected to achieve a production capacity of 4 million pieces/year for passenger car steering wheel systems and 10 million pieces/year for airbag systems.

#### **(6) The Company's well-established global footprint will empower Chinese vehicle manufacturers to go abroad**

In addition to actively seizing the opportunities of the global automotive industry's intelligent and electrification development, the Company also swiftly responds to the needs of Chinese auto brands, which are becoming larger and stronger, to develop overseas markets. As a Chinese component supplier with a global footprint, the Company has set up manufacturing bases or R&D centers in major automobile-producing countries, especially in Southeast Asia, Mexico, Hungary and other overseas regions that are popular among Chinese automotive manufacturers. With years of local development, the Company can offer fast-response solutions to Chinese OEMs. Moreover, the Company has accumulated local expertise, experiences, and knowledge of localization, laws, regulations and consumers. Thus, it can assist Chinese OEMs in exploring overseas markets. Currently, the Company has been in negotiation with leading Chinese OEMs about potential collaborations in overseas markets.

#### **Material changes in business conditions of the Company during the reporting period and matters occurred during the reporting period that had and are expected to have significant impacts on business conditions of the Company**

Applicable  Not applicable

### **IV. Main business conditions during the reporting period**

#### **(I) Analysis of principal operating activities**

##### **1 Table for analysis of changes in related items of financial statements**

Unit: Yuan Currency: RMB

Account	Amount for the current period	Amount for the prior period	Flux (%)
Operating income	27,014,364,503.23	22,919,881,049.92	17.86
Operating costs	23,389,617,807.24	20,412,958,981.73	14.58
Selling and distribution expenses	306,847,677.46	330,632,614.43	-7.19
General and administrative expenses	1,236,397,684.45	1,237,873,199.27	-0.12
Financial expenses	425,035,959.16	146,979,535.82	189.18
Research and development expenses	1,123,954,672.29	1,064,192,500.74	5.62
Net cash flow from operating activities	1,610,499,983.95	289,670,519.08	455.98
Net cash flow from investment	-1,094,989,395.46	-1,164,826,770.62	N/A

activities			
Net cash flow from financing activities	-430,414,631.75	564,401,697.59	-176.26

**Reasons for changes in operating income:** Automotive Electronics business and Automotive Safety business have achieved rapid growth, as a result of the gradual recovery of demand in the global automotive market, stabilization of the supply chain and rapid development of intelligent electric vehicles.

**Reasons for changes in operating costs:** the growth in operating income and the Company's proactive efforts to improve the efficiency of its production operations and control the costs of related raw materials.

**Reasons for changes in selling and distribution expenses:** the reduction of warranty expenses as a result of the Company's continuous quality control during the reporting period.

**Reasons for changes in financial expenses:** the decrease in net foreign exchange gains realized during the period from exchange rate fluctuations and an increase in interest expense from global interest rate hike. The Company has taken measures to cope with the situation, such as replacing RMB loans with USD loans and switching from floating rate loans to fixed rate loans.

**Reasons for the change of net cash flow from operating activities:** the significant increase in operating income and the ongoing improvement of working capital controls.

**Reasons for the change of net cash flow from financing activities:** the receipt of funds from strategic investors by subsidiaries in the same period last year.

## 2 Detailed description of major changes in business type, profit composition or profit source of the Company in the reporting period

Applicable  Not applicable

## 3 Others

(1) Principal business by industry, product and region

Principal businesses by industry

Unit: Yuan

By industry	Revenue	Operating costs	Gross profit margin (%)	YoY change of revenue (%)	YoY change of operating cost (%)	YoY change of gross profit margin (%)
Automotive components	26,913,316,366.75	23,296,668,656.19	13.44	17.98	14.71	2.47
Total	26,913,316,366.75	23,296,668,656.19	13.44	17.98	14.71	2.47

Principal businesses by product

Unit: Yuan

By product	Revenue	Operating costs	Gross profit margin (%)	YoY change of revenue (%)	YoY change of operating cost (%)	YoY change of gross profit margin (%)
Automotive Safety Systems	18,761,149,368.29	16,764,156,935.61	10.64	15.65	12.51	2.50
Automotive Electronics	8,152,166,998.46	6,532,511,720.58	19.87	23.72	20.75	1.97
Total	26,913,316,366.75	23,296,668,656.19	13.44	17.98	14.71	2.47

Principal businesses by region

Unit: Yuan

By region	Revenue	Operating costs	Gross profit margin (%)	YoY change of revenue (%)	YoY change of operating cost (%)	YoY change of gross profit margin (%)
Domestic region	5,736,198,207.96	4,815,776,533.98	16.05	7.84	10.49	-2.02
Foreign areas	21,177,118,158.79	18,480,892,122.21	12.73	21.07	15.86	3.93
Total	26,913,316,366.75	23,296,668,656.19	13.44	17.98	14.71	2.47

**Note:**

**Automotive Safety Systems:** With the gradual improvement of the market, Automotive Safety business has been steadily recovering with main business revenue of about RMB 18.76 billion, an increase of about 15.7% year-on-year. The Company has taken a series of performance improvement measures to enhance the operational efficiency and control costs, with progressive results. The gross profit margin of Automotive Safety has been improved, and the scale effects are increasingly evident. The business performance has continued to improve, turning loss into profit.

**Automotive Electronics:** Following the global trend of automotive intelligence and electrification, as well as the general trend of development in China, Automotive Electronics continues to record strong business growth with main business revenue of approximately RMB 8.15 billion, representing a year-on-year growth of around 23.7%. Gross profit margin has also improved year-on-year as a result of the growth in revenue scale and the improvement in production efficiency.

## (2) Investment in R&amp;D

Table for investment in R&amp;D

Unit: Yuan

Expensed R&D expenditures	1,123,954,672.29
Capitalized R&D expenditures	662,268,543.83
R&D expenditures in total	1,786,223,216.12
R&D expenditures as a percentage of revenue (%)	6.61
No. of R&D employees	5,172
No. of R&D staff as a percentage of total No. of employees (%)	11.66
R&D capitalization percentage (%)	37.08

**Note:**

As a technology-driven automotive parts enterprise, the Company always adheres to the principle that technology is of the top priority, and maintained high investment level in engineering technologies and R&D. To grasp the global opportunity of intelligent and electrified vehicle development, the Company maintains a strong emphasis on "intelligence and electrification" as its emerging business areas, with a heightened focus on R&D investment. Additionally, the Company keeps a close eye on the evolving competitive landscape across the world. For example, Chinese OEMs are leading the development of intelligent electric vehicles. Therefore, the Company promptly adjusts its global R&D personnel structure and investments, improves research efficiency, and ultimately enhances the price-performance ratio of its R&D resources.

**(II) Explanation for the significant changes in profitability caused by non-principal activities**

□ Applicable√ Not applicable

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

√ Applicable□ Not applicable

**1. Assets and Liabilities**

Unit: Yuan

Account	Ending balance of current period	Percentage of total assets in the current period (%)	Ending balance of prior year	Percentage of total assets in the previous period (%)	Flux (%)	Note
Cash and cash equivalents	4,957,820,439.22	8.85	5,404,946,118.68	9.99	-8.27	
Accounts receivable	8,313,280,519.85	14.84	7,600,885,200.26	14.05	9.37	
Inventories	9,050,692,567.38	16.16	8,511,657,540.51	15.73	6.33	
Long-term equity investments	2,187,791,208.60	3.91	2,087,299,085.33	3.86	4.81	
Fixed assets	11,068,444,666.84	19.76	11,146,163,605.79	20.60	-0.70	
Construction in progress	2,586,621,975.60	4.62	2,148,641,718.01	3.97	20.38	
Right-of-use asset	785,081,929.75	1.40	802,020,507.25	1.48	-2.11	
Accounts payable	8,850,299,501.22	15.80	8,846,698,734.75	16.35	0.04	
Short-term borrowings	4,507,593,262.95	8.05	3,007,586,071.67	5.56	49.87	
Contract liabilities	658,360,482.78	1.18	681,942,351.51	1.26	-3.46	
Long-term borrowings	13,293,787,263.21	23.73	12,467,738,978.16	23.04	6.63	
Lease obligation	635,957,607.42	1.14	651,639,119.60	1.20	-2.41	
Non-current liabilities due within one year	2,522,806,268.40	4.50	4,129,913,127.96	7.63	38.91	
Other current liabilities	1,424,695,435.16	2.54	1,483,040,388.09	2.74	-3.93	

Others

**Accounts receivable, inventory and accounts payable:** The ending balance has increased compared with that of previous reporting period, mainly due to the rapid growth of the Company's operating income and the corresponding increase in accounts receivable, among other accounts. On the other hand, to meet the needs of customers, the Company strengthened the management of working capital while reserving part of its inventory in advance. The working capital turnover days have decreased.

**Construction in progress:** the Company's planned investment in expanding and upgrading its production capacity based on new business orders and global capacity optimization planning.

**Short-term borrowings, non-current liabilities due within one year and long-term borrowings:** The balance of interest-bearing liabilities at the end of the reporting period increased slightly compared with the end of the previous period. The Company controlled its foreign exchange risk exposure by actively adjusting the currency structure of its borrowings in order to further optimize its debt structure.

**2. Overseas assets**√ Applicable  Not applicable**(1) Asset size**

Specifically: Overseas assets 367 (Unit: 100 million yuan Currency: RMB), accounting for 65.5% of the total assets.

**(2) Description of the high proportion of overseas assets**√ Applicable  Not applicable

Unit: 100 million yuan Currency: RMB

Name of overseas assets	Reason	Operating model	Reporting period Revenue	Reporting period Net profit
Anhui Joyson Safety Systems Holding Co., Ltd., controlled overseas subsidiary	Merger and acquisition	Non-wholly-owned subsidiaries	144.59	-2.71

**3. Restrictions of the major assets by end of reporting period**√ Applicable  Not applicable

As of the end of the reporting period, the Company carried out mortgage and pledge of certain assets for the acquisition of loans. For details of major assets, please refer to Note 7, 81: Assets with restricted ownership and right of use.

**4. Others** Applicable √ Not applicable**(IV) Analysis of investment****1. Overall analysis of equity investment**√ Applicable  Not applicable

No significant changes during the reporting period. See Note 7, 2 Trading financial assets, 3 Derivative financial assets, 17 Long-term equity investments and 19 Other non-current financial assets.

**(1).Significant equity investment**

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

See Note 7, 2 Trading financial assets, 3 Derivative financial assets, and 19 Other non-current financial assets.

## Securities investment

Applicable  Not applicable

Unit: Yuan Currency: RMB

Type	Stock Code	Stock Short Name	Initial Investment Cost	Source of Finance	Opening Book Value	Gain or loss from changes in fair value for the current period	Accumulated fair value changes taken to equity	Amount bought for the current period	Amount sold for the current period	Gain or loss on investments for the current period	Ending book value	Accounting accounts
Stock	688306	PIA Automation	49,751,239.08	Internal funds	46,519,367.25	6,267,872.64	3,036,000.81				52,787,239.89	Financial assets held for trading
Total	/	/	49,751,239.08	/	46,519,367.25	6,267,872.64	3,036,000.81				52,787,239.89	/

## Securities investment

Applicable  Not applicable

## Private equity investment

Applicable  Not applicable

In 2021, Ningbo Joyson Technology Co., Ltd., a subsidiary of the Company, invested RMB 10 million and RMB 5 million, respectively, as a limited partner in Suzhou Zhongxin Kangheng Venture Investment Partnership (Limited Partnership) and Hangzhou Lingmai Equity Investment Partnership (Limited Partnership) with its own capital. As of the end of this reporting period, Ningbo Joyson Technology Co., Ltd. holds shares of the above partnerships as a limited partner.

## Derivatives investment

Applicable  Not applicable

See Note 7, 3 Derivative financial assets, and 19 Other non-current financial assets.

**(V) Disposal of material assets and equity**

Applicable  Not applicable

**(VI) Analysis of major controlled and invested companies**

Applicable  Not applicable

Operation and performance analysis of major controlled and invested companies (in ten thousand RMB)

Company name	Industry	Main products or service	Registered capital	Shareholding ratio (%)	Total assets	Revenue	Net assets	Net profit
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd.	Automotive components	Automotive Parts Manufacturing	99,270.00	20.85 (direct)	615,112	223,137	260,324	14,945
				28.15 (indirect)				
Preh GmbH	Automotive components	Automotive Parts Manufacturing	Euro 10 million	100.00	1,055,351	641,297	457,423	23,706
Anhui Joyson Safety Systems Holding Co., Ltd.	Automotive components	Automotive Parts Manufacturing	120,407.83	70.00	3,301,986	1,821,605	1,010,614	926
Ningbo JOYNEXT Technology Corp.	Automotive components	Automotive Electronics	67,774.08	54.99 (direct)	498,755	259,935	302,011	11,788
				28.75 (indirect)				

**(VII) Structured subject controlled by the Company**

Applicable  Not applicable

**V. Other matters for disclosure****(I) Potential risks**

Applicable  Not applicable

**1. Macroeconomic environment and industry risk**

The Company holds a significant position as a supplier and technology service provider in the automotive components industry, whose growth is closely tied to the development of the downstream automotive industry. The automotive industry is closely linked to the macroeconomy, and fluctuations in both the global and domestic macroeconomies can affect automotive production and consumption. While the Company's customers are typically well-established, globally recognised enterprises with strong market competitiveness and risk tolerance, any adverse impact on their business due to macroeconomic conditions could result in a reduction in the Company's orders or lower-than-expected deliveries and other unfavorable conditions, which could negatively impact the Company's operations.

**2. Risk in slower-than-expected emerging areas and industry development**

Although new energy vehicle, intelligent cockpit/connectivity, and intelligent driving have become the industry trend, there is still a risk that the overall commercialization speed can be slower than expected. In the future, the Company will continue to promote product lines in emerging fields, explore new customers, and take advantage of its strengths in these emerging business areas to work extensively with upstream and downstream companies, so as to jointly promote new energy and intelligence of automobiles.

**3. Risk of rising raw material costs**

In recent years, there has been a rapid increase in the price of certain upstream raw materials. Despite a downward trend in raw material prices since the second half of 2022, they remain

relatively high. The Company has utilized global procurement resources to enhance overall bargaining power and actively negotiated compensation with customers to mitigate the impact of the increase in raw material prices. However, if raw material costs continue to rise in the future and the Company is unable to adjust product prices or the adjustment is not timely, it may negatively impact the Company's production costs and profits in the current period.

#### 4. Risk of goodwill impairment

In recent years, the Company has developed through mergers and acquisitions, resulting in a large cumulative amount of goodwill. Since 2022, the Company achieved a progressive improvement in its operating results, with a shift from loss to profit. Additionally, there was no occurrence of goodwill impairment after undergoing the goodwill impairment testing. If significant adverse changes occur in the macro economy, downstream industries, or market environment in the future, or if the operating results of the relevant subsidiaries fail to meet expectations in the next years, the risk of goodwill impairment will persist, which may adversely affect the Company's business results.

#### 5. Risk of exchange rate volatility

Exchange rate fluctuations may have an impact on the Company's future operations and the translation of exchange rates in the consolidated statements of accounts. The Company strives to control the risk of exchange rate fluctuations through its business layout optimization and a series of financial instruments.

#### (II) Other matters for disclosure

Applicable  Not applicable

## Chapter 4 Corporate Governance

### I. Introduction of General Meetings

Meeting sessions	Date	Query index of specified website	Disclosure date	Resolutions approved
First Extraordinary General Meeting in 2023	March 21, 2023	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	March 22, 2023	The following proposals were considered and adopted: 1. <i>Proposal on the validation and analysis report on the Company's proposal to issue A shares to specific targets in 2022;</i> 2. <i>Proposal on the provision of guarantees for subsidiaries.</i>
2022 Annual General Meeting	April 20, 2023	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	April 21, 2023	The following proposals were considered and adopted: 1. <i>Annual work report of the Board in 2022;</i> 2. <i>2022 Annual Report and Summary;</i> 3. <i>Annual work report of the Board of Supervisors in 2022;</i> 4. <i>Report on financial results in 2022;</i> 5. <i>Proposal on profit distribution for 2022;</i> 6. <i>Proposal on forecasting daily related party transactions for 2023;</i> 7. <i>Proposal on the issuance of ultra-short-term financing bonds, short-term financing</i>

				<p>bonds and medium-term notes by company;</p> <p>8. Proposal to request the general meeting of shareholders authorize the board of directors to apply for a comprehensive credit line of up to 26 billion yuan from relevant financial institutions for the Company and its subsidiaries;</p> <p>9. Proposal to renew the employment of KPMG Hua Zhen (Special General Partnership);</p> <p>10. Proposal to purchase liability insurance for directors, supervisors and senior managers;</p> <p>11. Proposal to request the General Meeting to authorize the Board of Directors to fully handle matters related to the issuance of shares to specific targets by way of simplified procedures;</p> <p>12. Proposal to amend the &lt;Articles of Association&gt;;</p> <p>13. Proposal on the provision of guarantees for subsidiaries;</p> <p>14. Proposal on the report on the utilization of previously raised funds;</p> <p>15.1. Proposal on the election of Mr. Wang Jianfeng as a non-independent director of the 11th Board of Directors of the Company;</p> <p>15.2. Proposal on the election of Mr. Zhu Xuesong as a non-independent director of the 11th Board of Directors of the Company;</p> <p>15.3. Proposal on the election of Mr. Chen Wei as a non-independent director of the 11th Board of Directors of the Company;</p> <p>15.4. Proposal on the election of Ms. Li Junyu as a non-independent director of the 11th Board of Directors of the Company;</p> <p>15.5. Proposal on the election of Mr. Chen Wei as a non-independent director of the 11th Board of Directors of the Company;</p> <p>15.6. Proposal on the election of Mr. Cai Zhengxin as a non-independent director of the 11th Board of Directors of the Company;</p> <p>16.1. Proposal on the election of Mr. Wei Xuezhe as an independent director of the 11th Board of Directors of the Company;</p> <p>16.2. Proposal on the election of Mr. Lu Guihua as an independent director of the 11th Board of Directors of the Company;</p> <p>16.3. Proposal on the election of Mr. Yu Fang as an independent director of the 11th Board of Directors of the Company;</p> <p>17.1. Proposal on the election of Mr. Zhou Xingyou as a supervisor of the 11th Board of Supervisors of the Company;</p>
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				17.2. Proposal on the election of Mr. Wang Xiaowei as a supervisor of the 11th Board of Supervisors of the Company;
Second Extraordinary General Meeting in 2023	June 1, 2023	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	June 2, 2023	The following proposals were considered and adopted: 1. Proposal to extend the validity period of the resolution of the General Meeting on the Company's proposal to issue A shares to specific targets in 2022; 2. Proposal to request the General Meeting to extend the validity period of the authorization for the Board of Directors and its authorized persons to handle the matters related to the issuance of shares to specific targets.

### Holders of preferred shares with resumed voting rights requesting to hold extraordinary general meeting

Applicable  Not applicable

Description of General Meetings

Applicable  Not applicable

## II. Changes in directors, supervisors and senior management of the Company

Applicable  Not applicable

Name	Office title	Type of change
Fan Jinhong	Director	Job change
Cai Zhengxin	Director	Elected
Lu Guihua	Independent Director	Elected
Yu Fang	Independent Director	Elected
Wei Yunzhu	Independent Director	Job change
Zhu Tian	Independent Director	Job change
Wang Jianfeng	President	Job change
Chen Wei	President	Appointed
Chen Wei	Vice President	Job change
Li Junyu	Vice President	Appointed

Description of changes in directors, supervisors and senior management of the Company

Applicable  Not applicable

The term of office of the 10th Board of Directors and Board of Supervisors of the Company, as well as the senior management appointed by the 10th Board of Directors, expired in May 2023. In accordance with the Company Law, the Articles of Association and other relevant regulations, the Company completed the general election of the directors of the 11th Board of Directors and the supervisors of the 11th Board of Supervisors in April 2023, and the 11th Board of Directors after the general election appointed the senior management of the Company.

## III. Preplans of profit distribution or transfer from capital reserve to common shares

### Profit distribution plan and plan for conversion of capital reserve into share capital proposed for the first six months of 2023 ended 30 June 2023

Whether distributed or converted	No
Number of bonus shares per 10 shares (shares)	
Number of dividend payout per 10 shares (RMB) (tax included)	
Number of capitalized shares per 10 shares (shares)	

Particulars of the profit distribution proposal or for transfer of capital reserve to share capital
N/A

**IV. Equity incentive plan, employee share ownership plan or other employee incentives of the Company and their effect**

**(I) Matters related to equity incentive plan have been disclosed in the provisional announcements without progress or change in subsequent implementation**

Applicable  Not applicable

**(II) Incentives not disclosed in the provisional announcements or with subsequent progress**

Equity incentives

Applicable  Not applicable

Others

Applicable  Not applicable

Employee Stock Ownership Plan

Applicable  Not applicable

During 2021, the Company implemented the 2021 Employee Stock Ownership Plan and completed the non-traded transfer of shares, with a total of 27 employees participating in the above plan. During the reporting period, there were no changes in the shares of the Employee Stock Ownership Plan held by Mr. Chen Wei, incumbent Director and President, Mr. Liu Yuan, Director and Vice President, and Ms. Li Junyu, Director, Vice President and Chief Financial Officer. Four other employees abandoned the Employee Stock Ownership Plan for personal reasons and returned a total of 1.4 million corresponding shares.

Other incentive programs

Applicable  Not applicable

## Chapter 5 Environmental and Social Responsibility

### I. Environmental information

#### (I) Environmental issues of Company and its major subsidiaries belonging to key pollutant discharging units as announced by the environmental protection department

√ Applicable □ Not applicable

#### 1. Pollutant discharge information

√ Applicable □ Not applicable

During the reporting period, all of the Company's key domestic pollutant emission units strictly complied with the requirements of national and local pollutant emission standards. All of them applied for pollutant discharge permits or completed the registration of pollutant discharge permits and discharged pollutants in strict compliance with the requirements of pollutant discharge permits. They complied with the relevant emission standards, and the concentration of pollutants met the standards.

Company name	Type of pollutant	Major pollutants and characteristic pollutants	Permitted emission concentration limit value	Emission concentration	Way of discharge	Approved emissions of pollutant discharge permits (t/a)	Total actual emissions in the first half of the year	Number of discharge outlets	Excess emissions	Pollutant emission standards implemented
Shanghai Lingang Joyson Safety Systems Co., Ltd.	Exhaust gas	VOCs	70mg/m <sup>3</sup>	5-15mg/m <sup>3</sup>	Organized emissions after reaching the standard	6.1238	3.2383	6	N/A	DB31/933-2015 Emission limit values for atmospheric pollutant items
		Particulate matter	30mg/m <sup>3</sup>	1.9-2.3mg/m <sup>3</sup>		0.3519	0.0044	6	N/A	
	Wastewater	Chemical oxygen demand	500mg/L	18-190mg/L		4.979	0.3217	3	N/A	DB31/199-2018 Integrated Wastewater Discharge Standard Table 2 Level 3 standard
		Ammonia nitrogen	45mg/L	6.08-22.2mg/L		0.7075	0.0226	3	N/A	
		Total nitrogen	70mg/L	7.11-27.1mg/L		/	0.0464	3	N/A	
Noise	The noise at the factory boundary meets the Class 3 standard in GB 12348-2008 Emission standard for industrial enterprises noise at boundary									
Ningbo Preh Joyson Automotive Electronics Co., Ltd.	Exhaust gas	Volatile organic compounds	50~120mg/m <sup>3</sup>	2.44~44.6mg/m <sup>3</sup>	Organized emissions after reaching the standard	/	/	6	N/A	Emission standard of air pollutants for industrial surface coating (DB33/2146-2018)
		Particulate matter	30~120mg/m <sup>3</sup>	<20mg/m <sup>3</sup>		/	/	5	N/A	
		Tin and its compounds	8.5mg/m <sup>3</sup>	0.002~0.008mg/m <sup>3</sup>		/	/	4	N/A	
		Acetate	50~60mg/m <sup>3</sup>	<0.006mg/m <sup>3</sup>		/	/	3	N/A	
		Benzene	1mg/m <sup>3</sup>	<0.004mg/m <sup>3</sup>		/	/	2	N/A	
		Odor concentration	800-1,000 (dimensionless quantity)	173~229mg/m <sup>3</sup>		/	/	2	N/A	Emission standard of pollutants for synthetic resin industry (GB31572-2015)
		Total volatile organic compounds	100~120mg/m <sup>3</sup>	<0.01mg/m <sup>3</sup>		9.215	1.3446	2	N/A	
		Benzene series	40mg/m <sup>3</sup>	<0.01mg/m <sup>3</sup>		/	/	1	N/A	Integrated emission standard of air pollutants (GB16297-1996)
		Nitrogen oxide	240mg/m <sup>3</sup>	<3mg/m <sup>3</sup>		/	/	1	N/A	
		Sulfur dioxide	550mg/m <sup>3</sup>	<3mg/m <sup>3</sup>		/	/	1	N/A	
	Non-methane total hydrocarbons	60mg/m <sup>3</sup>	1.2~4.6mg/m <sup>3</sup>	/	/	1	N/A			
	Wastewater	pH value	6~9	7.3	/	/	1	N/A	Integrated Wastewater Discharge Standard GB 8978-1996	
		Suspended solids	400mg/L	73mg/L	/	/	1	N/A		
		BOD5	300mg/L	78.5mg/L	/	/	1	N/A		
Chemical oxygen demand (COD)		500mg/L	172mg/L	/	/	1	N/A	Indirect discharge for emission limitation of nitrogen and		

	Total nitrogen (as N)	70mg/L	61.6mg/L		/	/	1	N/A	phosphorus for industrial wastewater DB33/ 887 2013 Wastewater quality standards for discharge to municipal sewers GBT31962-2015
	Ammonia nitrogen (NH 3-N)	35	33mg/L		/	/	1	N/A	
	Total phosphorus (as P)	8	6.64mg/L		/	/	1	N/A	
Noise	The noise at the factory boundary meets the Class 2 functional area standard in GB 12348-2008 Emission standard for industrial enterprises noise at boundary								

**2. Construction and operation of anti-pollution facilities**

Applicable  Not applicable

During the reporting period, the Company mainly used RTO, RCO, hydrocyclone mist eliminator and activated carbon cotton adsorber to treat the exhaust gas, which were in good working condition, and discharged wastewater in accordance with the requirements of the local ecological and environmental authorities.

**3. Environmental impact assessment of construction projects and other administrative permits for environmental protection**

Applicable  Not applicable

The Company conducts environmental impact assessment of construction projects and obtains approval in strict accordance with relevant laws, regulations and standards, and strictly implements administrative licensing matters such as environmental impact assessment approval, acceptance approval and discharge permit.

**4. Emergency response plan for environmental emergencies**

Applicable  Not applicable

The Company and its subsidiaries have prepared emergency response plans for environmental emergencies in accordance with the relevant laws and regulations of the countries in which they are located and the actual situation, formulated special plans and on-site disposal plans according to actual needs, submitted them to the local ecological and environmental protection authorities for record in a timely manner, and revised and reviewed the emergency response plans according to the changes on site. As a result of the emergency drills for the plans, emergency response, environmental monitoring, emergency disposal and system operation have become increasingly compatible with the emergency plans to further prevent and effectively respond to environmental pollution emergencies.

**5. Environmental self-monitoring program**

Applicable  Not applicable

The Company has formulated its environmental self-monitoring program in accordance with the requirements of the discharge permit, EIA documents and the general rules of self-monitoring technical guidelines for discharge units, and has commissioned qualified third parties to regularly monitor the emissions and issue monitoring reports.

**6. Administrative penalties imposed for environmental issues during the reporting period**

Applicable  Not applicable

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

Applicable  Not applicable

**(II) Description of environmental protection conditions of companies except for key pollutant discharge units**

Applicable  Not applicable

**1. Administrative penalties imposed for environmental issues**

Applicable  Not applicable

**2. Refer to other environmental information disclosed by key pollutant discharge units**√ Applicable  Not applicable

The Company and its subsidiaries strictly abide by national laws and regulations on environmental protection in daily management and production operation, and pays attention to energy conservation, emission reduction and ecological environment protection. The Company has established an effective environmental risk management system, constantly strengthened environmental supervision and management, as well as the continuous transformation of environmental protection equipment and facilities, to ensure the normal operation of environmental protection equipment and facilities.

**3. Reason for non-disclosure of other environmental information** Applicable √ Not applicable**(III) Description of subsequent progress or change in the content of environmental information disclosed during the reporting period** Applicable √ Not applicable**(IV) Relevant information contributing to ecological protection, pollution prevention and control, and fulfillment of environmental responsibilities**√ Applicable  Not applicable

As a leading global automotive components supplier, the Company has been committed to the concept of green development and low-carbon development. While striving for business development, the Company constantly improves the efficiency of energy resource utilization, reduces pollutant emissions, and continuously explores new ideas of low-carbon operations based on production and operation practices. The Company has established an overall EHS management policy and management structure at the global level, formulated various internal policies such as the *Environmental Operation and Control Procedures*, put in place an environmental management system in accordance with ISO 14001, and continuously strived to achieve various environmental goals for environmental protection, energy conservation and emission reduction, etc.

**(V) Measures for carbon emission reduction and effect during the reporting period**√ Applicable  Not applicable

“Peaking carbon dioxide emissions” and “achieving carbon neutrality” are becoming a focus of global attention and a global consensus.

Leveraging the technical characteristics of its own products, the Company has gradually worked out a low-carbon development path featuring the “Joyson model” in recent years as it continues to move towards a more low-carbon and environmentally friendly path of transformation. The Company’s plants around the world have achieved carbon reduction through energy-saving projects such as purchasing green power, PV power generation on the roof of the park, liquid nitrogen cold energy reuse, thermal energy recovery and reuse, and frequency conversion of circulating water pumps.

**II. Consolidation and expansion of achievements in poverty alleviation and rural revitalization** Applicable √ Not applicable

## Chapter 6 Significant Events

### I. Fulfillment of commitments

- (I) Commitments fulfilled during the reporting period or not yet fulfilled as at the end of the reporting period by the parties to the undertakings such as the de facto controller, shareholders, related parties, purchasers of the Company and the Company

√ Applicable □ Not applicable

Background of Commitments	Type of Commitments	Promisor	Details of Commitment	Date of Commitment Making	Term of Commitment	Fulfillment of Commitments
Commitments relating to material asset reorganization	Resolve horizontal competition issues	Joyson Group, Wang Jianfeng	The Company undertakes that as the largest shareholder of Deheng Company during its term, we will not engage in any other business that competes with the main business of Deheng Company, so as to ensure that the interests of Deheng Company and all shareholders are not harmed, as follows: 1. The Company will not engage in any other business directly or indirectly that competes with the main business of Deheng Company in any ways (including but not limited to its sole proprietorship, joint venture or ownership of shares and other interests of another company or enterprise); 2. The Company will take legal and effective measures to urge the Company's wholly-owned subsidiaries, holding subsidiaries and other enterprises controlled by the Company which existing or setting up in the future not to engage in other businesses that compete with the main business of Deheng Company; 3. If any other business opportunity obtained by the Company (including the existing or future subsidiaries of the Company and other enterprises controlled by the Company) is in competition with or may be in competition with the main business of Deheng Company, the Company will immediately notify Deheng Company and give priority to the business opportunity to Deheng Company; 4. For the normal production and business activities of Deheng Company, the Company guarantees that it will not damage the interests of Deheng Company and minority shareholders of Deheng Company by taking advantage of its controlling shareholder status. The actual controller, Wang Jianfeng, undertakes that: 1. He will not engage in any business directly or indirectly that is in competition with the main business of Deheng Stock in	January 10, 2011	No	Yes

			<p>any way (including but not limited to his sole proprietorship, joint venture or ownership of shares and other interests of another company or enterprise); 2. Legal and effective measures will be taken to urge existing or future wholly-owned subsidiaries, holding subsidiaries and other controlled enterprises not to engage in businesses that compete with the main business of Deheng Company; 3. If Any business opportunity obtained by Wang Jianfeng (including existing or future subsidiaries and other controlled enterprises) is in competition with or may be in competition with the main business of Deheng Company, it will immediately notify Deheng Company and give priority to Deheng Company for such business opportunity; 4. As for the normal production and business activities of Deheng Company, Wang Jianfeng guarantees that he will not damage the interests of Deheng Company and minority shareholders of Deheng Company by taking advantage of his status as the actual controller.</p>			
	Resolve related-party transaction issues	Joyson Group, Wang Jianfeng	<p>1. Joyson Group shall not take advantage of its position and significant influence as the controlling shareholder of Deheng Company to seek that Deheng Company grant Joyson Group or other enterprises under its control the right to be superior to the third party in the market in business cooperation and other aspects; Wang Jianfeng shall not take advantage of its position and significant influence as the actual control to seek that Deheng Company grant myself or other enterprises under my control the right to be superior to the third party in the market in business cooperation and other aspects. 2. Joyson Group shall not take advantage of his position and significant influence as the controlling shareholder of Deheng Company to seek the priority right to conclude transactions with Deheng Company; Wang Jianfeng shall not take advantage of his position and significant influence as the actual controller of Deheng Company to seek the priority right to conclude transactions with Deheng Company. 3. Joyson Group/Wang Jianfeng and other enterprises controlled by Joyson Group/Wang Jianfeng shall not illegally occupy the funds and assets of Deheng Company under no circumstances, and shall not require Deheng Company to provide any form of guarantee to Joyson Group and Wang Jianfeng and other enterprises under Joyson Group/Wang Jianfeng control. 4. Joyson Group and Wang Jianfeng and other enterprises controlled by Joyson Group/Wang Jianfeng shall not perform</p>	January 10, 2011	No	Yes

			unnecessary related party transactions, Joyson Group and Wang Jianfeng shall ensure that if it's necessary to perform related transactions inevitably: (1) Urge Deheng Company to implement the decision-making procedure of affiliated transaction in accordance with relevant laws, regulations and normative documents such as The Company Law of the People's Republic of China, The Listing Rules of Shanghai Stock Exchange and the articles of association of Deheng Stock, and I shall strictly comply with the relevant provisions to perform the obligation of withdrawal voting of related shareholders; (2) Abide by the principles of equality and mutual benefit, honesty and credit, equal value and compensation, fair and reasonable trading, conduct transactions with Deheng Company at fair market prices, and do not engage in any behavior that damages the interests of Deheng Company by using such transactions; (3) Urge Deheng Company to fulfill information disclosure obligations and go through relevant approval procedures according to relevant laws and regulations and normative documents such as the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the articles of association of Deheng Company.			
	Asset injection	Joyson Group, Wang Jianfeng	Guarantee listed company "independent personnel, independent assets, independent financial, independent institutions, independent business".	January 10, 2011	No	Yes
	Resolve horizontal competition issues	Joyson Group	The Company undertakes that, during the period when it is the largest shareholder of Joyson Electronics, it will not engage in any other business that competes with the main business of Joyson Electronics, to ensure that the interests of Joyson Electronics and all shareholders will not be damaged, as follows: A. The Company will not, directly or indirectly, engage in any other business that competes with the main business of Joyson Electronics in any way (including but not limited to its sole proprietorship, joint venture or ownership of shares and other interests in another company or enterprise). B. The Company will take legal and effective measures to prevent wholly owned subsidiaries, holding subsidiaries and other enterprises controlled by the Company from which existing or setting up in the future engaging in other businesses that compete with the main business of Joyson Electronics. C. If the Company (including its existing or future subsidiaries and other enterprises under the control of the	May 26, 2012	No	Yes

			Company) has any other business opportunity that is competitive with or may be competitive with the main business of Joyson Electronics, the Company will immediately notify Joyson Electronics and give priority to Joyson Electronics to give such business opportunity. D. As for the normal production and business activities of Joyson Electronics, the Company shall not damage the interests of Joyson Electronics and its minority shareholders by taking advantage of its controlling shareholder status. The Company warrants that it has the right to sign this letter of commitment, and this letter of commitment, once signed by the Company, constitutes a valid, legal, binding and irrevocable liability of the Company.			
	Resolve horizontal competition issues	Wang Jianfeng	During the period when Joyson Group is the largest shareholder of Joyson Electronics, I and other enterprises under my control will not engage in businesses that compete with the main business of Joyson Electronics, so as to ensure that the interests of Joyson Electronics and all shareholders will not be damaged, and I hereby undertake as follows: ① I will not, directly or indirectly, engage in any business that competes with the main business of Joyson Electronics in any way (including but not limited to my sole proprietorship, joint venture or ownership of shares and other interests in another company or enterprise). ② I will take legal and effective measures to prevent my existing or future wholly owned subsidiaries, holding subsidiaries and other enterprises under my control from engaging in businesses that compete with the main business of Joyson Electronics. ③ If I (including my existing or future subsidiaries and other companies under my control) have any business opportunity that is competitive with or likely to be competitive with Joyson Electronics' main business, I will immediately notify Joyson Electronics and give priority to Joyson Electronics for such business opportunity. ④ As for the normal production and business activities of Joyson electronics, I guarantee that I will not damage the interests of Joyson Electronics and minority shareholders of Joyson Electronics by using the status of actual controller. Once signed, this letter of commitment shall constitute a valid, legal, binding and irrevocable liability for me.	May 26, 2012	No	Yes
	Resolve related-party transaction issues	Joyson Group	In order to reduce and standardize related party transactions between the Joyson Group and the enterprises under Joyson Group control with Joyson Electronics and ensure that the interests of all shareholders	May 26, 2012	No	Yes

			<p>of Joyson Electronics are not damaged, the Company promises as follows during the period of the largest shareholder of Joyson Electronics: ① Joyson Group shall not take advantage of its position and significant influence as the controlling shareholder of Joyson Electronics to seek that Joyson Electronics grant Joyson Group or other enterprises under its control the right to be superior to the third party in the market in business cooperation and other aspects. ② Joyson Group shall not take advantage of his position and significant influence as the controlling shareholder of Joyson Electronics to seek the priority right to conclude transactions with Joyson Electronics. ③ Joyson Group shall not illegally occupy the funds and assets of Joyson Electronics under no circumstances, and shall not require Joyson Electronics to provide any form of guarantee to Joyson Group and other enterprises under Joyson Group control. ④ Joyson Group and other enterprises controlled by Joyson Group shall not perform unnecessary related party transactions. Joyson Group should ensure that if it's necessary to perform related transactions inevitably: A. Urge Joyson Electronics to implement the decision-making procedure of affiliated transaction in accordance with relevant laws, regulations and normative documents such as The Company Law of the People's Republic of China, The Listing Rules of Shanghai Stock Exchange and the articles of association of Joyson Electronics, and I shall strictly comply with the relevant provisions to perform the obligation of withdrawal voting of related shareholders; B. Abide by the principles of equality and mutual benefit, honesty and credit, equal value and compensation, fair and reasonable trading, conduct transactions with Joyson Electronics at fair market prices, and do not engage in any behavior that damages the interests of Joyson Electronics by using such transactions; C. Urge Joyson Electronics to fulfill information disclosure obligations and go through relevant approval procedures according to relevant laws and regulations and normative documents such as the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the articles of association of Joyson Electronics. The Company warrants that it has the right to sign this letter of commitment, and this letter of commitment, once signed by the Company, constitutes a</p>			
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			valid, legal, binding and irrevocable liability of the Company.			
	Resolve related-party transaction issues	Wang Jianfeng	In order to reduce and standardize related party transactions between the enterprises under my control with Joyson Electronics and ensure that the interests of all shareholders of Joyson Electronics are not damaged, I promise as follows during the period of the actual controller of Joyson Electronics: ① I shall not take advantage of its position and significant influence as the actual controller of Joyson Electronics to seek that Joyson Electronics grant me or other enterprises under my control the right to be superior to the third party in the market in business cooperation and other aspects. ② I shall not take advantage of the status and significant influence as the actual controller of Joyson Electronics to seek the priority right to conclude transactions with Joyson Electronics. ③ I and the enterprises under my control shall not illegally occupy the funds and assets of Joyson Electronics under no circumstances, and shall not require Joyson Electronics to provide any form of guarantee to me and other enterprises under my control. ④ I and other enterprises controlled by me shall not perform unnecessary related party transactions. I shall ensure that if it's necessary to perform related transactions inevitably: A. Urge Joyson Electronics to implement the decision-making procedure of affiliated transaction in accordance with relevant laws, regulations and normative documents such as the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the articles of association of Joyson Electronics, and I shall strictly comply with the relevant provisions to perform the obligation of withdrawal voting of related shareholders; B. Abide by the principles of equality and mutual benefit, honesty and credit, equal value and compensation, fair and reasonable trading, conduct transactions with Joyson Electronics at fair market prices, and do not engage in any behavior that damages the interests of Joyson Electronics by using such transactions; C. Urge Joyson Electronics to fulfill information disclosure obligations and go through relevant approval procedures according to relevant laws and regulations and normative documents such as the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and	May 26, 2012	No	Yes

			the articles of association of Joyson Electronics.			
	Asset injection	Joyson Group	<p>① Ensure the independence of personnel of the listed company: A. Ensure that the general manager, deputy general manager, CFO, secretary of the board of directors and other senior management personnel of the listed company are full-time employed and paid by the listed company, and do not hold any position other than director and supervisor in the Company. B. Ensure complete independence between the labor, personnel and wage management of the listed company and Joyson Group. C. The selection of directors, supervisors, managers, and other senior management personnel recommended by the Company to the listed company shall be carried out through legal procedures and shall not interfere with the appointment and removal decisions made by the board of directors and the general meeting of shareholders. ② Guarantee the independence and integrity of listed companies' assets: A. Guarantee that listed companies have business systems related to operations and independent and complete assets. B. Ensure that the listed company's funds or assets occupied by the Company. C. Ensure that the domicile of the listed company is independent of the Company. ③ Ensure the financial independence of listed companies: A. Ensure that listed companies establish independent financial departments and independent financial accounting system and the standard and independent financial accounting institution. B. Ensure that listed companies open bank accounts independently and do not share bank accounts with the Company. C. Ensure that financial personnel of listed companies do not take part-time jobs in the Company. D. Ensure that listed companies pay tax independently in accordance with the law. E. Guarantee that the listed company can make financial decisions independently, and the Company will not interfere in the use of funds of the listed company. ④ Ensure the institutional independence of listed companies: A. Ensure that listed companies establish and improve the corporate governance structure, have an independent and complete organizational structure. B. Ensure that the general meeting of shareholders, board of directors, independent directors, board of supervisors and general manager of the listed company independently exercise their functions and powers in accordance with laws, regulations,</p>	May 26, 2012	No	Yes

			<p>and the Company's article of association. ⑤ Ensure the business independence of the listed company: A. Ensure that the listed company has the assets, personnel, qualifications, and ability to carry out business activities independently, and has the ability to operate independently in the market. B. The Company shall not interfere in the business activities of the listed company except through the exercise of shareholders' rights. C. Ensure that the Company and its holding subsidiaries or other affiliated companies avoid engaging in businesses that are materially competitive with listed companies. D. Ensure that related party transactions between the Company and its holding subsidiaries with listed companies are minimized; In the event of necessary and unavoidable affiliated party transactions, it shall ensure fair operation in accordance with market principles and fair prices, and perform transaction procedures and information disclosure obligations in accordance with relevant laws, regulations and normative documents.</p>			
	Asset injection	Wang Jianfeng	<p>① Ensure the independence of personnel of the listed company: A. Ensure that the general manager, deputy general manager, chief financial officer, secretary of the board of directors and other senior management personnel of the listed company are full-time employed and paid by the listed company, and do not hold any position other than director and supervisor in the Company. B. Ensure complete independence between the labor, personnel and wage management of the listed company and other enterprises under my control. ② Guarantee the independence and integrity of listed companies' assets: A. Guarantee that listed companies have business systems related to operations and independent and complete assets. B. Ensure that the listed company's funds or assets occupied by other enterprises under my control. C. Ensure that the domicile of the listed company is independent of other enterprises under my control. ③ Ensure the financial independence of listed companies: A. Ensure that listed companies establish independent financial departments and independent financial accounting system and the standard and independent financial accounting institution. B. Ensure that listed companies open bank accounts independently and do not share bank accounts with other enterprises under my control. C. Ensure that financial personnel of listed companies do not take part-time jobs</p>	May 26, 2012	No	Yes

			<p>in other enterprises under my control. D. Ensure that listed companies pay tax independently in accordance with the law. ④</p> <p>Ensure the institutional independence of listed companies: A. Ensure that listed companies establish and improve the corporate governance structure, have an independent and complete organizational structure. B. Ensure that the general meeting of shareholders, board of directors, independent directors, board of supervisors and general manager of the listed company independently exercise their functions and powers in accordance with laws, regulations, and the Company's article of association. ⑤</p> <p>Ensure the business independence of the listed company: A. Ensure that the listed company has the assets, personnel, qualifications, and ability to carry out business activities independently, and has the ability to operate independently in the market. B. Ensure that other enterprises under my control avoid engaging in businesses that are materially competitive with listed companies. C. Ensure that related party transactions between the Company and its holding subsidiaries with listed companies are minimized; In the event of necessary and unavoidable affiliated party transactions, it shall ensure fair operation in accordance with market principles and fair prices, and perform transaction procedures and information disclosure obligations in accordance with relevant laws, regulations and normative documents.</p>			
Commitments relating to refinancing	Others	Joyson Group, Wang Jianfeng	As of the date of issuance of this letter of commitment, My/the Company's stock pledge financing is due to legitimate financing needs, and the funds incorporated into the stock pledge have not been used for illegal purposes, and there is no overdue repayment of principal and interest or any other default situation.	Duration of equity pledge	Yes	Yes
	Others	Joyson Group, Wang Jianfeng	I/the Company will urge the debtors guaranteed by the stock pledge of Joyson Electronics to repay their debts on time, and ensure that the stock of Joyson Electronics held by me/the Company will not be exercised by the pledgee due to the debtor's overdue repayment of debts or other breaches of contract.	Duration of equity pledge	Yes	Yes
	Others	Joyson Group, Wang Jianfeng	I/we will pay attention to the trend of the stock in the secondary market positively, completes the warning attention and transfer flexible the overall financing arrangements in time, in the event of the Joyson electronic stock pledged of myself/the Company reach the warning line, closeout line, or the pledgee to exercise the pledgee's situation,	Duration of equity pledge	Yes	Yes

			I/the Company will actively negotiate with the pledgee (creditor), by taking measures such as margin call, additional provision of collateral, cash repayment or advance buyback, I/the Company shall try to avoid exercising the pledge right of Joyson Electronics shares held by myself/the Company and avoid changing the controlling shareholder and actual controller of Joyson Electronics.			
	Others	Directors and senior management of the Company	In view of the Company's intention to make a non-public offering of ordinary shares denominated in RMB (A shares) to specific targets, Joyson Group (hereinafter referred to as the "Non-Public Offering"). In order to safeguard the legitimate rights and interests of the Company and all shareholders, the directors and/or senior management of the Company make the following commitments in accordance with the relevant regulations of the CSRC: "1. I undertake not to transfer benefits to other units or individuals without compensation or on unfair terms, or to damage the interests of the Company in other ways; 2. I undertake to exercise restraint in my official consumption behavior; 3. I undertake not to use the Company's assets to engage in investment or consumption activities unrelated to the performance of my duties; 4. I agree that the remuneration system formulated by the Board of Directors or the Remuneration and Evaluation Committee is linked to the implementation of the Company's measures to fill returns; 5. I agree that if the Company intends to implement equity incentives for me in the future, the exercise conditions of the Company's equity incentives will be linked to the implementation of the Company's measures to fill returns; 6. After the date of this undertaking and before the completion of the implementation of this non-public offering, if the CSRC, the stock exchange and other securities regulatory authorities make other new regulatory provisions regarding the measures to fill returns and their undertakings, and if the relevant contents of this undertaking cannot meet such provisions of the CSRC, the stock exchange and other securities regulatory authorities, I undertake to issue additional undertakings at that time in accordance with the latest provisions of the CSRC, the stock exchange and other securities regulatory authorities; 7. I undertake to effectively implement the relevant measures to fill returns established by the Company and any commitments I have made in this regard to fill returns. If I violate such commitments and cause losses to the Company or investors, I	May 13, 2022	No	Yes

			am willing to bear the corresponding compensation responsibility in accordance with the law. ”			
Others	Joyson Group, Wang Jianfeng	In view of the Company's intention to make a non-public offering of ordinary shares denominated in RMB (A shares) to specific targets, Joyson Group (hereinafter referred to as the "Non-Public Offering"). In order to safeguard the legitimate rights and interests of the Company and all shareholders, the controlling shareholder of the Company, Joyson Group, and the de facto controller, Wang Jianfeng, make the following commitments in accordance with the relevant regulations of the CSRC: "1. I/The Company undertake(s) not to interfere with the business management activities of the Company beyond my/the Company's authority and not to encroach on the interests of the Company; 2. After the date of this undertaking and before the completion of the implementation of this non-public offering, if the CSRC, the stock exchange and other securities regulatory authorities make other new regulatory provisions regarding the measures to fill returns and their undertakings, and if the relevant contents of this undertaking cannot meet such provisions of the CSRC, the stock exchange and other securities regulatory authorities, I/the Company undertake to issue additional undertakings at that time in accordance with the latest provisions of the CSRC, the stock exchange and other securities regulatory authorities; 3. I/The Company undertake(s) to effectively implement the relevant measures to fill returns established by the Company and any commitments I/the Company have/has made in this regard to fill returns. If I violate such commitments and cause losses to the Company or investors, I/the Company am/is willing to bear the corresponding compensation responsibility in accordance with the law. ”	May 13, 2022	No	Yes	
Others	Joyson Group	In view of the fact that Ningbo Joyson Electronic Corp. (hereinafter referred to as "Joyson Electronics") intends to apply to issue no more than 40,616,919 (including 40,616,919) ordinary shares denominated in RMB (A Share) to the controlling shareholder Joyson Holding Co., Ltd., the Company, as the subscriber of the issue, hereby undertakes the following with respect to the relevant information of the Company and the source of funds for the subscription: "1. The Company has the ability to subscribe for the issue of shares. The funds for the subscription are from the Company's own funds or self-financing funds. There is no	March 7, 2023; commitment period: from the issuance of the commitment	Yes	Yes	

			external fund raising, holding, structuring arrangement or direct or indirect use of funds of Joyson Electronics and its related parties other than the Company for the subscription. Except for the participation of the Company in the issue as a subscriber to the issue, there are no cases of financial assistance, compensation, promise of benefits or other agreed arrangements provided to the Company by the issuer, its de facto controller or major shareholders directly or through their stakeholders. 2. The Company undertakes not to have the following circumstances: (1) Shareholding prohibited under relevant laws and regulations; (2) Shareholding by intermediaries of this issue or their principals, senior management, managers and other personnel in violation of the law; (3) Improper transfer of benefits. 3. All shareholders of the Company are natural persons and do not belong to companies without actual business operations, and there are no irregular shareholdings or improper transfer of benefits. 4. None of the natural shareholders of the Company is a person who has left the Securities Regulatory Commission system and does not involve the shareholding of persons who have left the Securities Regulatory Commission system. ”	ent letter to the completion of the issuance of A shares to specific targets		
	Restrictions on dealings in shares	Joyson Group	In view of the fact that Ningbo Joyson Electronic Corp. (hereinafter referred to as “Joyson Electronics”) intends to apply to issue no more than 40,616,919 (including 40,616,919) ordinary shares denominated in RMB (A Share) (hereinafter referred to as “the Offering”) to the controlling shareholder Joyson Holding Co., Ltd. (hereinafter referred to as “the Company”), the Company, as the subscriber of the Offering, hereby undertakes the following commitments in respect of the matters related to the Offering: “1. The shares of Joyson Electronics acquired by the Company through the Offering shall not be transferred or sold for a period of 36 months from the date of the closing of the Offering (the foregoing period hereinafter referred to as the “restriction of sale period”). After the completion of the Offering and up to the date of the expiry of the restriction of sale period, any additional shares held by the Company as a result of share dividends or transfer of shares from capital reserve to shareholders of Junsheng Electronics shall also be subject to the aforesaid restriction of sale arrangement. 2. The shares of Joyson Electronics already held by the Company prior to the Offering will not be transferred or	April 12, 2023; commitment period: 36 months and 18 months from the date of the private offering	Yes	Yes

			sold for a period of 18 months from the date of closing of the Offering.”			
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**II. Information on non-operating use of funds by controlling shareholders and other related parties during the reporting period**

Applicable  Not applicable

**III. Information on illegal guarantee**

Applicable  Not applicable

**IV. Audit of interim report**

Applicable  Not applicable

**V. Information on changes and handling of matters related to non-standard audit opinions in the annual report for the previous year**

Applicable  Not applicable

**VI. Material litigation and arbitration matters**

During the reporting period, the Company had material litigation and arbitration matters.  
 During the reporting period, the Company did not have any material litigation or arbitration

**VII. Matters related to bankruptcy reorganization**

Applicable  Not applicable

**VIII. Information on punishment and rectification of the listed company and its directors, supervisors, senior management, controlling shareholders, and de facto controllers due to violations of laws and regulations**

Applicable  Not applicable

**IX. Integrity of the Company and its controlling shareholders and de facto controllers during the reporting period**

Applicable  Not applicable

**X. Substantial connected transactions**

**(I) Connected transactions in the ordinary course of business**

**1. Matters that have been disclosed in the provisional announcements without progress or change in subsequent implementation**

Applicable  Not applicable

**2. Matters that have been disclosed in the provisional announcements with progress or change in subsequent implementation**

Applicable  Not applicable

Overview	Query
The Company's 2022 Annual General Meeting considered and approved the Proposal on forecasting daily related party transactions in 2023, approving the Company's proposed lease of properties to related parties totaling approximately RMB 13.01 million, proposed acceptance of labor services from related parties totaling RMB 30.82 million, proposed provision of labor services to related parties totaling RMB 4.93 million, proposed sale of goods to related parties totaling around	For details, please refer to the <i>Information of the 2022 Annual General Meeting of Joyson Electronics</i> disclosed on the website of the SSE ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) on April 13, 2023 and the <i>2022 Annual General Meeting resolution announcement of Joyson Electronics</i> (Announcement No.: Lin 2023-033)

<p>RMB 36.75 million, and proposed purchase of goods from related parties totaling around RMB 362 million in 2023. The total amount of the above daily related party transactions is expected to be approximately RMB 448 million. During the reporting period, the total amount of daily connected transactions actually incurred by the Company did not exceed the amount approved by the Annual General Meeting in 2022.</p>	<p>disclosed on the website of the Stock Exchange (<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>) on April 21, 2023.</p>
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### 3. Matters that have not been disclosed in the provisional announcements

Applicable  Not applicable

#### (II) Connected transactions relating to asset or share acquisition and sale

##### 1. Matters that have been disclosed in the provisional announcements without progress or change in subsequent implementation

Applicable  Not applicable

##### 2. Matters that have been disclosed in the provisional announcements with progress or change in subsequent implementation

Applicable  Not applicable

##### 3. Matters that have not been disclosed in the provisional announcements

Applicable  Not applicable

##### 4. In case of performance agreement, information on performance realization during the reporting period shall be disclosed

Applicable  Not applicable

#### (III) Substantial connected transactions of joint outbound investment

##### 1. Matters that have been disclosed in the provisional announcements without progress or change in subsequent implementation

Applicable  Not applicable

##### 2. Matters that have been disclosed in the provisional announcements with progress or change in subsequent implementation

Applicable  Not applicable

##### 3. Matters that have not been disclosed in the provisional announcements

Applicable  Not applicable

#### (IV) Credits and debts with connected parties

##### 1. Matters that have been disclosed in the provisional announcements without progress or change in subsequent implementation

Applicable  Not applicable

##### 2. Matters that have been disclosed in the provisional announcements with progress or change in subsequent implementation

Applicable  Not applicable

##### 3. Matters that have not been disclosed in the provisional announcements

Applicable  Not applicable

**(V) Financial businesses among the Company, related financial companies, financial companies controlled by the Company, and connected parties**

Applicable  Not applicable

**(VI) Other substantial connected transactions**

Applicable  Not applicable

**(VII) Others**

Applicable  Not applicable

**XI. Material contracts and their enforcement**

**1 Custody, contracting and leasing**

Applicable  Not applicable

**2 Major guarantees that have been performed and outstanding during the reporting period**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

External guarantees of the Company (excluding guarantees to its subsidiaries)															
Guarantor	Relationship between the Guarantor and the listed company	Secured party	Amount of guarantee	Date of guarantee (date of signature of agreement)	Guarantee start date	Guarantee maturity date	Guarantee type	Main debt	Collateral (if any)	Has the guarantee been fulfilled	Is the guarantee overdue	Overdue amount under guarantee	Counter guarantee	Related-party guarantee or not	Association relationship
Total amount of guarantee during the Reporting Period (excluding guarantee for subsidiaries)															
Total guarantee balance at the end of the Reporting Period (A) (excluding guarantee for subsidiaries)															
Guarantees of the Company for its subsidiaries															
Total amount of guarantee for subsidiaries during the Reporting Period							11,275,472,430.15								
Total guarantee balance to subsidiaries at the end of the Reporting Period (B)							9,637,778,609.44								
Total amount of the Company's guarantee (including guarantee for subsidiaries)															
Total guarantee amount (A+B)							9,637,778,609.44								
Proportion of total guarantee amount to the Company's net assets (%)							74.26								
Specifically:															
Amount of guarantee provided for shareholders, actual controller and their related parties (C)															

Amount of debt-related guarantee provided directly or indirectly for the guaranteed parties with asset-liability ratio exceeding 70% (D)	
Amount of total guarantee exceeding 50% of net assets (E)	3,148,722,327.53
Total amount of guarantees in the above three items (C+D+E)	3,148,722,327.53
Descriptions of possible joint and several liability for repayment under ongoing guarantee	
Descriptions of guarantee	In the first half of 2023, the amount of the Company's guarantee to subsidiaries was USD 599,596,477.94, EUR 420,508,102.55, JPY 20,683,000,000.00, and RMB 2,594,510,000.00. Total guarantee balance to subsidiaries at the end of the reporting period was USD 397,406,565.99, EUR 409,995,691.51, JPY 20,165,925,000.00, and RMB 2,526,510,000.00. The exchange rates are 7.2258 Yuan per USD, 7.8771 Yuan per Euro, and 0.0501 Yuan per Yen.

### 3 Other material contracts

Applicable  Not applicable

### XII. Explanation of other significant events

Applicable  Not applicable

## Chapter 7 Changes in Equity and Shareholders

### I. Changes in equity

#### (I) Changes in shares

##### 1. Changes in shares

During the reporting period, the total number of shares and capital structure of the Company did not change.

##### 2. Description of changes in shares

Applicable  Not applicable

##### 3. The impact of share changes between 1st July, 2023 and the disclosure date of this report on EPS, net assets per share and other financial indicators (if any)

Applicable  Not applicable

Upon the approval and consent of the Shanghai Stock Exchange's *Notice on the Audit Opinions on the Issue of Shares by Ningbo Joyson Electronic Corp. to Specific Targets* and the approval and consent of the China Securities Regulatory Commission's *Approval of the Approval of the Registration of the Issue of Shares by Ningbo Joyson Electronic Corp. to Specific Targets* (ZHENG JIAN XU KE [2023] No. 1169), the Company made a private offering of 40,616,919 ordinary shares denominated in RMB (A Share) to specific targets and completed the share registration procedures on July 13, 2023 at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd.

The above changes in shares that took place following the reporting period and preceding of disclosure of the half-yearly report had no impact on financial indicators including earnings per share and net assets per share during the reporting period. The funds raised by the Company through the issue of shares to specific targets were mainly used for the acquisition of minority shareholdings in its controlling subsidiaries and the further improvement of the Company's profitability. As the Company's share capital has increased along with its earnings and net assets, the net assets per share will grow richer while the earnings per share may momentarily decrease in the short term. However, in the long term, the earnings per share will increase.

##### 4. Other contents that the Company deems necessary or required by the securities regulatory institution

Applicable  Not applicable

#### (II) Changes in restricted shares

Applicable  Not applicable

**II. Information about shareholders****(I) Total number of shareholders:**

Total number of shareholders by the end of reporting period (account)	101,055
Total number of preferred shareholders whose voting rights have been restored by the end of reporting period (account)	N/A

**(II) Table of top 10 common shareholders, top 10 outstanding common shareholders (or non-restricted common shareholders) at the end of the reporting period**

Unit: Share

Shareholding by top 10 common shareholders							
Name of shareholder	Increase or decrease during the reporting period	Total common shares held at the end of the reporting period	Shareholding percentage (%)	Number of restricted common shares held	Pledge, mark or lock-up		Nature of shareholder
					Status	Amount	
Joyson Holding Co., Ltd.	0	476,840,782	34.85	0	Pledged	290,473,996	Domestic non-state-owned legal person
Hong Kong Securities Clearing Co., Ltd.	-13,158,121	41,002,766	3.00	0	N/A	0	Others
Wang Jianfeng	0	34,056,959	2.49	0	N/A	0	Domestic natural person
Zhejiang Rongzhen Asset Management Co., Ltd.	0	30,950,963	2.26	0	Pledged	30,950,963	Domestic non-state-owned legal person
Golden Eagle Fund - SPD Bank - Wanxiang Trust - Wanxiang Trust - Joyson No. 2 Business Management Class Single Fund Trust	0	24,472,245	1.79	0	N/A	0	Others
New China Life Insurance Co., Ltd. - Dividend - Individual Dividend - 018L - FH002 Shanghai	9,784,361	14,186,975	1.04	0	N/A	0	Others

Ningbo Joyson Electronic Corp. - 2021 Employee Stock Ownership Plan	0	9,000,000	0.66	0	N/A	0	Others
China Securities Co., Ltd.	4,805,875	7,724,349	0.56	0	N/A	0	State-owned legal person
BOC - Huaxia Zhongzheng New Energy Vehicle ETF	2,118,449	6,930,461	0.51	0	N/A	0	Others
ICBC - China Universal CSI New Energy Vehicle Industry Index Initiating Securities Investment Fund (LOF)	1,049,600	6,890,032	0.50	0	N/A	0	Others

Top 10 non-restricted common shareholders

Name of shareholder	Number of non-restricted common shares held at the end of the reporting period	Type and number of shares	
		Type	Amount
Joyson Holding Co., Ltd.	476,840,782	Ordinary shares denominated in RMB	476,840,782
Hong Kong Securities Clearing Co., Ltd.	41,002,766	Ordinary shares denominated in RMB	41,002,766
Wang Jianfeng	34,056,959	Ordinary shares denominated in RMB	34,056,959
Zhejiang Rongzhen Asset Management Co., Ltd.	30,950,963	Ordinary shares denominated in RMB	30,950,963
Golden Eagle Fund - SPD Bank - Wanxiang Trust - Wanxiang Trust - Joyson No. 2 Business Management Class Single Fund Trust	24,472,245	Ordinary shares denominated in RMB	24,472,245
New China Life Insurance Co., Ltd. - Dividend - Individual Dividend - 018L - FH002 Shanghai	14,186,975	Ordinary shares denominated in RMB	14,186,975
Ningbo Joyson Electronic Corp. - 2021 Employee Stock Ownership Plan	9,000,000	Ordinary shares denominated in RMB	9,000,000

China Securities Co., Ltd.	7,724,349	Ordinary shares denominated in RMB	7,724,349
BOC - Huaxia Zhongzheng New Energy Vehicle ETF	6,930,461	Ordinary shares denominated in RMB	6,930,461
ICBC - China Universal CSI New Energy Vehicle Industry Index Initiating Securities Investment Fund (LOF)	6,890,032	Ordinary shares denominated in RMB	6,890,032
Note on special account for securities repurchase among top 10 common shareholders	N/A		
Description of the above shareholders involved in entrustment/entrusted voting right and waiver of voting right	N/A		
Description of connection or acting-in-concert relationship of the above shareholders	Joyson Holding Co., Ltd. is the controlling shareholder of the Company, and Mr. Wang Jianfeng is the de facto controller of the Company.		
Description of the reinstated preferred shareholders and the number of shares held	N/A		

Number and conditions of shares held by the Top 10 shareholders with selling restrictions

Applicable  Not applicable

**(III) Strategic investors or general legal persons who became Top 10 shareholders through placement of new shares**

Applicable  Not applicable

**III. Information on directors, supervisors, and senior management**

**(I) Changes in shareholdings of current directors, supervisors, and senior management and those who resigned during the reporting period**

Applicable  Not applicable

Other information

Applicable  Not applicable

**(II) Equity incentive granted to directors, supervisors, and senior management during the reporting period**

Applicable  Not applicable

**(III) Others**

Applicable  Not applicable

**IV. Change in controlling shareholders or de facto controllers**

Applicable  Not applicable

**Chapter 8 Information on Preferred Shares**

Applicable  Not applicable

**Chapter 9 Information on Bonds**

**I. Enterprise bonds, corporate bonds, and non-financial enterprise debt financing instruments**

Applicable  Not applicable

**II. Information on convertible corporate bonds**

Applicable  Not applicable

## Chapter 10 Financial Reports

### I. Audit report

Applicable  Not applicable

### II. Financial Statements

#### Consolidated Balance Sheet

Ningbo Joyson Electronic Corp.

As at 30 June 2023

(Expressed in Renminbi Yuan)

Item	Note	Ending Balance	Beginning Balance
<b>Current assets:</b>			
Cash at bank and on hand	VII.1	4,957,820,439.22	5,404,946,118.68
Financial assets held for trading	VII.2	329,753,197.29	465,785,862.56
Derivative financial assets	VII.3	118,394,785.08	81,775,577.00
Bills receivable	VII.4	291,701,903.07	485,781,482.02
Accounts receivable	VII.5	8,313,280,519.85	7,600,885,200.26
Receivables under financing	VII.6	178,820,971.41	191,969,883.88
Prepayments	VII.7	272,428,675.14	177,923,434.03
Other receivables	VII.8	876,146,229.27	941,624,473.88
Including: Interest receivable			
Dividends receivable		209,201,636.88	209,201,636.88
Inventories	VII.9	9,050,692,567.38	8,511,657,540.51
Contract assets	VII.10		
Assets held for sale	VII.11		
Non-current assets due within one year	VII.12	55,139,700.00	105,397,480.54
Other current assets	VII.13	980,946,707.99	1,008,139,368.35
Total current assets		25,425,125,695.70	24,975,886,421.71
<b>Non-current assets:</b>			
Long-term receivables	VII.16	185,198,164.19	173,151,941.34
Long-term equity investments	VII.17	2,187,791,208.60	2,087,299,085.33
Other non-current financial assets	VII.19	673,667,100.43	897,303,111.50
Fixed assets	VII.21	11,068,444,666.84	11,146,163,605.79
Construction in progress	VII.22	2,586,621,975.60	2,148,641,718.01
Right-of-use assets	VII.25	785,081,929.75	802,020,507.25
Intangible assets	VII.26	3,185,766,638.15	3,238,405,757.25
Development costs	VII.27	1,441,721,329.71	1,090,506,883.25
Goodwill	VII.28	5,643,640,975.55	5,421,070,282.61
Long-term deferred expenses	VII.29	60,317,040.08	61,396,466.27
Deferred tax assets	VII.30	1,174,285,321.67	1,042,547,303.53
Other non-current assets	VII.31	1,591,872,844.01	1,027,700,268.41
Total non-current assets		30,584,409,194.58	29,136,206,930.54
Total assets		56,009,534,890.28	54,112,093,352.25
<b>Current liabilities:</b>			
Short-term loans	VII.32	4,507,593,262.95	3,007,586,071.67
Financial liabilities held for trading	VII.33		
Derivative financial liabilities	VII.34	1,529,120.35	338,758.12
Bills payable	VII.35	351,007,733.21	74,763,040.23
Accounts payable	VII.36	8,850,299,501.22	8,846,698,734.75
Advance payments received	VII.37		
Contract liabilities	VII.38	658,360,482.78	681,942,351.51
Employee benefits payable	VII.39	1,387,968,023.81	1,205,880,150.82
Taxes payable	VII.40	922,738,684.75	760,263,622.83
Other payables	VII.41	490,632,145.88	684,787,448.10
Including: Interest payable			
Dividends payable		900,000.00	
Non-current liabilities due within one year	VII.42	2,522,806,268.40	4,129,913,127.96

Other current liabilities	VII.43	1,424,695,435.16	1,483,040,388.09
Total current liabilities	VII.44	21,117,630,658.51	20,875,213,694.08
<b>Non-current liabilities:</b>			
Long-term loans	VII.45	13,293,787,263.21	12,467,738,978.16
Debentures payable	VII.46		
Lease liabilities	VII.47	635,957,607.42	651,639,119.60
Long-term payables	VII.48	261,616,834.84	250,926,817.76
Long-term employee benefits payable	VII.49	1,349,808,013.21	1,279,433,377.39
Provisions	VII.50	296,231,800.81	328,567,283.77
Deferred income	VII.51	115,679,869.09	102,951,886.93
Deferred tax liabilities	VII.30	316,214,723.64	365,035,260.10
Other non-current liabilities	VII.52	96,233,808.01	86,909,259.08
Total non-current liabilities		16,365,529,920.23	15,533,201,982.79
Total liabilities		37,483,160,578.74	36,408,415,676.87
<b>Shareholders' equity:</b>			
Share capital	VII.53	1,368,084,624.00	1,368,084,624.00
Capital reserve	VII.55	10,286,762,423.41	10,264,449,615.03
Less: Treasury shares	VII.56	225,263,700.64	225,263,700.64
Other comprehensive income	VII.57	157,951,792.49	-206,248,529.18
Surplus reserve	VII.59	150,565,499.47	150,565,499.47
Retained earnings	VII.60	1,240,011,925.28	901,312,046.13
Total equity attributable to shareholders of the Company		12,978,112,564.01	12,252,899,554.81
Non-controlling interests		5,548,261,747.53	5,450,778,120.57
Total shareholders' equity		18,526,374,311.54	17,703,677,675.38
Total liabilities and shareholders' equity		56,009,534,890.28	54,112,093,352.25

Wang Jianfeng  
Legal representative

Li Junyu  
The person in charge of  
accounting affairs

Zhang Jiaqi  
The head of the accounting  
department

## Company Balance Sheet

Ningbo Joyson Electronic Corp.  
As at 30 June 2023  
(Expressed in Renminbi Yuan)

Item	Note	Ending Balance	Beginning Balance
<b>Current assets:</b>			
Cash at bank and on hand		2,026,740,609.24	1,428,909,497.68
Financial assets held for trading		329,753,197.29	465,785,862.56
Derivative financial assets		6,654,166.34	4,506,938.96
Accounts receivable	XVII.1	492,420,718.48	490,829,106.09
Prepayments		29,362,674.83	22,394,423.57
Other receivables	XVII.2	2,685,222,979.08	2,265,223,464.49
Including: Interest receivable		63,746,402.74	63,746,402.74
Dividends receivable		208,028,327.42	208,028,327.42
Other current assets		31,136,345.29	10,550,190.79
Total current assets		5,601,290,690.55	4,688,199,484.14
<b>Non-current assets:</b>			
Long-term receivables			
Long-term equity investments	XVII.3	14,117,188,696.68	14,203,670,850.09
Other non-current financial assets		300,655,000.00	562,210,000.00
Fixed assets		652,643,605.65	664,084,944.66
Construction in progress		204,029.93	129,444.95
Right-of-use assets		317,053.88	382,651.22
Intangible assets		191,511,774.82	194,248,348.29
Deferred tax assets		64,350,150.20	60,617,863.25
Other non-current assets		306,647,444.90	4,113,400.04
Total non-current assets		15,633,517,756.06	15,689,457,502.50
Total assets		21,234,808,446.61	20,377,656,986.64
<b>Current liabilities:</b>			
Short-term loans		2,218,719,248.58	1,536,366,128.58
Accounts payable		14,006,770.67	15,977,628.12
Advance payments received			
Employee benefits payable		6,954,700.79	1,984,226.40
Taxes payable		6,403,128.11	12,973,026.84
Other payables		86,073,503.18	141,897,700.02
Including: Interest payable			
Dividends payable		900,000.00	
Non-current liabilities due within one year		1,379,640,162.36	2,340,512,842.40
Other current liabilities			
Total current liabilities		3,711,797,513.69	4,049,711,552.36
<b>Non-current liabilities:</b>			
Long-term loans		4,072,599,647.35	2,921,466,218.46
Debentures payable			
Long-term employee benefits payable		1,280,309.81	1,280,309.81
Other non-current liabilities		4,073,879,957.16	2,922,746,528.27
Total liabilities		7,785,677,470.85	6,972,458,080.63
<b>Shareholders' equity:</b>			
Share capital		1,368,084,624.00	1,368,084,624.00
Capital reserve		11,808,209,404.66	11,796,515,320.18
Less: Treasury shares		225,263,700.64	225,263,700.64
Other comprehensive income		9,580,810.89	-2,152,276.05
Surplus reserve		123,762,017.44	123,762,017.44
Retained earnings		364,757,819.41	344,252,921.08
Total shareholders' equity		13,449,130,975.76	13,405,198,906.01
Total liabilities and shareholders' equity		21,234,808,446.61	20,377,656,986.64

Wang Jianfeng

Legal representative

Li Junyu

The person in charge of  
accounting affairs

Zhang Jiaqi

The head of the accounting  
department

**Consolidated income statement**

For the first half year of 2023  
(Expressed in Renminbi Yuan)

Item	Note	2023H1 YTD	2022H1 YTD
<b>I. Total operating income</b>		27,014,364,503.23	22,919,881,049.92
Including: Operating income	VII.61	27,014,364,503.23	22,919,881,049.92
<b>II. Total operating costs</b>		26,549,355,249.65	23,257,565,118.64
Including: Operating costs	VII.61	23,389,617,807.24	20,412,958,981.73
Taxes and surcharges	VII.62	67,501,449.05	64,928,286.65
Selling and distribution expenses	VII.63	306,847,677.46	330,632,614.43
General and administrative expenses	VII.64	1,236,397,684.45	1,237,873,199.27
Research and development expenses	VII.65	1,123,954,672.29	1,064,192,500.74
Financial expenses	VII.66	425,035,959.16	146,979,535.82
Including: Interest expenses		604,997,761.18	455,965,682.39
Interest income		70,726,001.40	75,060,338.64
Add: Other income	VII.67	82,494,909.22	74,786,232.32
Investment income ("-" for losses)	VII.68	69,584,170.65	52,241,551.83
Including: Income from investment in associates and joint ventures		66,515,380.95	39,875,711.92
Gains from changes in fair value ("-" for losses)	VII.70	107,128,931.65	4,407,103.53
Credit losses ("-" for losses)	VII.71	-7,630,203.88	1,480,677.13
Impairment losses ("-" for losses)	VII.72	-8,461,995.18	30,273,884.87
Gains from asset disposals ("-" for losses)	VII.73	-590,459.77	2,045,719.11
<b>III. Operating profit ("-" for losses)</b>		707,534,606.27	-172,448,899.93
Add: Non- operating income	VII.74	4,080,268.72	4,736,251.12
Less: Non-operating expenses	VII.75	2,363,665.42	3,411,540.49
<b>IV. Profit before income tax ("-" for losses)</b>		709,251,209.57	-171,124,189.30
Less: Income tax expenses	VII.76	212,019,669.87	91,700,589.20
<b>V. Net profit for the half year ("-" for net losses)</b>		497,231,539.70	-262,824,778.50
(1) Net profit classified by continuity of operations			
1. Net profit from continuing operations ("-" for net loss)		497,231,539.70	-262,824,778.50
2. Net profit from discontinued operations ("-" for net loss)			
(2) Net profit classified by ownership:			
1. Shareholders of the Company ("-" for net loss)		475,508,341.55	-105,491,476.04
2. Non-controlling interests ("-" for net loss)		21,723,198.15	-157,333,302.46
<b>VI. Other comprehensive income, net of tax</b>	VII.77	437,899,038.35	92,215,997.61
(1) Other comprehensive income (net of tax) attributable to shareholders of the Company		364,200,321.67	131,991,334.18
1. Items that will not be reclassified to profit or loss:		4,010,276.40	136,165,456.64
a. Remeasurement of defined benefit plan		4,010,276.40	136,165,456.64
b. Other comprehensive income recognized under equity method			
c. Changes in fair value of investments in other equity instruments			
d. Changes in fair value of entity's own credit			
2. Items that may be reclassified to profit or loss:		360,190,045.27	-4,174,122.46

a. Other comprehensive income recognized under equity method		33,995,152.98	-1,551,266.26
b. Changes in fair value of other debt investments			
c. Reclassification of financial assets			
d. Credit losses of other debt investments			
e. Cash flow hedge reserve		3,833,061.54	161,620,914.73
f. Translation differences arising from translation of foreign currency financial statements		322,361,830.75	-164,243,770.93
g. Others			
(2) Other comprehensive income (net of tax) attributable to non-controlling interests		73,698,716.68	-39,775,336.57
<b>VII. Total comprehensive income for the half year</b>		935,130,578.05	-170,608,780.89
(1) Attributable to shareholders of the Company		839,708,663.22	26,499,858.14
(2) Attributable to non-controlling interests		95,421,914.83	-197,108,639.03
<b>VIII. Earnings per share:</b>			
(1) Basic earnings per share (RMB yuan/share)		0.35	-0.08
(2) Diluted earnings per share (RMB yuan/share)		0.35	-0.08

Wang Jianfeng

Legal representative

Li JunyuThe person in charge of  
accounting affairsZhang JiaqiThe head of the accounting  
department

## Company income statement

For the first half year of 2023  
(Expressed in Renminbi Yuan)

Item	Note	2023H1 YTD	2022H1 YTD
<b>I. Operating income</b>	XVII.4	66,643,639.82	57,303,660.91
Less: Operating costs	XVII.4		
Taxes and surcharges		4,612,307.17	4,529,468.79
Selling and distribution expenses			
General and administrative expenses		71,372,000.81	76,333,782.04
Research and development expenses			
Financial expenses		50,958,627.18	42,982,904.72
Including: Interest expenses		146,503,868.27	136,067,744.93
Interest income		41,689,376.39	40,873,709.08
Add: Other income		4,800,487.71	3,065,629.27
Investment income ("-" for losses)	XVII.5	172,528,868.17	91,666,767.83
Including: Income from investment in associates and joint ventures		25,590,344.46	16,967,522.32
Gains from changes in fair value ("-" for losses)		46,860,100.02	4,407,097.95
<b>II. Operating profit ("-" for losses)</b>		163,890,160.56	32,597,000.41
Add: Non-operating income		25,561.90	12,000.00
Less: Non-operating expenses			120,229.38
<b>III. Profit before income tax ("-" for losses)</b>		163,915,722.46	32,488,771.03
Less: income tax expenses		6,602,361.73	5,846,891.87
<b>IV. Net profit for the half year ("-" for net loss)</b>		157,313,360.73	26,641,879.16
(1).Net profit from continuing operations ("-" for net loss)		157,313,360.73	26,641,879.16
(2).Net profit from discontinued operations ("-" for net loss)			
<b>V. Other comprehensive income, net of tax</b>		11,733,086.94	-1,551,266.26
1. Items that will not be reclassified to profit or loss			
a. Remeasurement of defined benefit plan			
b. Other comprehensive income recognized under equity method			
c. Changes in fair value of investments in other equity instruments			
d. Changes in fair value of entity's own credit			
2. Items that may be reclassified to profit or loss		11,733,086.94	-1,551,266.26
a. Other comprehensive income recognized under equity method		11,733,086.94	-1,551,266.26
b. Changes in fair value of other debt investments			
c. Reclassification of financial assets			
d. Credit losses of other debt investments			
e. Cash flow hedge reserve			
f. Translation differences arising from translation of foreign currency financial statements			
g. Others			
<b>VI. Total comprehensive income</b>		169,046,447.67	25,090,612.90
<b>VII. Earnings per share:</b>			
(1) Basic earnings per share (RMB yuan/share)			
(2) Diluted earnings per share (RMB yuan/share)			

Wang Jianfeng

Legal representative

Li Junyu

The person in charge of  
accounting affairs

Zhang Jiaqi

The head of the accounting  
department

**Consolidated cash flow statement**

For the first half year of 2023  
(Expressed in Renminbi Yuan)

Item	Note	2023H1 YTD	2022H1 YTD
<b>I. Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		29,400,531,400.11	25,674,537,555.28
Refund of taxes		383,385,439.34	139,537,620.64
Proceeds from other operating activities	VII.78	214,263,385.03	197,659,655.43
Sub-total of cash inflows		29,998,180,224.48	26,011,734,831.35
Payment for goods and services		21,775,896,881.48	20,044,379,244.17
Payment to and for employees		5,067,982,687.69	4,362,080,970.80
Payment of various taxes		740,320,442.92	646,070,275.45
Payment for other operating activities	VII.78	803,480,228.44	669,533,821.85
Sub-total of cash outflows		28,387,680,240.53	25,722,064,312.27
Net cash inflow from operating activities	VII.79	1,610,499,983.95	289,670,519.08
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments			200,109,257.52
Investment returns received		4,346,641.00	12,277,995.39
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		30,064,354.94	43,795,245.95
Net proceeds from disposal of Subsidiaries and other business units	VII.19	300,000,000.00	
Proceeds from other investing activities	VII.78	760,000,000.00	824,434,592.40
Sub-total of cash inflows		1,094,410,995.94	1,080,617,091.26
Payment for acquisition of fixed assets, intangible assets and other long-term assets		1,667,004,497.96	1,207,257,565.70
Payment for acquisition of investments			298,186,300.90
Net payment for acquisition of subsidiaries and other business units			
Payment for other investing activities		522,395,893.44	739,999,995.28
Sub-total of cash outflows		2,189,400,391.40	2,245,443,861.88
Net cash outflow from investing activities		-1,094,989,395.46	-1,164,826,770.62
<b>III. Cash flows from financing activities:</b>			
Proceeds from investors			891,666,668.00
Including: Proceeds from non-controlling shareholders of subsidiaries			891,666,668.00
Proceeds from borrowings		5,815,607,625.86	3,676,831,456.75
Proceeds from other financing activities	VII.78	422,957,461.62	36,683,972.15
Sub-total of cash inflows		6,238,565,087.48	4,605,182,096.90
Repayments of borrowings		4,710,962,173.36	3,388,129,788.09
Payment for dividends, profit distributions or interest		722,226,282.30	572,452,181.66
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		13,059,587.24	
Payment for other financing activities	VII.78	1,235,791,263.57	80,198,429.56
Sub-total of cash outflows		6,668,979,719.23	4,040,780,399.31
Net cash inflow / (outflow) from financing activities		-430,414,631.75	564,401,697.59
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>			
		-6,444,440.83	-43,822,883.49
<b>V. Net increase in cash and cash</b>			
	VII.79	78,651,515.91	-354,577,437.44

<b>equivalents (“-” for decrease)</b>			
Add: Cash and cash equivalents at the beginning of the period		3,845,521,051.52	4,549,246,354.22
<b>VI. Cash and cash equivalents at the end of the period</b>	VII.79	3,924,172,567.43	4,194,668,916.78

Wang Jianfeng

Legal representative

Li JunyuThe person in charge of  
accounting affairsZhang JiaqiThe head of the accounting  
department

## Company cash flow statement

For the first half year of 2023  
(Expressed in Renminbi Yuan)

Item	Note	2023H1 YTD	2022H1 YTD
<b>I. Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		82,703,021.13	25,050,811.36
Refund of taxes			
Proceeds from other operating activities		5,973,065,163.61	2,271,989,589.61
Sub-total of cash inflows		6,055,768,184.74	2,297,040,400.97
Payment for goods and services			
Payment to and for employees		28,736,740.55	25,763,412.79
Payment of various taxes		10,266,650.57	9,300,603.39
Payment for other operating activities		6,294,939,517.81	2,417,397,188.63
Sub-total of cash outflows		6,333,942,908.93	2,452,461,204.81
Net cash inflow from operating activities		-278,174,724.19	-155,420,803.84
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments			200,000,000.00
Investment returns received		148,845,168.88	71,066,455.89
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets			
Net proceeds from disposal of Subsidiaries and other business units	VII.19	300,000,000.00	
Proceeds from other investing activities		760,000,000.00	820,000,000.00
Sub-total of cash inflows		1,208,845,168.88	1,091,066,455.89
Payment for acquisition of fixed assets, intangible assets and other long-term assets		992,760.00	777,571.83
Payment for acquisition of investments		367,333,600.00	192,940,800.00
Net payment for acquisition of subsidiaries and other business units			77,500,000.00
Payment for other investing activities		520,000,000.00	739,999,995.28
Sub-total of cash outflows		888,326,360.00	1,011,218,367.11
Net cash outflow from investing activities		320,518,808.88	79,848,088.78
<b>III. Cash flows from financing activities:</b>			
Proceeds from investors			
Proceeds from borrowings		3,857,926,120.00	2,016,135,964.78
Proceeds from other financing activities		1,710,821.91	35,975,262.15
Sub-total of cash inflows		3,859,636,941.91	2,052,111,226.93
Repayments of borrowings		2,479,679,280.00	1,790,220,000.00
Payment for dividends, profit distributions or interest		298,527,295.07	166,347,116.68
Payment for other financing activities		545,354,350.43	
Sub-total of cash outflows		3,323,560,925.50	1,956,567,116.68
Net cash inflow / (outflow) from financing activities		536,076,016.41	95,544,110.25
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		9,551,975.11	3,922,196.56
<b>V. Net increase in cash and cash equivalents (“-” for decrease)</b>		587,972,076.21	23,893,591.75
Add: Cash and cash equivalents at the beginning of the period		1,143,646,415.13	1,415,872,723.84
<b>VI. Cash and cash equivalents at the end of the period</b>		1,731,618,491.34	1,439,766,315.59

Wang Jianfeng

Legal representative

Li Junyu

The person in charge of  
accounting affairs

Zhang Jiaqi

The head of the accounting  
department

### Consolidated statement of changes in shareholders' equity

For the first half year of 2023  
(Expressed in Renminbi Yuan)

Item	2023H1								
	Attributable to shareholders of the Company							Non-controlling interests	Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total		
I. Balance at the end of last year	1,368,084,624.00	10,264,449,615.03	225,263,700.64	-206,248,529.18	150,565,499.47	901,312,046.13	12,252,899,554.81	5,450,778,120.57	17,703,677,675.38
Add: Changes in accounting policies									
II. Balance at the beginning of the period	1,368,084,624.00	10,264,449,615.03	225,263,700.64	-206,248,529.18	150,565,499.47	901,312,046.13	12,252,899,554.81	5,450,778,120.57	17,703,677,675.38
III. Changes in equity during the period ("-" for decreases)		22,312,808.38		364,200,321.67		338,699,879.15	725,213,009.20	97,483,626.96	822,696,636.16
(1). Total comprehensive income				364,200,321.67		475,508,341.55	839,708,663.22	95,421,914.83	935,130,578.05
(2). Shareholders' contributions and decrease of capital		22,312,808.38					22,312,808.38	2,061,712.13	24,374,520.51
1. Contribution by ordinary shareholders									
2. Holders of other equity instruments invested capital									
3. Amount of share based Payment included in shareholders' equity		22,312,808.38					22,312,808.38	2,061,712.13	24,374,520.51
4. Others									
(3). Appropriation of profits						-136,808,462.40	-136,808,462.40		-136,808,462.40
1. Appropriation for surplus reserve									
2. Withdrawal of general risk reserves									
3. Distributions to shareholders						-136,808,462.40	-136,808,462.40		-136,808,462.40
4. Others									
V. Balance at the end of the period	1,368,084,624.00	10,286,762,423.41	225,263,700.64	157,951,792.49	150,565,499.47	1,240,011,925.28	12,978,112,564.01	5,548,261,747.53	18,526,374,311.54

Item	2022H1								
	Attributable to shareholders of the Company							Non-controlling interests	Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total		
I. Balance at the end of last year	1,368,084,624.00	10,434,247,237.80	225,263,700.64	-861,486,784.59	134,466,504.37	523,226,710.20	11,373,274,591.14	5,481,443,316.23	16,854,717,907.37
Add: Changes in accounting policies									
II. Balance at the beginning of the year	1,368,084,624.00	10,434,247,237.80	225,263,700.64	-861,486,784.59	134,466,504.37	523,226,710.20	11,373,274,591.14	5,481,443,316.23	16,854,717,907.37
III. Changes in equity during the period ("-"for decreases)		3,576,393.26		131,991,334.18		-	30,076,251.40	-173,799,303.21	-143,723,051.81
(1).Total comprehensive income				131,991,334.18		-	26,499,858.14	-197,108,639.03	-170,608,780.89
(2).Shareholders' contributions and decrease of capital		3,576,393.26					3,576,393.26	23,309,335.82	26,885,729.08
1.Contribution by ordinary shareholders									
2.Holders of other equity instruments invested capital		-21,858,246.86					-21,858,246.86	21,858,246.86	
3.Amount of share based payment included in shareholders' equity		25,434,640.12					25,434,640.12	1,451,088.96	26,885,729.08
4.Others									
(3).Appropriation of profits									
1.Appropriation for surplus reserve									
2.Withdrawal of general risk reserves									
3.Distributions to shareholders									
4.Others									
V. Balance at the end of the period	1,368,084,624.00	10,437,823,631.06	225,263,700.64	-729,495,450.41	134,466,504.37	417,735,234.16	11,403,350,842.54	5,307,644,013.02	16,710,994,855.56

Wang Jianfeng  
Legal representative

Li Junyu  
The person in charge of accounting affairs

Zhang Jiaqi  
The head of the accounting department

### Company statement of changes in shareholders' equity

For the first half year of 2023  
(Expressed in Renminbi Yuan)

Item	2023H1						
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance at the beginning of last year	1,368,084,624.00	11,796,515,320.18	225,263,700.64	-2,152,276.05	123,762,017.44	344,252,921.08	13,405,198,906.01
Add: Changes in accounting policies							
II. Balance at the beginning of the year	1,368,084,624.00	11,796,515,320.18	225,263,700.64	-2,152,276.05	123,762,017.44	344,252,921.08	13,405,198,906.01
III. Changes in equity during the period ("-" for decreases)		11,694,084.48		11,733,086.94		20,504,898.33	43,932,069.75
(1).Total comprehensive income				11,733,086.94		157,313,360.73	169,046,447.67
(2).Shareholders' contributions and decrease of capital		11,694,084.48					11,694,084.48
1.Contribution by ordinary shareholders							
2.Capital invested by other equity instrument holders							
3.Amount of share based Payment included in shareholders' equity		11,694,084.48					11,694,084.48
4.Others							
(3).Appropriation of profits						-136,808,462.40	-136,808,462.40
1. Appropriation for surplus reserve							
2. Distributions to shareholders						-136,808,462.40	-136,808,462.40
3. Others							
(4).Transfer within equity							
1.Share capital increased by capital reserve transfer							
2.Share capital increased by Surplus reserve transfer							
3.Losses to be covered by surplus reserve							
4.Chanages of defined benefit plan transfer to retained earnings							
5.Other comprehensive income transfer to retained earnings							
6. Others							
(5). Special reserve							
(6). Others							
IV. Balance at the end of the period	1,368,084,624.00	11,808,209,404.66	225,263,700.64	9,580,810.89	123,762,017.44	364,757,819.41	13,449,130,975.76

Item	2021H1						
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance at the beginning of last year	1,368,084,624.00	11,775,337,550.29	225,263,700.64	-9,068,677.98	107,663,022.34	199,361,965.18	13,216,114,783.19
Add: Changes in accounting policies							
II. Balance at the beginning of the year	1,368,084,624.00	11,775,337,550.29	225,263,700.64	-9,068,677.98	107,663,022.34	199,361,965.18	13,216,114,783.19
III. Changes in equity during the period ("-" for decreases)		18,325,136.30		-1,551,266.26		26,641,879.16	43,415,749.20
(1).Total comprehensive income				-1,551,266.26		26,641,879.16	25,090,612.90
(2).Shareholders' contributions and decrease of capital		18,325,136.30					18,325,136.30
1.Contribution by ordinary shareholders							
2.Capital invested by other equity instrument holders							
3.Amount of share based Payment included in shareholders' equity		18,325,136.30					18,325,136.30
4.Others							
(3).Appropriation of profits							
1. Appropriation for surplus reserve							
2. Distributions to shareholders							
3. Others							
(4).Transfer within equity							
1.Share capital increased by capital reserve transfer							
2.Share capital increased by Surplus reserve transfer							
3.Losses to be covered by surplus reserve							
4.Chanages of defined benefit plan transfer to retained earnings							
5.Other comprehensive income transfer to retained earnings							
6. Others							
(5). Special reserve							
(6). Others							
IV. Balance at the end of the period	1,368,084,624.00	11,793,662,686.59	225,263,700.64	-10,619,944.24	107,663,022.34	226,003,844.34	13,259,530,532.39

Wang Jianfeng  
Legal representative

Li Junyu  
The person in charge of accounting affairs

Zhang Jiaqi  
The head of the accounting department

### III. Basic information of the Company

#### 1. Company status

√ Applicable □ Not applicable

Ningbo Joyson Electronic Co., Ltd. (originally named “Liaoyuan Deheng Co., Ltd.” and was renamed “Liaoyuan Joyson Electronics Co., Ltd.”, it was changed to current name in February 2014, hereinafter referred to as “Joyson Electronics” or “the Company”), formerly known as Liaoyuan Deheng Co., Ltd., was established on 7 August 1992, registered with Liaoyuan City Business Administration, and approved by Jilin Province Economic Reform Committee, numbered Ji Gai Pi [1992] No.40. Led by Liaoyuan Chemical Fiber Corporation, the Company cooperated with Shanghai Second Textile Machine Co., Ltd., China Chemical Fiber Company and China Jilin International Economic Technical Cooperation Company to establish a directional raising funds company. The raised shares amounted to 65,000,000, with par value of RMB1.00 yuan per share.

On 10 November 1993, upon the approval of Zheng Jian Fa Shen Zi [1993] No. 69 issued by the China Securities Regulatory Commission, Liaoyuan Deheng Co., Ltd. (hereinafter referred to as “Deheng”) raised capital from public by issuing 25,000,000 ordinary shares, totaling 90,000,000 shares thereafter. The increased shares were listed on Shanghai Stock Exchange on 6 December 1993.

The 12th meeting of the 6th Board of Directors of the Company on 15 April 2011 and the 2nd extraordinary shareholders' meeting of the Company on 9 May 2011 approved Proposal on the Relevant Conditions of Significant Assets Restructuring and Non-public Offering of Stock of Liaoyuan Deheng Co., Ltd., the Proposal on the Specific Scheme of Significant Assets Restructuring and Assets Purchase by Issuing Shares and Related Party Transactions of Liaoyuan Deheng Co., Ltd., the Proposal on Signing the “Report on Assets Purchase by Issuing Shares and Related Party Transactions of Liaoyuan Deheng Co., Ltd. (draft)” to carry out significant assets restructuring of the Company. On 29 November 2011, China Securities Regulatory Commission issued the Reply on the Approval of Liaoyuan Deheng Co., Ltd. to Purchase Assets by Issuing Shares to Ningbo Joyson Investment Group Co., Ltd. (Zheng Jian Xu Ke (2011) No.1905), approving Liaoyuan Deheng Co., Ltd to purchase assets by issuing shares to Joyson Holding Co., Ltd (formerly “Ningbo Joyson Investment Group Co., Ltd.”, hereinafter referred to as “Joyson Group”) and persons acting in concert. On 13 December 2011, the renewed registration of relevant assets was completed. The 75% equity of Joyson Electronics, 100% equity of Changchun Joyson Auto Parts Co., Ltd., 82.3% equity of Huade Plastic Manufacturing Co., Ltd. and 100% of Shanghai Huade Benyuan Auto Mirror Co., Ltd. held by Joyson Group and persons acting in concert have all been transferred to Deheng. This significant transaction of assets transfer has been completed.

On 29 March 2012, upon the approval of the 6th meeting of the 7th Board of Directors, the Company purchased 74.90% equity of Preh Holding GmbH (hereinafter referred to as “Preh Holding”) and 5.10% equity of Preh GmbH (hereinafter referred to as “Preh”) by issuing shares, in the meantime, the Company also purchased 25.10% equity of Preh Holding held by DB AGFund IV GmbH & Co. KG and other institutions and individuals by cash payment. Upon the completion of the transaction, the Company held 100% equity of Preh Holdings and 5.10% of Preh. As at 14 December 2012, Preh Holdings and Preh completed the registration of changes in equity and their corresponding equity has been transferred to the Company.

Upon the approval of the 9th meeting of the 8th Board of Directors of the Company on 15 December 2014 and the 1st extraordinary shareholders' meeting on 12 February 2015, the Company acquired 100% equity of Quin GmbH (hereinafter referred to as “Quin”) by raising funds through non-public offering of shares. As at 27 January 2015 (German time), the transfer of 75% shares of Quin has been completed.

Upon the approval of the 25th meeting of the 8th Board of Directors of the Company on 29 January 2016 and the 3rd extraordinary shareholders' meeting on 25 April 2016, the newly established wholly-owned subsidiary of the Company-Knight Merger Inc. merged KSS Holdings, Inc. (hereinafter referred to as "KSS"), and another subsidiary of the Company-Preh, purchased the automobile information segment of TechniSat Digital GmbH, Daun with the Company. On 4 February 2016, the 26th meeting of the 8th Board of Directors approved relevant proposals for the non-public issuance of shares, so as to raise the funds from non-public offering of shares to replace part of the consideration paid by the Company previously for the automobile information segment of KSS and TechniSat Digital GmbH using self-raised funds. As at 29 April 2016 and 2 June 2016, the acquisition of the automobile information segment business of TechniSat Digital GmbH and the acquisition of 100% equity in KSS have been completed respectively.

Upon the approval of 36th meeting of the 8th Board of Director of the Company on 14 April 2017 and the annual shareholder's meeting of 2016 on 5 May 2017 on changing the investor of certain fund-raising project, Ningbo JoysonQuin Automotive Systems Holdings Co., Ltd., a wholly-owned subsidiary (formerly known as "Ningbo Joyson Automotive Electronics Co., Ltd.", hereinafter referred to as "JoysonQuin") would invest RMB171,250,964.62 to acquire the subsequent 25% share of Quin. As at 10 January 2018, JoysonQuin has completed the acquisition of 25% share of Quin.

Upon the approval of the 2nd, 6th and 7th meetings of the 9th Board of Directors on 24 June, 10 November, and 21 November 2017, and the 2nd extraordinary shareholders' meeting of 2017 on 12 December 2017, the Company acquired the business of the liquidated Takata Corporation other than its phase stabilized ammonium nitrate business (hereinafter referred to as "Takata related business") through its wholly-owned subsidiary, KSS Holdings, Inc. (subsequently known as Joyson Auto Safety Holdings S.A.). As at 12 April 2018, the acquisition of Takata related business has been completed.

Upon the approval of the 13th meeting of the 9th Board of Director of the Company on 2 May 2018 and the annual shareholders' meeting of 2017 on 23 May 2018, the Company repurchased part of its public shares using its own funds no less than RMB1.8 billion but no more than RMB2.2 billion. The repurchase price does not exceed RMB27.50 per share and the number of repurchase shares is not less than 65,454,500 shares, representing not less than 6.89% of the total shares issued by the Company (the Company's total number of shares is 949,289,000). As at 23 November 2018, the accumulated shares repurchased by the Company is 71,958,239, representing 7.58% of the Company's total number of shares. The repurchase price ranges from RMB21.26 per share to RMB27.26 per share with total cash of RMB1.801 billion paid. The repurchase has been completed.

Upon the approval of the 19th meeting of the 9th Board of Director of the Company on 22 April 2019 and the 2018 annual shareholders' meeting on 28 June 2019, the Company converted capital reserve to share capital by 4 shares for each 10 shares to all shareholders. Totally 350,932,304 shares capital were converted, which was calculated based on the total shares of 877,330,761 after being deducted repurchased shares of 71,958,239 from the total shares issued on the date of record determined by the implementation of announcement. After the completion of capital reserve conversion, Company's capital shares increased to 1,300,221,304 shares. As at 30 July 2019, the new trading shares got listed.

Upon the approval of the 25th meeting of the 9th Board of Director of the Company on 19 December 2019, the Company cancelled 62,958,239 treasury shares in security-repurchase account. After the cancellation, the security-repurchase account holds 9,000,000 treasury shares. The Company's registered capital was revised to RMB1,237,263,065 and total shares changed to 1,237,263,065 shares.

Upon the approval of the 27th meeting of the 9th Board of Directors on 22 April 2020, the 2019 annual shareholders' meeting on 12 May 2020, as well as the approval from China

Securities Regulatory Commission regarding the request of non-public offering from the Company (Zheng Jian Xu Ke (2020) No.1829), the Company is eligible to privately issue no more than 371,178,919 new shares to fund the expansion of production capacity of the intelligent automotive products and working capital. Up till 22 October 2020, the Company issued 130,821,559 shares to 9 designated parties with RMB19.11 per share. The consideration was fully paid in cash, with the amount of RMB2,499,999,992.49. The Company received the cash of RMB2,476,415,086.84 after deducting underwriting and sponsoring fee of RMB23,584,905.65. After the non-public offering, the share capital is changed to 1,368,084,624 shares.

On 24 November and 15 December 2020, the Company entered into Share Transfer Agreement and its Supplemental Agreement, and Performance Commitment and Compensation Agreement with Guangdong Senssun Weighing Apparatus Group Ltd. ("Senssun"). Pursuant to those agreements, Senssun was to purchase 51% shares of Ningbo JoysonQuin Automotive Systems Holding Co., Ltd. from the Company in cash. The transaction was approved on the third shareholders' meeting on 31 December 2020, and the transaction was consummated on the same day.

Upon the approval of the 16th meeting of the 10th Board of Director of the Company on 14 October 2021 and 2nd extraordinary shareholders' meeting of 2021 on 1 November 2021, the Company launched the 2021 Joyson Employee Stock Ownership Plan ("ESOP"), which was to grant restricted stock units ("RSU") to 27 qualified employees with the 9,000,000 treasury shares. The face value was RMB1 per share and the granting price was RMB9.5 per share. The Company received the RSU subscription proceeds of RMB85,500,000 in total on 8 November 2021, and transferred 9,000,000 treasury shares to the Company's Employee Stock Ownership account on the same day. In 2022, two employees quit the Employee Stock Ownership plan, and the Company's RSU obligation decreased to RMB 81,700,000.00.

The Company and its subsidiaries ("the Group") are principally engaged in R&D, production and sale of automotive components, including Human Machine Interface products, telematics, automobile safety systems, and electronic products of new energy vehicle, etc. The principal locations of the Group's operations include China, the United States, Japan, Germany, Mexico, Italy, Romania, Portugal, Poland, Brasil and India. Please refer to Note IX for related information of the Company's subsidiaries.

## **2. Scope of the consolidated financial statements**

Applicable  Not applicable

These financial statements were approved by the Board of Directors of the Company on 21 Aug 2023. According to the Articles of Association of the Company, the financial statements are subject to the deliberation by the shareholders meeting.

The Company has a total of 113 subsidiaries included in the consolidation scope in 2023. Refer to Note VII "Interests in other entities" for details. There is one increase of the consolidation scope of the first half year of 2023 compared with 2022. Refer to Note VIII "Change of consolidation scope" for details.

## **IV. Basis of preparation of financial statements**

### **1. Basis of preparation**

The financial statements have been prepared on the going-concern basis.

### **2. Going-concern basis**

Applicable  Not applicable

There are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

## V. Significant accounting policies and accounting estimates

Notes on specific accounting policies and accounting estimates:

√ Applicable □ Not applicable

See Note V.44 “Changes in significant accounting policies and accounting estimates”.

### 1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 30 June 2023, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the first half year ended.

### 2. Accounting period

The accounting period is from 1 January to 31 December.

### 3. Operating cycle

√ Applicable □ Not applicable

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating cycle. The operating cycle of the Company is usually 12 months, and is used to classify the liquidity of assets and liabilities.

### 4. Functional currency

The Company’s functional currency is Renminbi and these financial statements are presented in Renminbi.

### 5. Accounting treatments for business combinations involving entities under common control and not under common control

√ Applicable □ Not applicable

Business combination is the transaction between two separate companies or more which are combined into one reporting entity. The business combination includes business combinations involving entities under common control and business combinations involving entities not under common control.

#### (1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The one which acquires the control right of other combination entities is called the merging company while the other combining entities are called the merged companies. The combination date is the date on which one combining enterprise obtains control of other combining entities.

The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

Any costs directly attributable to the combination are recognised in profit or loss when incurred.

#### (2) Business combinations 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 business combination. For a business combination not under the common control, the party acquiring control over other entities involved in the merger is the purchaser at the acquisition date and the other entities participating in the consolidation are the acquiree. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination not under common control, the combination costs comprise the assets paid (including the equity of the acquiree held at the acquisition date), the liabilities incurred or assumed, and the fair value of the equity securities issued by the acquirer at the acquisition date in order to obtain the control over the acquiree. The intermediary fees, such as auditing, legal services, assessment and consulting, and other administrative expenses are recognised in profit or loss for the current period when incurred. The costs of issuing equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at the fair value. Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. Where the cost of acquisition is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer shall firstly review the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the cost of the combination. If the cost of the combination is still less than the fair value of the acquiree's identifiable net assets obtained in the merger, the difference is recognised in profit or loss for the current period after reassessment. If the contingent consideration involved is included in the combination cost at its fair value on the acquisition date and there is a new or additional evidence for the existence of a new or further evidence of the existence of the acquisition date within 12 months after the acquisition date, the consolidated goodwill will also be adjusted.

The deductible temporary difference that the acquirer obtained from the acquiree wasn't confirmed because of not fitting for the confirmation condition of the deferred tax asset recognition on the purchase date. It will be recognised in the 12 months after the purchase date if the purchaser obtains new or further information indicating that the situation above exists and the purchaser's economic benefits created from the deductible temporary differences can be achieved on the purchase date. Meanwhile, the goodwill should be offset. If the goodwill is not adequate, the difference will be recognised as profit or loss for the current period. In addition to the above, the recognition of deferred income tax assets related to business combination is recognised in profit or loss for the current period.

For a business combination involving entities not under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognised in other comprehensive income that may be reclassified to profit or loss, in prior reporting periods relating to the previously-held equity interest, and any other changes in the owners' equity under equity accounting, are transferred to investment income on the acquisition date; Any previously-held equity interest that is designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognised in prior reporting periods is transferred to retained earnings and surplus reserve at the date of acquisition.

## **6. Methods of preparing consolidated financial statements**

Applicable  Not applicable

(1) General principles

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Subsidiaries represent the entities controlled by the Company. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Company will re-evaluate the changes in the relevant elements of the above-mentioned control definition once the relevant facts and circumstances have changed.

## (2) Subsidiaries acquired through a business combination

From the date of obtaining the actual control of the net assets and production and operation decisions of the subsidiaries, the Group began to incorporate them into the scope of consolidation; from the date of loss of actual control, the Group ceased to include them in the consolidation scope. For the disposal of subsidiaries, the results of operations and cash flows prior to disposal have been properly included in the consolidated income statement and consolidated cash flow statement; the subsidiaries disposed in the current period shall not adjust the beginning balance of the consolidated balance sheet. Where a subsidiary was acquired during the reporting period, through a business combination involving entities not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date. The business results and cash flows of the subsidiaries acquired not under the common control are included in the consolidated income statement and consolidated cash flow statement as appropriate, and the opening balance and the balance of the consolidated financial statements are not adjusted. Where a subsidiary was acquired during the reporting period, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. The operating results and cash flows of the subsidiaries under the common control from the beginning of the current period to the combination date are appropriately included in the consolidated income statement and consolidated cash flow statement, and the comparative figures of the consolidated financial statements are adjusted at the same time.

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries and the Company are not consistent, the financial statements of the subsidiaries shall be adjusted in accordance with the Company's accounting policies and accounting periods. For the subsidiaries acquired through business combination not under the common control, the financial statements are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant balances, transactions and unrealised profits in the Group are offset in the preparation of the consolidated financial statements. For unrealised loss from the intra-group transactions, where there is evidence that indicates the loss is related to the impairment loss of relevant assets, the loss shall be recognised fully.

The shareholders' equity, current net profit or loss and comprehensive income of the subsidiary that are not separately attributable to the Company are presented separately as minority interests, profit or loss and other comprehensive income for minority shareholders in the consolidated financial statements under shareholders' equity, net profit and comprehensive income. The portion of the net profits and losses of the subsidiaries in the

current period is listed as “minority shareholders' profit and loss” under the item of net profit in the consolidated income statement. If the losses of the subsidiaries shared by the minority shareholders are higher than the minority shareholders' share at the beginning shareholders' equity of the subsidiary, and the minority interests are still offset.

### (3) Disposal of subsidiaries

When the Company has lost control of the original subsidiary due to disposal of part of the equity investment or other reasons, the remaining equity will be reassessed at the fair value at the date of loss of control. The difference between the consideration obtained from disposal of the equity and the fair value of the remaining equity less the share of the net assets of the original subsidiary that is calculated on the basis of the original shareholding from the date of purchase and is included in the current period of loss of control Investment income. Other comprehensive income related to the original equity investment of the subsidiary shall be accounted for on the same basis as the assets or liabilities directly disposed by the purchaser at the time of loss of control (that is, in addition to the re-measurement of the original subsidiary's benefit plan net liabilities or net assets, the rest shall be converted into current investment income). Thereafter, the remaining shares of the Company shall be subsequently measured in accordance with Note V.10. or Note V.21.

If the Company disposes of the equity investment of the subsidiary through several transactions until the loss of control right, it needs to distinguish whether the transactions involving the disposal of the equity investment of the subsidiary until the loss of control rights belong to a bundled transaction. The terms, conditions and economic impact of disposing of transactions in a subsidiary's equity investments are, in one or more of the following cases, generally indicating that multiple transactions should be accounted for as a bundled transaction:

- arrangements are entered into at the same time or in contemplation of each other;
- arrangements work together to achieve an overall commercial effect;
- the occurrence of one arrangement is dependent on the occurrence of at least one other arrangement;
- one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

If each of the multiple transactions does not form part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained (see Note V.6 (4)).

If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

### (4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

**7. Classification of joint arrangement and accounting treatment of joint operation**

Applicable  Not applicable

A joint arrangement is an arrangement of which two or more parties have joint control. The Group classifies the joint arrangement into joint operations and joint ventures in accordance with their rights and obligations under the joint venture arrangement. A joint operation refers to the joint venture arrangement in which the Group enjoys the relevant assets of the arrangement and undertakes the relevant liabilities of the arrangement. A joint venture refers to a joint venture arrangement in which the Group has the right to enjoy only the net assets of the arrangement.

The Group's investment in the joint venture is accounted for using the equity method and is accounted for in accordance with the accounting policies described in Note V.21 (2).

The Group as a party of joint arrangement recognises the assets held jointly by the Group, the liabilities assumed by the Group alone and the jointly held assets and liabilities recognised in accordance with the share of the Group. As a joint venture, the Group recognises that the Group's share of the common operating assets; the recognition of the expenses incurred by the Group as a result of the sale of the Group; and the recognition of the costs of the joint operation in accordance with the share of the Group. When the Group invests or sells assets jointly as a joint venture (the asset does not constitute a business, the same below), or purchases assets from a joint operation, the Group only recognises that the transaction resulted from the sale of the asset to a third party of the profits and losses attributable to co-operation of other participants in the part. In the event of asset impairment losses, the Group recognises the loss in full in the event that the Group invests or sells the assets to the joint operation. The Group recognises the loss as a result of the share of the Group's assets acquired from joint operation.

**8. Criteria of cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdrawn on demand, and short-term (generally from the date of purchase, within three months due), highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

**9. Foreign currency transactions and translation of foreign currency financial statements**

Applicable  Not applicable

**(1) Foreign currency transactions**

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to functional currency. However, foreign currency exchange transactions or transactions involving the conversion of foreign currency are converted to functional currency based on the actual exchange rate.

**(2) Conversion of foreign currency monetary items and foreign currency non-monetary items**

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying assets (see Note V.25).

Non-monetary items that are measured at historical cost in foreign currencies are translated to RMB using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate

at the date the fair value is determined; the resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of available-for-sale financial assets, which are recognised in other comprehensive income.

### (3) Translation of foreign currency statement

In the case of foreign currency monetary items that substantially constitute net investment in overseas operations, exchange differences arising as a result of exchange rate changes are recognised as other comprehensive income as “translation differences of foreign currency statements”; for disposal of overseas operations, it is included in the disposal of current profits and losses. Assets and liabilities of foreign operation are translated to RMB at the spot exchange rate at the balance sheet date. Equity items, excluding “Retained earnings”, are translated to RMB at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to RMB at the current average exchange rates at the transaction dates. The undistributed profit at the beginning of the year is the undistributed profit at the end of the previous year. The undistributed profit at the end of the year is calculated according to the profit distribution after conversion. The resulting translation differences are recognised in other comprehensive income.

In the preparation of consolidated financial statements involving a foreign operation, if there is a foreign currency monetary item that substantially constitutes a net investment in a foreign operation, the exchange difference arising from change in exchange rates is recognised as other comprehensive income as a “translation difference”. The disposal of a foreign operation is recognised in profit or loss.

The opening balance and the actual balance of the previous year are stated based on the amount after the translation of the financial statements of previous year.

In case of disposal of the whole owner's equity of the Group's foreign operations or the loss of control over the foreign operation due to the disposal of part of the equity investment or other reasons, the balance of the equity attributable to the foreign enterprise. The difference in translation of foreign currency statements of owners' equity of the Company shall be transferred to the profit or loss of the current disposal period.

In the event of disposal of part of equity investment or other reasons that reduce the proportion of overseas business interests, but not lose control over the overseas operation, the foreign currency translation differences related to the disposal of foreign operations shall be vested in minority interests and not transferred to the current profits and losses. When the overseas operation is part of the equity interest in the joint venture or joint venture, the foreign currency translation difference related to the overseas operation shall be transferred to the profit or loss of the current period according to the proportion of disposal of the overseas operation.

## 10. Financial instruments

Applicable  Not applicable

Financial instruments include cash at bank and on hand, investments in debt and equity securities other than those classified as long-term equity investments (see Note V.21), receivables, payables, loans and borrowings, debentures payable and share capital.

### (1) Recognition of fair value of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial

assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. A trade receivable without a significant financing component or not considering financing component is initially measured at the transaction price according to Note V.38.

## (2) Classification and subsequent measurement of financial assets

### (a) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial

asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

#### (b) Subsequent measurement of financial assets

##### - Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

##### - Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.

##### - Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

##### - Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

#### (3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or amortised cost.

##### - Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

##### - Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

#### (4) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- The Group currently has a legally enforceable right to set off the recognised amounts;
- The Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(5) Derecognition of financial assets and financial liabilities

Financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or;

- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

#### (6) Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost;
- contract assets;
- debt investments measured at FVOCI.

Financial assets measured at fair value, including debt investments or equity securities at FVPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for trade receivables and contract assets, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments:

- If the financial instrument is determined to have low credit risk at the balance sheet date;

- If the credit risk on a financial instrument has not increased significantly since initial recognition.

*Financial instruments that have low credit risk*

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers that financial instruments such as funds receivable from government departments, and various types of deposits, as well as cash advance to employee for business operation purpose, are regarded as having relatively low credit risks.

*Significant increases in credit risk*

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. Unless the Group does not have to pay unnecessary additional cost or effort to obtain reasonable and evidence-based information, proving that although it is more than 30 days past due, the credit risk has not increased significantly since the initial recognition.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

#### *Credit-impaired financial assets*

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

#### *Presentation of allowance for ECL*

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income.

#### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

## (7) Equity instrument

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. All expenditure relating to the repurchase is recorded in the cost of the treasury shares, with the transaction recording in the share register. Treasury shares are excluded from profit distributions and are presented as a deduction under shareholders' equity in the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognised in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

## (8) Convertible instruments

### - Convertible instruments containing an equity component

Convertible instruments issued by the Group that can be converted to equity shares, where the number of shares to be issued and the value of consideration to be received at that time do not vary, are accounted for as compound financial instruments containing both liability and equity components.

The initial carrying amount of a compound financial instrument is allocated to its equity and liability components. The amount recognised in the equity is the difference between the fair value of the instrument as a whole and the separately determined fair value of the liability component (including the fair value of any embedded derivatives other than the equity component). Transaction costs that relate to the issuance of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition at fair value through profit or loss. The equity component is not re-measured.

If the convertible instrument is converted, the liability component, together with the equity component, is transferred to equity. If the convertible instrument is redeemed, the consideration paid for the redemption, together with the transaction costs that relate to the redemption, are allocated to the liability and equity components. The method used to allocate the consideration and transaction costs is the same as that used for issuance. After allocating the consideration and transaction costs, the difference between the allocated and carrying amounts is charged to profit and loss if it relates to the liability component or is directly recognised in equity if it relates to the equity component.

- Other convertible instruments not containing an equity component

For other convertible instruments issued by the Group which do not contain an equity component, at initial recognition, the derivative component is measured at fair value, and any excess of proceeds over the derivative component is recognised as the liability component.

The derivative component is subsequently measured at fair value, and gains or losses from the changes in the fair value are recognised in profit or loss. The liability component is subsequently carried at amortised cost using the effective interest method.

On conversion, the carrying amounts of the derivative and liability components are transferred to equity. If the instrument is redeemed, any difference between the redemption amount paid and the carrying amounts of both components is recognised in profit or loss.

(9) Preference shares and perpetual debentures

At initial recognition, the Group classifies the preference shares, perpetual debentures issued or their components as financial assets, financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial assets, financial liabilities and equity instruments.

Preference shares and perpetual debentures issued containing both equity and liability components are accounted for using the accounting policy for convertible instruments containing an equity component. Preference shares and perpetual debentures issued not containing an equity component are accounted for using the accounting policy for other convertible instruments not containing an equity component.

Preference shares and perpetual debentures issued that should be classified as equity instruments are recognised in equity based on the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the preference shares and perpetual debentures are redeemed according to the contractual terms, the redemption price is charged to equity.

### 11. Bills receivable

#### Method of determining expected credit losses on bills receivable and accounting treatment

Applicable  Not applicable  
See Note V.10 (6).

### 12. Account receivable

#### Method of determining expected credit losses on accounts receivable and accounting treatment

Applicable  Not applicable  
See Note V.10 (6).

### 13. Receivables financing

Applicable  Not applicable

Notes and accounts receivable which are measured at fair value and whose changes are included in other comprehensive income: The portion with a maturity of one year or less from the date of acquisition is presented as receivables financing; the portion with a maturity of more than one year from the date of acquisition is presented as other debt investments. See Note V.10 for related accounting policies.

**14. Other receivables****Method of determining expected credit losses on other receivables and accounting treatment**

√ Applicable  Not applicable

See Note V.10 (6).

**15. Inventories**

√ Applicable  Not applicable

**(1) Classification**

Inventories include raw materials, work in progress, semi-finished goods, finished goods, reusable materials and goods in transit. Reusable materials include low-value consumables, packaging materials and other materials, which can be used repeatedly but do not meet the definition of fixed assets.

**(2) Measurement method of cost of inventories**

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditure incurred in bringing the inventories to their present location and condition. Borrowing costs directly related to the production of qualifying inventories are also included in the cost of inventories (see Note V.25). In addition to the purchase cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads.

Costs of a construction contract comprise the direct and indirect costs attributable to the contract and incurred during the period from the date of entering into the contract to the final completion of the contract. The costs incurred plus recognised profits (or less recognised losses) and progress billings in respect of construction contract are offset and the net amount is presented in the balance sheet. The excess of (a) costs incurred plus recognised profits (less recognised losses) over (b) progress billings is presented in the balance sheet as inventory, or as advances from customers when (b) exceeds (a).

Cost of inventories recognised is calculated using the weighted average method.

**(3) Basis for determining the net realisable value and method for provision for obsolete inventories**

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realisable value of materials held for use in the production is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of the inventory held to satisfy sales or service contracts is measured based on the contract price, to the extent of the quantities specified in sales contracts, and the excess portion of inventories is measured based on general selling prices.

In determining the net realisable value of inventories, taking the conclusive evidence obtained, taking into account the purpose of the holding of the inventory and the effect of the events after the balance sheet date.

At the balance sheet date, inventories are carried at the lower of cost and net realisable value. Any excess of the cost over the net realisable value of each category of inventories is recognised as a provision for the impairment, and is recognised in profit or loss. Provision

for impairment of inventories is usually based on the difference between the cost of a single item of inventory and its net realisable value.

After the provision for diminution in value of inventories is made, if the factors affecting the inventory write-down have disappeared and the net realisable value of the inventories is higher than its carrying amount, the amount of reversal shall be reversed in the original provision for diminution in value of inventories, and recorded in profit or loss.

(4) Inventory count system

The Group maintains a perpetual inventory system.

(5) Amortisation of low-value consumables and packaging materials

The low-value consumables are amortised at one-off amortisation method at the time of requisition, and included in the costs of relevant assets or profit or loss.

## 16. Contract assets

### (1). Recognition method and criteria for contract assets

Applicable  Not applicable

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation and the customer's payment.

The Group presents as receivables the right it has to receive consideration from customers on an unconditional basis (i.e., dependent only on the passage of time), and as contractual assets the right that it has transferred to a customer to receive consideration, and that right depends on factors other than the passage of time.

### (2). Method of determining expected credit losses on contract assets and accounting treatment

Applicable  Not applicable

See Note V.10 (6).

## 17. Assets held for sale

Applicable  Not applicable

The Group classified a non-current asset or disposal group as held for sale when the carrying amount of a non-current asset or disposal group will be recovered through a sale transaction rather than through continuing use.

A disposal group refers to a group of assets to be disposed of, by sale or otherwise, together as a whole in a single transaction and liabilities directly associated with those assets that will be transferred in the transaction.

A non-current asset or disposal group is classified as held for sale when all the following criteria are met:

- According to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group must be available for immediate sale in their present condition subject to terms that are usual and customary for sales of such assets or disposal groups;

- Its sale is highly probable, that is, the Group has made a resolution on a sale plan and has obtained a firm purchase commitment. The sale is to be completed within one year.

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (except financial assets (see Note V.10), deferred tax assets (see Note V.41) and investment properties with subsequent measurement using the fair value model) initially and subsequently. Any excess of the carrying amount over the fair value less costs to sell is recognised as an impairment loss in profit or loss.

## 18. Debt investments

### Method of determining expected credit losses on debt investments and accounting treatment

Applicable  Not applicable

See Note V.10 (6).

## 19. Other debt investments

### Method of determining expected credit losses on other debt investments and accounting treatment

Applicable  Not applicable

See Note V.10 (6).

## 20. Long-term receivables

### Method of determining expected credit losses on long-term receivables and accounting treatment

Applicable  Not applicable

See Note V.10 (6).

## 21. Long-term equity investments

Applicable  Not applicable

Long-term equity investments referred to in this section refer to long-term investments in which the Company has control, joint control or significant influence over the investee. The long-term investments in which the Company has no control, joint control or significant influence over the investee are accounted as at FVTPL. See Note V.10 for accounting policies.

The term “joint control” refers to the control that the Company has in common with an arrangement in accordance with the relevant agreement, and the related activities (i.e. the activities with significant influences over the rewards of the arrangements) of the arrangement must be agreed upon by the participants who share the control.

When determining whether there is joint control over an investee, the Group usually considers the following factors:

- Whether any participant cannot control the related activities of the invested entity alone;
- Whether decisions concerning the related activities of the invested entity need to be agreed by the controlling parties.

Significant influence means that the Company has the right to participate in decision-making on the financial and operating policies of the investee, but it cannot control or jointly control the formulation of these policies with other parties.

(1) Initial recognition

- The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted to retained earnings. For a long-term equity investment in a subsidiary acquired through a business combination achieved in stages which do not form a bundled transaction and involving entities under common control, the Company determines the initial cost of the investment in accordance with the above policies. The difference between this initial cost and the sum of the carrying amount of previously-held investment and the consideration paid for the shares newly acquired is adjusted to capital premium in the capital reserve, with any excess adjusted to retained earnings.

- For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving entities under common control and achieved through multiple transactions in stages which do not form a bundled transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

The intermediary fees, such as audit, legal service, assessment consultation and other related management expenses incurred by the merger party or the purchaser for the business combination shall be recorded into the profit or loss at the time of occurrence.

- Other equity investments other than long-term equity investment arising from business combination are initially measured at cost. The cost is determined by the difference between the cash purchase price actually paid by the Company and the equity securities issued by the Company in respect of the long-term investment. Fair value, the value agreed upon in the investment contract or agreement, the fair value or the book value of the assets transferred out in the non-monetary asset exchange transaction, and the fair value of the long-term equity investment. The costs, taxes and other necessary expenses directly related to the acquisition of the long-term investment are included in the investment cost.

## (2) Subsequent measurement

Unless the investments are qualified for held for sale (See Note V.17), long-term investments with common control over the investees (other than those that form a common operating entity) or significant influence are accounted for using the equity method. In addition, the Company adopts the cost method to calculate the long-term investment that can control the investee.

### - Long-term equity investment accounted for using the cost method

When the cost method is adopted, the long-term equity investment is measured at the initial investment cost, and the cost of the long-term investment is added or withdrawn. The investment income is recognised in cash dividends or profits declared by the investee, except for the actual paid price or cash dividend declared or unpaid cash dividend or profit included in the consideration.

Long-term equity investment accounted for using the cost method is stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of long-term equity investment accounted for using the cost method, refer to Note V.30.

In the Group's consolidated financial statements, long-term equity investment accounted for using the cost method are accounted for in accordance with the policies described in Note V.6.

- Long-term equity investment accounted for using the equity method

When the initial investment cost of a long-term equity investment is greater than the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost of the long-term equity investment shall not be adjusted. When the initial investment cost is less than the investment, the difference between the investment cost and the fair value of the investee's identifiable net assets at the time of investment shall be included in profit or loss and the cost of the long-term equity investment shall be adjusted accordingly.

When the equity method is adopted, it shall recognise its share of the investee's net profits or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, and adjust the carrying amount of the long-term equity investment accordingly. The carrying amount of the long-term equity investment shall be reduced by the portion of any profit distribution or cash dividends declared by the investee. The portion of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, shall be recognised in the capital reserve, and the carrying amount of the long-term equity investment shall be adjusted accordingly. The Company shall recognise its share of the investee's net profits or losses after making appropriate adjustments based on the fair value of the investee's identifiable net assets at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those used by the Company, the Company shall use its own accounting policies and accounting period, adjust the relevant items of the financial statements of the investee, and recognise investment income or loss and other comprehensive income, based on the adjusted financial statements of the investee. The unrealised profits or losses resulting from transactions between the Group and its associate or joint venture in which the invested or sold assets do not constitute a business shall be eliminated in proportion to the Group's equity interest in the investee, based on which investment income or losses shall be recognised. Any losses resulting from transactions between the Group and its investee, which are attributable to asset impairment, shall be recognised in full instead of being eliminated.

When the net loss attributable to the investee is recognised, the book value of the long-term equity investment and other long-term equity investments which substantially constitute the net investment in the investee shall be reduced to zero. In addition, if the Group has the obligation to bear additional losses on the investee, it shall recognise the estimated liabilities according to the obligation assumed and take into account the current investment loss. If the investee's net profit is realised in a later period, the Group will resume the recognition of the amount of the share of proceeds after the amount of the share of profits has made up the unrecognised loss share.

For the impairment of long-term equity investment accounted for using the equity method, refer to Note V.30.

## **22. Investment property**

Not applicable

## **23. Fixed assets**

### **(1). Recognition of fixed assets**

Applicable  Not applicable

Fixed assets are tangible assets held by the Company for production, rendering of services, leasing or administration with a useful life exceeding one year. Fixed assets shall be recognised only when it is probable that economic benefits will flow to the Company and the amounts can be reliably measured. The fixed assets are initially measured at cost and taking into account the effect of the estimated disposal costs.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note V.24.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

Useful lives, residual values and depreciation methods are reviewed at least at each year-end, in case of any changes, they will be accounted for as changes in accounting estimates. Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

## (2). Depreciation of fixed assets

Applicable  Not applicable

<i>Class</i>	<i>Depreciation method</i>	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Annual depreciation rate (%)</i>
Plant and buildings	Straight-line method	10 - 50 years	0 - 10	2 - 10
Machinery and equipment	Straight-line method	5 - 15 years	0 - 10	6 - 20
Other equipment	Straight-line method	5 years	4 - 10	18 - 19
Motor vehicles	Straight-line method	2 - 20 years	0 - 10	5 - 50
Land	No Depreciation	Not definite	Not applicable	Not applicable

The estimated net residual value is the amount after deducting the estimated disposal cost from the disposal of the asset, which is assumed by the Group when the estimated useful life of the fixed asset is full and at the end of its useful life.

The overseas land held by the Group is in possession of ownership, without definite useful life, therefore, no provision is made, and it is stated in the balance sheet at cost less accumulated impairment losses.

## (3). Basis of recognition, valuation and depreciation methods for fixed assets leased under finance

Applicable  Not applicable

**(4). Method of impairment test and impairment provision accrual of fixed assets**

For the impairment test and impairment provision accrual of fixed assets, refer to Note V.30.

**(5). Disposal of fixed assets**

When the fixed asset is holding for disposal or when no future economic benefit is expected to be generated from its use or disposal, the carrying amount of a fixed asset is derecognised. Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in profit or loss on the date of retirement or disposal.

**24. Construction in progress**

Applicable  Not applicable

The cost of construction in progress is determined according to the actual expenditure incurred, including all necessary construction expenditures incurred during the construction period and other relevant expenses. The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note V.25), and any other costs directly attributable to bringing the asset to working condition for its intended use. A self-constructed asset is classified as construction in progress and transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.

For the impairment of the construction in progress, refer to Note V.30.

When an enterprise sells products or by-products produced before a fixed asset is available for its intended use, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognised in profit or loss for the current period.

**25. Borrowing costs**

Applicable  Not applicable

Borrowing costs include interest on borrowings, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings. Borrowing costs that can be directly attributable to the acquisition, construction or production of qualifying assets, capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, and construction or production that are necessary to prepare the asset for its intended use or sale are in progress, and ceases when the assets become ready for their intended use or sale. Other borrowing costs are recognised as financial expenses when incurred.

Where funds are borrowed specifically for the acquisition, and construction or production of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset. To the extent that the Group borrows funds generally and uses them for the acquisition, and construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditure on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense when incurred.

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, and construction or production that are necessary to prepare the asset for its intended use or sale are in progress, and ceases when the assets become ready for their intended use or sale. Assets qualified for capitalisation refer to assets such as fixed assets, investment properties and inventories that need to be purchased or constructed for a considerable period of time to reach their intended use or sale.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally for a continuous period of more than three months. The borrowing costs continue to be capitalised in the period when it is interrupted normally.

## 26. Biological assets

Applicable  Not applicable

## 27. Oil and gas assets

Applicable  Not applicable

## 28. Right-of-use assets

Applicable  Not applicable

See Note V.42.

## 29. Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the Group and have no physical form.

### (1) Measurement method, useful life and impairment

Applicable  Not applicable

Intangible assets are initially measured at cost. Expenses relating to intangible assets are included in the cost of intangible assets if the relevant economic benefits are likely to flow to the Company and the cost can be reliably measured. Expenditures for other items other than the above are recognised in profit or loss when incurred.

The acquired domestic land use rights are usually accounted for as intangible assets. Construction of self-developed buildings and other buildings, the relevant land use rights and building construction costs are accounted for as intangible assets and fixed assets. In the case of outsourced houses and buildings, the relevant consideration will be allocated

between the land use rights and the building, and for those that are difficult to rationally allocate, all of them are accounted for as fixed assets.

The acquired overseas land with indefinite useful life is measured as fixed asset. For details, refer to Note V.23.

For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale (see Note V.17). Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note V.30).

The respective amortisation periods for intangible assets are as follows:

<i>Item</i>	<i>Amortisation period (years)</i>
Land-use right	40 - 50 years
Software and patents	5 - 10 years
Non-patents	5 - 12 years
Capitalised development costs	5 years
Customer relationship and platform	12 years
Trademarks	20 years
Franchise, industrial property right	5 years

For an intangible asset with definite useful life, the Group reviews the useful life and amortisation method at the end of each financial year. It shall be accounted for as changes in accounting estimates in case of any differences.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

For the impairment of the intangible assets, refer to Note V.30.

## **(2) Expenditure on internal research and development**

Applicable  Not applicable

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure for market research, preliminary analysis of technology and feasibility study for project establishment during the research phase is expensed when incurred. Before the mass production, if the Group has obtained the order from OEMs to produce the specified product, and the management has approved the new product's feasibility study, relevant design and testing expenditures incurred in the development phase meeting the following conditions simultaneously can be capitalized:

- It is technically feasible to complete the intangible assets so that it can be used or sold;
- There is intention to complete, use or sell the intangible assets;
- The ways in which intangible assets generate economic benefits, including the existence of a market or intangible assets in which products can be proved to exist

where the intangible assets are produced, and intangible assets which will be used internally can prove the usefulness on their own;

- There are sufficient technical, financial and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;
- Expenditure attributable to the development stage of the intangible assets can be reliably measured.

If they do not meet the above conditions, expenditure incurred during the development phase is included in profit or loss. Other development expenses should be recognized as expenses during the period in which they are incurred. Development expenditures that have been charged to profit or loss in previous periods should not be recognized as assets in future periods. Capitalized expenditure during the development phase are listed as development cost on the balance sheet and will be converted to intangible assets from the date the project reaches its intended use.

If it is not possible to distinguish between expenditure at the research stage and expenditure at the development stage, all the expenditures that are expected to be incurred shall be recognized in profit or loss.

Capitalized development expenditures are stated in the balance sheet at cost less impairment allowances (see Note V.30).

When an enterprise sells products or by-products produced in the process of R&D, the proceeds and related cost are accounted for in accordance with CAS14 – Revenue and CAS 1 – Inventories respectively and recognised in profit or loss for the current period.

### 30. Impairment of long-term assets

Applicable  Not applicable

For non-current non-financial assets such as fixed assets (excluding land), construction in progress, right-of-use assets, intangible assets with definite useful life, long-term equity investments in subsidiaries, joint ventures, associates and long-term deferred expenses, etc., the carrying amounts of these assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. Land, goodwill, intangible assets with an indefinite useful life, and intangible assets that are not yet ready their usable status, impairment test is carried out annually, irrespective of whether there is any indication of impairment.

The Group calculates and recognises the provision for impairment based on individual asset. If it is difficult to estimate the recoverable amount of an individual asset, it is estimated based on the cash generating unit which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value less costs to sell and its present value of expected future cash flows. The fair value of the asset is determined according to the price of the sale agreement in the arm's length transaction; if there is no sales agreement but there is an active market for the asset, the fair value shall be determined according to the buyer's bid of the asset; if there is no sales agreement and the active market of the asset, the fair value of assets is estimated based on the best available information. Disposal costs include legal costs related to the disposition of assets, related taxes, removal charges, and direct costs incurred to bring the asset to a salable condition. The present value of the expected future cash flow of the asset shall be determined by discounting the discounted cash flow at the appropriate discount

rate according to the expected future cash flow generated during the continuous use of the asset and at the final disposal.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly.

Goodwill separately presented in the financial statements is allocated to the asset group or asset groups that are expected to benefit from the synergies of the business combination when carrying out an impairment test. If the recoverable amount of the asset group or the combination of the asset group including the goodwill of the assessed goodwill is lower than its book value, the impairment loss shall be recognised. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

### 31. Long-term deferred expense

Applicable  Not applicable

Long-term deferred expenses are expenses that have occurred but shall be allocated over the reporting period and subsequent periods with allocation period of one year or more. Long-term deferred expenses mainly include leasehold improvements. Long-term deferred expenses are amortised on a straight-line basis over the expected benefit period.

Amortisation period of expenses:

<i>Item</i>	<i>Amortisation period</i>
Leasehold improvements	Shorter of 10 years or the lease term

### 32. Contract liabilities

#### Recognition method of contract liabilities

Applicable  Not applicable

The Group disclosed a contract asset or a contract liability in balance sheet according to the relationship between satisfying performance obligations and client payment.

A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

### 33. Employee benefits

The Group's employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. According to applicable local laws and regulations, the Company and other subsidiaries provide employee pension plan and social security benefits (if any). Including:

**(1)、 Short-term employee benefits**

√ Applicable  Not applicable

Short-term employee benefits mainly include wages, bonuses, allowances and subsidies, employee benefits, medical insurance, maternity insurance, work injury insurance, housing provident fund, trade union funds and staff education funding and non-monetary benefits, etc. In the accounting period in which employees provides services for the Group, the actual short-term employee's remuneration shall be recognised as liabilities and included in the current profit or loss or related asset cost. Non-monetary benefits are measured at fair value.

**(2)、 Post-employment benefits**

√ Applicable  Not applicable

- Post-employment benefits-defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable is recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or include in the cost of assets where appropriate.

- Post-employment benefits-defined benefit plans

In accordance with the projected unit credit method, the Group measures the obligations under defined benefit plans using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, and discount obligations under the defined benefit plans to determine the present value of the defined benefit liability.

The Group attributes benefit obligations under a defined benefit plan to periods of service provided by respective employees. Service cost and interest expense on the defined benefit liability are charged to profit or loss or recognised as part of the cost of assets, and remeasurements of defined benefit liability are recognised in other comprehensive income.

**(3)、 Termination benefits**

√ Applicable  Not applicable

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of when the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal or when the Group recognises the costs associated with the restructuring involving the payment of termination benefits. But if the termination benefits are not expected to be fully paid within twelve months after the end of the annual reporting period, then shall be accounted for as other long-term employee benefits.

The recognition of the costs associated with the restructuring involving the payment of termination benefits refers to when the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those

affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The employees' internal retirement plan is accounted for using the same principle of the above-mentioned termination benefits. The Group recognises the salaries of the early retired employees and social insurance premiums expected to be paid for the period from the date when the employee ceases to provide service to the normal retirement date as profit or and loss (termination benefits) when it satisfies the conditions for recognition of provisions.

#### **(4)、 Other long-term employee benefits**

Applicable  Not applicable

If other long-term employee benefits provided by the Group to employees meet the defined contribution plan, they shall be accounted for as defined contribution plans, otherwise, they shall be accounted for as defined benefit plan.

#### **34. Lease liabilities**

Applicable  Not applicable

See Note V.42.

#### **35. Provision**

Applicable  Not applicable

A provision is recognised for an obligation related to a contingency if the following conditions are met.

- The Group has a present obligation;
- It is probable that an outflow of economic benefits will be required to settle the obligation;
- The obligation can be estimated reliably.

At the balance sheet date, considering the factors such as risks, uncertainties and time value of money related to a contingency, a provision is measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- Where the contingency involves a single item, the best estimate is the most likely outcome.
- Where the contingency involves a large population of items, the best estimate is determined by weighing all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If the expenses required to settle the estimated liabilities are expected to be compensated in whole or in part by the third party, the amount of the compensation will be recognised

as an asset separately and the amount of the compensation will not exceed the book value of the estimated liability.

(1) Onerous contract to be fulfilled

An onerous contract is a contract that the fulfilling of contractual obligation would inevitably costs more than expected economic benefits. Where the pending contract becomes an onerous contract and the obligation arising from the onerous contract satisfies the conditions for recognition of the aforesaid provision, the portion where the estimated loss of the contract exceeds the recognised impairment loss, if any, of the asset of the contract is recognised as provision.

(2) Restructuring obligation

In the case of a detailed and formal restructuring plan that has been disclosed, the amount of the estimated liability shall be determined in accordance with the direct expenses related to the restructuring.

(3) Warranty provisions

Warranty provisions are made based on contract terms, existing knowledge and historical experience. In the event that such contingencies have already become a current obligation and the fulfillment of such current obligations is likely to result in an outflow of economic benefits, the best estimate of the contingencies required for the fulfillment of the relevant current obligations is recognised as provision.

### 36. Share-based payments

Applicable  Not applicable

(1) Accounting treatment of share-based payments

Share-based payments are transactions in which an equity instrument is granted or a liability is determined on the basis of equity instruments for the purpose of obtaining services from employees or other parties. Share-based payments are divided into equity-settled share-based payments and cash-settled share-based payments.

- Equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted to employees vest immediately, the fair value of the equity instruments granted is fully recognised as costs or expenses on the grant date, with a corresponding increase in capital reserve. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount during the vesting period based on the best estimate of the number of equity instruments expected to vest. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

If the fair value of the other party's services can be measured reliably, the fair value of the other party's services is measured at fair value on the acquisition date. If the fair value of the other party's services cannot be reliably measured, the fair value of the equity instruments can be measured reliably, it shall be measured based on the fair value of the equity instruments when the services are received, and included in relevant costs or expenses, with a corresponding increase in shareholder equity.

When the Group receives services, but has no obligation to settle the transaction because the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group also classifies the transaction as equity-settled.

- Cash-settled share-based payments

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If a cash-settled share-based payment vests immediately, the Group immediately recognises on the grant date the costs or expenses and the liability incurred at the fair value of the liability incurred. If a cash-settled share-based payment does not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting.

Until the liability is settled, the enterprise shall remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognised in profit or loss for the current period.

When the Group receives services and has the obligation to settle the transaction, but the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group classifies the transaction as cash-settled.

(2) The accounting policies for modifications and cancellations of the share-based payment transactions

When the Group makes amendments to the share-based payment plan, if the fair value of the equity instruments granted is increased, the increase in the fair value of the equity instruments shall be recognised accordingly. The increase in the fair value of equity instruments refers to the difference between the fair value of the equity instruments before and after the modification. If the modification reduces the total fair value of the share-based payments or other unfavorable means, the accounting treatment of the acquired services will continue to be treated as if the change had never occurred unless the Group has cancelled some or all of the rights granted equity instruments.

During the waiting period, if the equity instruments granted are cancelled, the Group will cancel the equity instruments granted as an accelerated right of exercise. The amount recognised in the remaining waiting periods shall be immediately recognised in the profit or loss and the capital reserve shall be recognised. If the employee or other party can choose to meet the non-exercisable conditions but is not satisfied within the waiting period, the Group will treat it as a cancellation of the grant of equity instruments.

(3) Accounting treatment for share payment transactions involving the Group and its shareholders or actual controller

Accounting treatment for share payment transactions that involves the Group and its shareholders or actual controller and that one of the settlement company and receiving company is within the Group and the other one is not is as follows:

- If the settlement company cleared with its own equity instruments, the share-based payment transactions are treated as an equity settlement, otherwise as a cash settlement.

If the settlement company is the investor of the receiving company, it shall recognise long-term equity investment of the receiving company in accordance with the fair value of the equity instruments or the fair value of the liability, and recognise capital reserve (other capital reserve) or liabilities.

- If the receiving company does not have settlement obligation or provide its own equity instruments for its employees, the share payment transactions shall be recognised as equity payment; if the receiving company has settlement obligation and does not provide its own equity instruments to its employees, the share payment transactions shall be recognised as cash payment.

If the share payment transactions incur within subsidiaries, the settlement company and the receiving company are different, the accounting treatment of share payment transactions in each company's individual financial statement shall refer to the principles mentioned above.

### **37. Other financial instruments such as preference shares and perpetual bonds**

Applicable  Not applicable

### **38. Revenue**

#### **(1). Accounting policies adopted for revenue recognition and measurement**

Applicable  Not applicable

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available to the entity, maximises the use of observable inputs to estimate the stand-alone selling price.

For the contract with a warranty, the Group analyses the nature of the warranty provided, if the warranty provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications, the Group recognises for the promised warranty as a performance obligation. Otherwise, the Group accounts for the warranty in accordance with the requirements of CAS No.13-Contingencies.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the

customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance; or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (see Note V.10). Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is the description of accounting policies regarding revenue from the Group's principal activities:

(a) Sale of automotive components

Revenue is recognised when the Group transfers the control over automotive components to customers (i.e. goods accepted by customers)/satisfies the performance obligation in the contract.

(b) Sale of R&D and tooling

Before the mass production, the Group sometimes carries out R&D and tooling development activities for customers. Pursuant to the sales agreement, the ownership of the R&D outcome and tooling belongs to customers, while the Group is entitled a lump-sum payment or compensation due to agreement termination to get the cost recovered. Revenue of R&D and tooling is recognised when the Group

transfers the control over R&D outcome and tooling to customers, obtains the verification report and the consent of mass production of relevant products from customers/satisfies the performance obligation in the contract.

**(2). Differences in accounting policies for revenue recognition due to the adoption of different business models for similar businesses**

Applicable  Not applicable

**39. Contract costs**

Applicable  Not applicable

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract.
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period. The Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

**40. Government grants**

Applicable  Not applicable

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contribution from the government in the capacity as an investor in the Group. Government grants are divided into asset-related government grants and income-related government subsidies. Government grants related to assets are grants whose primary condition is that the Group qualifying for them should

purchase, construct or otherwise acquire long-term assets; the rest of the government subsidies are defined as government grants related to income. If the government document does not specify the object of subsidy, the subsidy is divided into income-related government grants and government subsidies related to assets in the following ways: (1) If the government documents specify the specific items for which the subsidy is targeted, the budget of the project will be divided into the relative proportion of the expenditure amount of the asset and the expenditure amount of the expenses, which shall be reviewed at each balance sheet date and changed if necessary. (2) If the government document only specifies the use for general statements, without specifying a specific project, it shall be accounted for as government grants related to income.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If the fair value cannot be obtained reliably, it shall be measured at the nominal amount. Government grants measured at nominal amount are recognised directly in profit or loss.

A government grants is recognised and measured based on the amount actually received. But if there is conclusive evidence at the end of the period that relevant requirements of the financial supporting policy is expected to be met, it shall be measured based on the amount receivable. (1) The grant receivable receivable has been confirmed by the authorised government department, or it can be reasonably measured according to relevant provisions of the officially announced fiscal fund management method, and it is expected that there will be no significant uncertainty regarding its amount; (2) It is based on the local financial department which formally promulgates and voluntarily publishes the financial support projects with financial fund management measures, and the measures are for inclusive purpose (any enterprise that meets the prescribed conditions may apply) instead of specifically targeting at specific companies; (3) The relevant grant has been expressly committed with an appropriation limit, and the appropriation is guaranteed by corresponding financial budget, so it can be reasonably guaranteed that it can be received within the prescribed time limit; (4) In accordance with the specific circumstances of the Group relating to the grant, other relevant conditions (if any) should be met.

(1) Basis and accounting policy of government grants related to assets

Government grants related to an asset shall be recognized as deferred income and shall be amortised to other income or non-operating income in a reasonable and systematic manner over the useful life of the relevant assets.

(2) Basis and accounting policy of government grants related to income

A grant that compensate the Group for expenses to be incurred in the future is initially recognised as deferred income, and released to other income or non-operating income in the periods in which the expenses or losses are recognised, otherwise, the government grant shall be directly recognised in other income or non-operating income.

#### 41. Deferred tax assets and deferred tax liabilities

Applicable  Not applicable

Income tax expenses include current tax and deferred tax.

At the balance sheet date, the current income tax liabilities (or assets) for the current period and the previous period are measured at the expected amount of income tax payable (or refunded) in accordance with the tax law. The amount of taxable income on which the current income tax expenses are calculated is calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years in accordance with the relevant tax laws.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods.

The difference between the book value of certain assets and liabilities items and their tax bases, and the difference between the carrying amount of the items that cannot be recognised as assets and liabilities but which can determine the basis of taxation thereof according to the tax law and the basis of taxation temporary differences, the use of balance sheet debt method to recognise deferred income tax assets and deferred income tax liabilities.

The initial recognition of goodwill and the initial recognition of assets or liabilities arising from a transaction that is neither a business combination nor an accounting profit or taxable income (or deductible loss) and the deferred income tax liabilities are not recognised. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the Group is able to control the timing of the reversal of temporary differences and the temporary differences are unlikely to be reversed in the foreseeable future and the deferred income tax liabilities are not recognised. In addition to the above exceptions, the Group recognises all other deferred income tax liabilities arising from taxable temporary differences.

Deductible temporary differences relating to the initial recognition of assets or liabilities arising from transactions that are neither a business combination nor in the event of an accounting profit or taxable income (or deductible loss), and are not recognised deferred tax assets. In addition, deductible temporary differences related to investments in subsidiaries, associates and joint ventures, if temporary differences are not likely to be reversed in the foreseeable future or are not likely to be available in the future for deductible temporary differences in the taxable income, not to confirm the relevant deferred income tax assets. In addition to the above exceptions, the Group recognises deferred income tax assets arising from other deductible temporary differences to the extent that it is probable that taxable income will be available to offset the deductible temporary differences.

For deductible losses and tax deductions that can be carried forward for subsequent years, it is probable that the amount of future taxable income used to offset deductible losses and tax credits will be limited to the corresponding deferred income tax assets.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

In addition to the recognition of other comprehensive income or directly included in the shareholders' equity transactions and events related to the current income tax and deferred income tax into other comprehensive income or shareholders' equity, and business combination of deferred income tax adjustment of the carrying value of goodwill, the rest current income tax and deferred income tax expense or income are recognised to profit or loss.

The Group's current income tax assets and current income tax liabilities are presented at the amount after being offset when the Group has a statutory right to settle on a net basis

and is intended to settle on a net basis or when assets are acquired and liabilities are settled simultaneously.

When the Group has a statutory right to settle current income tax assets and current income tax liabilities on a net basis, different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered. The Group's current income tax assets and current income tax liabilities are presented at the amount after being offset.

## **42. Lease**

### **(1). Accounting treatment for operating leases**

√ Applicable  Not applicable

See Note V.42(3).

### **(2). Accounting treatment for financial leases**

√ Applicable  Not applicable

See Note V.42(3).

### **(3). Determination method and accounting treatment for leases under the new lease standard**

√ Applicable  Not applicable

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a 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, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lessor allocates the consideration in the contract in accordance with the accounting policy in Note V.38.

(1) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note V.38.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

(2) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note III.10. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases is recognised as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

#### **43. Other significant accounting policy and accounting estimates**

Applicable  Not applicable

##### **(1) Goodwill**

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving entities under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note V.30). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

##### **(2) Hedging accounting**

Hedge accounting is a method which recognises in profit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period(s) to represent the effect of risk management.

Hedged items are the items that expose the Group to risks of changes in fair value or future cash flows and that are designated as being hedged and can be reliably measured. The Group's hedged items include a firm commitment that is settled with a fixed amount of foreign currency and exposes the Group to foreign currency risk and net investments in overseas institutions that exposes the Group to foreign currency risk.

A hedging instrument is a designated financial instrument whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item. For a hedge of foreign currency risk, the foreign currency risk component of a non-derivative financial asset or non-derivative financial liability may also be designated as a hedging instrument provided that it is not an investment in an equity instrument for which an entity has elected to present changes in the fair value in other comprehensive income.

The Group assesses at the inception of a hedging relationship, and on an ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship is regarded as having met the hedge effectiveness requirements if all of the following conditions are satisfied:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

When a hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective of the designated hedging relationship remains unchanged, the Group rebalances the hedging relationship. Rebalancing refers to the adjustments made to the designated quantities of the hedged item or the hedging instrument of an already existing hedging relationship for the purpose of maintaining a hedge ratio that complies with the hedge effectiveness requirements.

The Group discontinues applying hedge accounting in any of the following circumstances:

- The hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting.
- The hedging instrument expires or is sold, terminated or exercised.
- There is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship.
- The hedging relationship no longer meets other criteria for applying hedge accounting.

(i) Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income as a cash flow hedge reserve. The amount of the cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

- the cumulative gain or loss on the hedging instrument from inception of the hedge;
- the cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

The change in the amount of the cash flow hedge reserve is recognised in other comprehensive income in each period.

The portion of the gain or loss on the hedging instrument that is determined to be ineffectiveness is recognised in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it in the initial cost or other carrying amount of the asset or liability.

For cash flow hedges other than those covered above, that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, the amount of the accumulated cash flow hedge reserve recognised in other comprehensive income is accounted for as follows:

- If the hedged future cash flows are still expected to occur, that amount will remain in the cash flow hedge reserve, and be accounted for in accordance with the above policy.
- If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(ii) Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a portion of such an asset, liability or firm commitment.

The gain or loss from remeasuring the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the recognised hedged item not measured at fair value and is recognised in profit or loss.

Any adjustment to the carrying amount of a hedged item is amortised to profit or loss if the hedged item is a financial instrument (or a component thereof) measured at amortised cost. The amortisation is based on a recalculated effective interest rate at the date that amortisation begins.

(iii) Hedges of a net investment in a foreign operation

A hedge of a net investment in a foreign operation is a hedge of the exposure to foreign exchange risk associated with a net investment in a foreign operation. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When disposing a foreign operation, in whole or in part, the aforesaid gain or loss on the hedging instrument will be transferred from equity to profit or loss as a reclassification adjustment. The portion of the gain or loss on the hedging instrument that is determined to be ineffective is recognised in profit or loss.

**(3) Dividends distributions**

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

**(4) Related parties**

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under

common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

#### **(5) Segment reporting**

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of the actual transaction prices for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

#### **(6) Significant accounting estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Except for accounting estimates relating to depreciation and amortisation of assets such as fixed assets and intangible assets (see Notes V.23 and 29) and provision for impairment of various types of assets (see Note VII.5, 8, 9, 21, 22, 26, 28 and Note XVII.1, 2). Other significant accounting estimates are as follows:

- (i) Note VII.27: Development cost
- (ii) Note VII.30: Recognition of deferred tax assets;
- (iii) Note VII.49: Post-employment benefits-defined benefit plans;
- (iv) Note VII.50: Provisions; and
- (v) Note XI: Fair value measurements of financial instruments.

### **44. Changes in significant accounting policies and accounting estimations**

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

Applicable  Not applicable

#### **(2). Changes in significant accounting estimations**

Applicable  Not applicable

### **45. Others**

Applicable  Not applicable

## VI. Taxation

### 1. Main types of taxes and corresponding tax rates

Main types of taxes and corresponding tax rates

√ Applicable □ Not applicable

<i>Tax type</i>	<i>Tax basis</i>	<i>Tax rate</i>
Value-added tax (VAT)	Output VAT is calculated on revenue from product sales and rendering of services. The basis for VAT payable is to deduct input VAT from the output VAT for the period.	1) The Company and its subsidiaries in China: 3%, 6%, 9%, 13% 2) Subsidiaries in Germany: 7%, 19% 3) Subsidiaries in Mexico: 16% 4) Subsidiaries in Portugal: 23%, 13%, 6% 5) Subsidiaries in Romania: 19%, 9%, 5% 6) Subsidiaries in Italy: 22%, 10%, 4% 7) Subsidiaries in Poland: 23% 8) Subsidiaries in Japan: 8%, 10% 9) Subsidiaries in Brazil: 10%-15% 10) Subsidiaries in Uruguay: 22% 11) Subsidiaries in Hungary: 27% 12) Subsidiaries in Russia: 20% 13) Subsidiaries in Indonesia: 11% 14) Subsidiaries in Singapore: 7% 15) Subsidiaries in Philippines: 12% 16) Subsidiaries in Thailand: 7% 17) Subsidiaries in Korea: 10% 18) Subsidiaries in Malaysia: 10%, 6%
Business tax	Based on taxable revenue	1) Subsidiaries in the U.S.: 2.90% - 7.25% 2) Germany: 7% - 17%
City maintenance and construction tax	Based on VAT paid or taxable items	1) The Company and its subsidiaries in China: 1%, 5%, 7% 2) Subsidiaries in Portugal: 1.50%
Corporate income tax	Based on taxable profits	1) The Company and its subsidiaries in China: 25% 2) Subsidiaries in the U.S.: 21% 3) Subsidiaries in Mexico: 30% 4) Subsidiaries in Germany: 15.825% 5) Subsidiaries in Portugal: 21% 6) Subsidiaries in Romania: 5%, 16% 7) Subsidiaries in Italy: 24% 8) Subsidiaries in Poland: 19%

		<p>9) Subsidiaries in Japan: 23.2%</p> <p>10) Subsidiaries in Brazil: 34%</p> <p>11) Subsidiaries in Uruguay: 25%</p> <p>12) Subsidiaries in Hungary: 9%</p> <p>13) Subsidiaries in Indonesia: 20%</p> <p>14) Subsidiaries in Singapore: 17%</p> <p>15) Subsidiaries in Philippines: 25%</p> <p>16) Subsidiaries in Korea: 22%</p> <p>17) Subsidiaries in Thailand: 20%</p> <p>18) Subsidiaries in Malaysia: 24%</p>
Others	<p>1) The Company and its subsidiaries in China: Education surcharge: 3% of the turnover tax. Local education surcharge: 2% of the turnover tax.</p> <p>2) Subsidiaries in the U.S.: Alternative minimum tax: 20% of the taxable income. Local tax: 1%-12% of the taxable income. State Tax-Income Tax/Franchise Tax: 6% - 9% of the taxable income.</p> <p>3) Subsidiaries in Portugal: State surtax: No taxation for taxable income below 1,500,000 euros; 3% for taxable income between 1,500,000 euros and 7,500,000 euros; 5% for taxable income between 7,500,000 euros and 35,000,000 euros; 9% for taxable income over 35,000,000 euros.</p> <p>4) Subsidiaries in Italy: Regional tax: 3.9% of the taxable income.</p> <p>5) Subsidiaries in Brazil: Surtax: 10% of the exceeding part over the taxable income of BRL 240,000 Social contribution fee: 9% of the taxable income;</p>	<p>1) The Company and its subsidiaries in China: Education surcharge: 3% Local education surcharge: 2%</p> <p>2) Subsidiaries in the U.S.: Local tax: 1% - 12% State Tax-Income Tax/Franchise Tax: 6% - 9%</p> <p>3) Subsidiaries in Germany: Solidarity surcharge: 5.50%</p> <p>4) Subsidiaries in Portugal: State surtax: 3%, 5%, 9%</p> <p>5) Subsidiaries in Italy: Regional tax: 3.9%</p> <p>6) Subsidiaries in Brazil: Surtax: 10% Social contribution fee: 9%</p>

Explanation of the disclosure if there are taxpayers with different corporate income tax rates

√ Applicable □ Not applicable

Please refer to Note VI.1.

## 2. Tax preferential treatments

√ Applicable □ Not applicable

- (1) Ningbo Joyson Technology Co., Ltd. (“Joyson Technology”) obtained the high-tech enterprise certificate with the license No. GR202133100357, which was issued jointly by Ningbo Science and Technology Bureau, Ningbo Finance Bureau, Ningbo State Tax Bureau and Ningbo Local Tax Bureau on 10 December 2021. The certificate is valid for three years. The corporate income tax rate applicable to Joyson Technology during 2021 to 2023 is 15%.
- (2) Ningbo Preh Joyson Automotive Electronics Co., Ltd. (“Ningbo Preh”) obtained the high-tech enterprise certificate with the license No. GR202133101047, which was issued jointly by Ningbo Science and Technology Bureau, Ningbo Finance Bureau, Ningbo State Tax Bureau and Ningbo Local Tax Bureau on 10 December 2021. The certificate is valid for three years. The corporate income tax rate applicable to Ningbo Preh during 2021 to 2023 is 15%.
- (3) Joyson Safety Systems (Huzhou) Co., Ltd. (“Joyson Safety (Huzhou)”) obtained the high-tech enterprise certificate with the license No. GR202133008884, which was issued jointly by Science and Technology Department of Zhejiang Province, Financial Department of Zhejiang Province, State Tax Bureau of Zhejiang Province and Local Tax Bureau of Zhejiang Province on 30 November 2018. The certificate is valid for three years. The corporate income tax rate applicable to Joyson Safety (Huzhou) during 2021 to 2023 is 15%.
- (4) Joyson Safety Systems (Changxing) Co., Ltd. (“Joyson Safety (Changxing)”) obtained the high-tech enterprise certificate with the license No. GR202033004624, which was issued jointly by Science and Technology Department of Zhejiang Province, Financial Department of Zhejiang Province, State Tax Bureau of Zhejiang Province and Local Tax Bureau of Zhejiang Province on 1 December 2020. The certificate is valid for three years. The corporate income tax rate applicable to Joyson Safety (Changxing) during 2020 to 2022 is 15%.
- (5) Ningbo Joyson Safety Systems Co., Ltd. (“Ningbo Joyson Safety”) obtained the high-tech enterprise certificate with the license No. GR202233102206, which was issued jointly by Ningbo Science and Technology Bureau, Ningbo Finance Bureau, State Tax Bureau Ningbo Tax Bureau on 27 November 2019. The certificate is valid for three years. The corporate income tax rate applicable to Ningbo Joyson Safety during 2022 to 2024 is 15%.
- (6) Joyson Safety Systems Electronics (Shanghai) Co., Ltd. (“Joyson Junan Electronics”) obtained the high-tech enterprise certificate with the license No. GR202231000813, which was issued jointly by Shanghai Science and Technology Bureau, Shanghai Finance Bureau, State Tax Bureau Shanghai Tax Bureau on 6 December 2019. The certificate is valid for three years. The corporate income tax rate applicable to Takata Electronics during 2022 to 2024 is 15%.
- (7) Shanghai Lingang Joyson Automotive Safety Systems Co., Ltd. (hereinafter referred to as “Lingang Joyson”) obtained a number jointly issued by the Shanghai Municipal Science and Technology Commission, the Shanghai Municipal Finance Bureau, and the State Administration of Taxation and Shanghai Taxation Bureau on 18 November 2020. It is a high-tech enterprise certificate of GR202031004931, valid for three

years. Lingang Joyson will collect corporate income tax at a rate of 15% from 2020 to 2022.

- (8) Ningbo Joynext Technology Corp. (hereinafter referred to as “Joynext”) obtained the high-tech enterprise certificate with the license No. GR202033100245 jointly issued by Ningbo Science and Technology Bureau, Ningbo Finance Bureau, and Ningbo Taxation Bureau of the State Administration of Taxation on 1 December 2020. The high-tech enterprise certificate is valid for three years. From 2020 to 2022, the corporate income tax of Grantland Intelligence will be levied at a tax rate of 15%.
- (9) Joyson Safety Systems (Philippines) Corporation has applied a 5% income tax rate since 2004. According to the local tax laws, Joyson Safety Systems (Philippines) Corporation should be subject to income tax at a rate of 25% for operating income which is not related to manufacturing activities, such as scrap income, spare parts resale and other operating income.
- (10) Joyson Safety Systems Macedonia DOOEL opened a new plant in the Macedonia High-Tech Development Zone in 2015. According to the local tax laws, Joyson Safety Systems Macedonia DOOEL is subject to an income tax exemption policy valid for 10 years.
- (11) Joyson Safety Systems Polska Sp. z o.o. opened a new plant in special economic zone. According to the local tax laws, Joyson Safety Systems Polska Sp. z o.o. could apply the income tax exemption policy every year when meets certain qualifications.
- (12) Joyson Safety Systems Maroc S.A.R.L. set up a new plant in Tangier, Morocco. According to local tax laws, Joyson Safety Systems Maroc S.A.R.L. applies a preferential income tax policy of 8.75%, valid until 2035.

### 3. Others

Applicable  Not applicable

## VII. Notes to the consolidated financial statements

### 1、Cash at bank and on hand

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Cash on hand	1,205,022.98	1,238,494.41
Deposits with banks	4,262,174,447.11	3,828,679,436.93
Other monetary funds	694,440,969.13	1,575,028,187.34
Total	4,957,820,439.22	5,404,946,118.68
Including: Total overseas deposits	1,288,049,931.06	1,624,899,961.80

Other information:

As at 30 June 2023, the details of the Group’s restricted cash at bank and on hand can be referred to Note VII.81 Assets with restricted ownership or right of use.

### 2、Financial assets held for trading

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
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Financial assets at fair value through profit or loss	329,753,197.29	465,785,862.56
Including: Equity instrument investments	52,787,239.89	46,519,367.25
Financial products	276,965,957.40	419,266,495.31
Total	329,753,197.29	465,785,862.56

Other information:

Applicable  Not applicable

The Group invested some financial products issued by banks and other financial institutions with its idle funds. These wealth management products usually have a preset maturity period and expected return, covering a wide range of investments, including government and corporate debentures, central bank bills, currency market funds, and other Chinese listed and unlisted equity securities. These financial products are classified as financial assets at fair value through profit or loss and presented as financial assets held for trading.

### 3、 Derivative financial assets

Applicable  Not applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Derivative financial assets without designated hedging relationships		
Including: Foreign currency forward contracts	6,654,166.35	4,506,938.96
Hedging instrument		
Including: Foreign currency forward contracts	38,304.69	229,831.10
Interest rate swap contracts	111,702,314.04	77,038,806.94
Total	118,394,785.08	81,775,577.00

Other information:

The Group has used certain foreign currency forward contracts to hedge the uncertainty arising from foreign currency exchange rate fluctuations. As at 30 June 2023, the nominal amounts of the foreign currency forward contracts held by the Group were EUR 34,000,000.00 and USD 326,287,151.03; the fair values of those financial contracts were RMB 8,370,025.68 and RMB 265,725,685.30 respectively, which were included in derivative financial assets. The Group also used interest rate swaps to hedge the cash flow risk of floating bank borrowing interest rate, which is to convert certain floating interest rate into fixed interest rate. The non-current portion of RMB 162,393,396.94 was recorded in other non-current assets. See Note VII.19(2) for details. The derivative financial assets/liabilities arising from the interest rate swap arrangement was mainly originated from the interest rate swap contract entered between Joyson Safety System entities and Deutsche Bank and MUFG. See Note VII.83(1) for details.

### 4、 Bill receivables

#### (1). Classification of bills receivable

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Bank acceptance bills	262,701,903.07	483,172,725.46
Commercial acceptance bills	29,000,000.00	2,608,756.56
Total	291,701,903.07	485,781,482.02

**(1) The pledged bills receivable of the Group at the end of the year**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount pledged at year end
Bank acceptance bills	96,327,022.89
Total	96,327,022.89

**(2) Outstanding endorsed or discounted bills that have not matured at the end of the year**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at year end	Amount not derecognised at year end
Bank acceptance bills	1,293,524,193.83	20,000,000.00
Commercial acceptance bills		11,500,000.00
Total	1,293,524,193.83	31,500,000.00

The Group endorsed bills receivable that have not matured to the suppliers to settle certain accounts payable. The management of the Group believes that almost all the risks and rewards of the ownership of the bills that have not matured have been transferred, and the present obligations of relevant accounts payable have been discharged, so the relevant bills receivable and accounts payable have been both derecognised.

**(2). Bills transferred to accounts receivable due to non-performance of the issuers at the end of the year** Applicable√ Not applicable**(3). Disclosure by bad debt provision method** Applicable√ Not applicable**(4). Provision for bad debts** Applicable√ Not applicable**(5). Notes receivable actually written off in the current period** Applicable√ Not applicable

Other information:

 Applicable√ Not applicable**5、Accounts receivables****(1). The ageing analysis of accounts receivable is as follows**√Applicable Not applicable

Unit: Yuan Currency: RMB

Ageing	Ending Balance
Within 1 year (inclusive)	
Of which: Sub-items within 1 year (inclusive)	8,211,440,014.02
Sub-total within 1 year (inclusive)	8,211,440,014.02
Over 1 year but within 2 years (inclusive)	228,558,837.61
Over 2 years but within 3 years (inclusive)	1,708,801.62
Over 3 years	6,155,833.88
Total	8,447,863,487.13

**(2). Accounts receivable by provisioning method**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Book value
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Individually assessment	169,587,837.63	2.01	62,626,583.77	36.93	106,961,253.86	56,756,411.68	0.73	49,764,286.41	87.68	6,992,125.27
Of which:										
Individually assessment	169,587,837.63	2.01	62,626,583.77	36.93	106,961,253.86	56,756,411.68	0.73	49,764,286.41	87.68	6,992,125.27
Collectively assessment	8,278,275,649.50	97.99	71,956,383.51	0.87	8,206,319,265.99	7,679,560,008.86	99.27	85,666,933.87	1.12	7,593,893,074.99
Of which:										
Client portfolio	8,278,275,649.50	97.99	71,956,383.51	0.87	8,206,319,265.99	7,679,560,008.86	99.27	85,666,933.87	1.12	7,593,893,074.99
Total	8,447,863,487.13	/	134,582,967.28	/	8,313,280,519.85	7,736,316,420.54	/	135,431,220.28	/	7,600,885,200.26

Rationale for individual assessment:

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name	Ending Balance			
	Book value	Provision for bad and doubtful debts	Percentage (%)	Reason
Client A	48,389,253.65	100,272.43	0.21	Unrecoverable
Client B	44,273,511.99	8,886,836.86	20.07	Unrecoverable
Client C	23,258,946.95	23,258,946.95	100.00	Unrecoverable
Client D	15,582,901.28	15,582,901.28	100.00	Unrecoverable
Others	38,083,223.76	14,797,626.25	38.86	Certain credit risk
Total	169,587,837.63	62,626,583.77	36.93	

Note on rationale for individual assessment:

□ Applicable √ Not applicable

Rationale for collective assessment:

√ Applicable □ Not applicable

Collective assessment: credit risk characteristic

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book value	Provision for bad and doubtful debts	Percentage (%)
Collectively assessed for impairment based on credit risk characteristics	8,278,275,649.50	71,956,383.51	0.87
Total	8,278,275,649.50	71,956,383.51	0.87

Assessment of ECLs on accounts receivable:

√ Applicable □ Not applicable

At all times the Group measures the impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the number of overdue days and the loss given default. According to the historical experience of the Group, there are no significant differences in the losses of different customer groups. Therefore, different customer groups are not further distinguished when calculating impairment loss based on the overdue information.

	Loss given default	Carrying amount at the end of the year	Impairment loss at the end of the year
Current	0.42%	6,714,676,003.99	28,331,124.95
Overdue within 1 year	1.94%	1,334,852,793.89	25,878,593.07
Overdue 1-2 years (inclusive)	6.79%	225,343,341.51	15,292,272.34
Overdue 2-3 years (inclusive)	32.52%	1,405,438.63	457,008.16
Overdue Over 3 years	99.97%	1,998,071.48	1,997,384.99
Total	0.87%	8,278,275,649.50	71,956,383.51

The loss given default is measured based on the actual credit loss experience in the past, and is adjusted taking into consideration the differences among the economic conditions during the historical data collection period, the current economic conditions and the economic conditions during the expected lifetime.

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

Applicable  Not applicable

### (3). Movements of provision for bad and doubtful debt:

Applicable  Not applicable

Unit: Yuan Currency: RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Additions during the year	Recovery or reversal	Written-off during the year	Other changes	
Provision based on individual or collective assessment	135,431,220.28	18,229,106.85	10,598,902.97	30,998,301.57	22,519,844.69	134,582,967.28
Total	135,431,220.28	18,229,106.85	10,598,902.97	30,998,301.57	22,519,844.69	134,582,967.28

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

Applicable  Not applicable

### (4). Accounts receivable written off during the year

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Write-off amount
Accounts receivable written off	30,998,301.57

Write-off of important accounts receivable:

Applicable  Not applicable

Notes on write-off of accounts receivable:

Applicable  Not applicable

As some receivables of the Group's subsidiaries could not be collected, the Group wrote off the provision for bad and doubtful debts amounting to RMB 30,998,301.57. There is no significant single item of accounts receivable written off during the year.

**(5). Five largest accounts receivable by debtor at the end of the year**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Name	Ending balance	As a percentage of the total of the ending balance of accounts receivable (%)	Ending balance of bad debt provision
Client A	1,367,928,200.14	16.19	21,536,490.07
Client B	455,842,862.27	5.40	2,310,374.78
Client C	449,839,287.40	5.32	6,179,254.77
Client D	351,167,903.84	4.16	4,916,409.86
Client E	311,711,321.27	3.69	2,150,034.27
Total	2,936,489,574.92	34.76	37,092,563.75

Other information:

The subtotal of five largest accounts receivable of the Group at the end of the year is RMB 2,936,489,574.92, representing 34.76% of the total accounts receivable at the end of the year, and the balance of provision for bad and doubtful debts at the end of the year is RMB 37,092,563.75.

**(6). Derecognition of accounts receivable due to transfer of financial assets**

Applicable  Not applicable

In 2023, the Group transferred accounts receivable of RMB 314,665,589.87 (2022: RMB 563,102,024.46) to financial institutions without recourse. The loss from derecognition amounting to RMB 19,919,198.38 (2022: RMB 17,764,529.14) is recorded in the income statement.

**(7). Assets and liabilities recognised due to the transfer with continuing involvement of accounts receivable**

Applicable  Not applicable

Other information:

Applicable  Not applicable

The Group had no assets and liabilities recognised due to the transfer with continuing involvement of accounts receivable during the year.

As at 30 June 2023, the details of the Group's restricted accounts receivable can be referred to Note VII.81 Assets with restricted ownership or right of use.

**6. Receivables under financing**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Bill receivables	117,577,728.38	151,820,900.00

Factoring business	61,243,243.03	40,148,983.88
Total	178,820,971.41	191,969,883.88

Increase/decrease changes and fair value changes of receivables under financing in the current period:

Applicable  Not applicable

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

Applicable  Not applicable

Other information:

Applicable  Not applicable

Based on its daily fund management needs, subsidiaries of the Group factor part of accounts receivable without recourse to financial institutions. These accounts receivable mentioned are held in the business model, of which the objective is to collect contractual cash flows as well as selling the financial assets. Such accounts receivables are classified as financial assets at fair value through other comprehensive income and presented as receivables under financing.

## 7、 Prepayments

### (1). The ageing analysis of prepayments is as follows

Applicable  Not applicable

Unit: Yuan Currency: RMB

Ageing	Ending Balance		Beginning Balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	212,450,420.89	77.98	130,689,808.98	73.46
Over 1 year but within 2 years	34,114,352.70	12.52	33,597,699.11	18.88
Over 2 years but within 3 years	13,963,079.04	5.13	4,669,285.90	2.62
Over 3 years	11,900,822.51	4.37	8,966,640.04	5.04
Total	272,428,675.14	100.00	177,923,434.03	100.00

Explanation of the reasons for not timely settlement of prepayments with an age of more than 1 year and an important amount:

N/A

### (2). Five largest prepayments by debtor at the end of the year

Applicable  Not applicable

Debtor	Ending Balance	As a percentage of the total closing balance of prepayments (%)
Debtor A	19,826,211.17	7.28
Debtor B	17,782,228.68	6.53
Debtor C	10,103,867.36	3.71
Debtor D	8,655,297.50	3.18
Debtor E	7,124,836.95	2.61
Total	63,492,441.66	23.31

Other information:

Applicable  Not applicable

The subtotal of five largest prepayments of the Group at the end of the year is RMB 63,492,441.66, representing 23.31% of the total prepayments.

## 8、 Other receivables

### List of items

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Dividends receivable	209,201,636.88	209,201,636.88
Other receivables	666,944,592.39	732,422,837.00
Total	876,146,229.27	941,624,473.88

Other information:

Applicable  Not applicable

### Interest receivable

#### (1). Classification of interest receivable

Applicable  Not applicable

#### (2). Important overdue interest

Applicable  Not applicable

#### (3). Provision for bad debts

Applicable  Not applicable

Other information:

Applicable  Not applicable

### Dividends receivable

#### (1). Dividends receivable

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Ending Balance	Beginning Balance
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd.	209,201,636.88	209,201,636.88
Total	209,201,636.88	209,201,636.88

#### (2). Significant dividends receivable aged over 1 year

Applicable  Not applicable

#### (3). Provision for bad debts

Applicable  Not applicable

Other information:

Applicable  Not applicable

### Other Receivables

#### (1). The ageing analysis is as follows:

Applicable  Not applicable

Unit: Yuan Currency: RMB

Ageing	Book value at the end of the period
Within 1 year (inclusive)	

Of which: Sub-items within 1 year (inclusive)	
within 1 year (inclusive)	510,362,819.54
Sub-total within 1 year (inclusive)	510,362,819.54
Over 1 year but within 2 years (inclusive)	54,606,804.21
Over 2 years but within 3 years (inclusive)	40,004,130.18
Over 3 years	61,970,838.46
Total	666,944,592.39

**(2). Others categorised by nature**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Nature	Book value at the end of the period	Book value at the beginning of the period
Supplier rebate receivables	205,907,027.74	197,104,248.82
Tax refund receivables	252,053,043.10	237,168,301.59
Receivables from associates	16,831,081.17	114,462,400.00
Deposits	94,043,032.13	99,344,433.11
Paid on behalf	33,518,672.21	21,980,148.61
Others	64,591,736.04	62,363,304.87
Less: Provision for bad and doubtful debts		
Total	666,944,592.39	732,422,837.00

**(3). Movements of provision for bad and doubtful debts**

Applicable  Not applicable

**(4). Provision for bad and doubtful debts**

Applicable  Not applicable

The amount of provision for bad and doubtful debts in the current period and the basis for assessing whether the credit risk of financial instruments has increased significantly:

Applicable  Not applicable

**(5). Other receivables written off during the year**

Applicable  Not applicable

**(6). Five largest other receivables by debtor at the end of the year**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Debtor	Nature of the receivable	Ending Balance	Ageing	Percentage of total other receivables (%)	Ending balance of provision for bad and doubtful debts
Debtor A	Tax refund receivables	123,100,038.22	Within 1 year	18.46	
Debtor B	Tax refund receivables	26,684,328.55	Within 1 year	4.00	
Debtor C	Tax refund receivables	24,341,930.06	Within 1 year	3.65	
Debtor D	Tax refund receivables	23,761,890.97	Within 1 year	3.56	
Debtor E	Receivables from associates	15,526,123.87	1-2 years	2.33	
Total	/	213,414,311.67	/	32.00	

**(7). Receivables involving government grants**

Applicable  Not applicable

**(8). Other receivables derecognized due to transfer of financial assets**

Applicable  Not applicable

**(9). Amount of assets and liabilities formed by transferring other receivables and continuing to be involved**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**9、Inventories**

**(1). Inventories by category**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance			Beginning Balance		
	Book value	Provision for impairment of inventories/Provision for impairment of costs to fulfill a contract with a customer	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Raw materials	5,367,406,547.32	310,853,950.34	5,056,552,596.98	5,350,804,645.18	234,559,105.50	5,116,245,539.68
Work in progress	3,144,645,296.65	57,598,628.12	3,087,046,668.53	2,478,918,829.18	57,798,582.18	2,421,120,247.00
Finished goods	1,050,590,180.91	143,629,304.56	906,960,876.35	1,091,563,159.80	117,280,287.96	974,282,871.84
Consumables	132,425.52		132,425.52	8,881.99		8,881.99
Total	9,562,774,450.40	512,081,883.02	9,050,692,567.38	8,921,295,516.15	409,637,975.64	8,511,657,540.51

**(2). Povision for impairment of inventories**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Increase during the year		Decrease during the year		Ending Balance
		Accrual	Others	Written-off	Others	
Raw materials	234,559,105.50	65,790,620.87	87,716,683.47	76,190,631.71	1,021,827.79	310,853,950.34
Work in progress	57,798,582.18	1,563,792.96		86,790.38	1,676,956.64	57,598,628.12
Finished goods	117,280,287.96	28,879,690.13	20,598,168.71	23,128,842.24		143,629,304.56
Total	409,637,975.64	96,234,103.96	108,314,852.18	99,406,264.33	2,698,784.43	512,081,883.02

**(3). Explanation of the ending balance of inventory contains the capitalized amount of borrowing costs**

Applicable  Not applicable

**(4). Explanation of the amortization amount of costs to fulfill the contract in the current period**

Applicable  Not applicable

Other information:

Applicable  Not applicable

## 10、 Contract assets

### (1). Contract assets

Applicable  Not applicable

### (2). Amount and reasons for significant changes in book value during the reporting period

Applicable  Not applicable

### (3). Provision for impairment of contract assets in the current period

Applicable  Not applicable

Other information:

Applicable  Not applicable

## 11、 Assets held for sale

Applicable  Not applicable

## 12、 Non-current assets due within one year

Applicable  Not applicable

## 13、 Other current assets

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Deferred expense	249,691,065.10	162,883,847.43
Prepaid tax	689,104,151.10	807,565,893.56
Others	42,151,491.79	37,689,627.36
Total	980,946,707.99	1,008,139,368.35

## 14、 Debt investment

### (1). Debt investment

Applicable  Not applicable

### (2). Important debt investments at the end of the period

Applicable  Not applicable

### (3). Provision for impairment

Applicable  Not applicable

## 15、 Other debt investments

### (1). Other debt investments

Applicable  Not applicable

### (2). Other important debt investments at the end of the period

Applicable  Not applicable

### (3). Provision for impairment

Applicable  Not applicable

Other information:

 Applicable  Not applicable**16、 Long-term receivables****(1) Long-term receivables** Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance			Beginning Balance			Discount rate range
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	
Compensation receivables (Note)	238,480,262.05		238,480,262.05	264,948,239.77		264,948,239.77	/
Others	1,857,602.14		1,857,602.14	13,601,182.11		13,601,182.11	/
Less: Portion due within 1 year	-55,139,700.00		-55,139,700.00	-105,397,480.54		-105,397,480.54	/
Total	185,198,164.19		185,198,164.19	173,151,941.34		173,151,941.34	/

Note: The Group sells automobile components to OEM customers and determines the sales price based on the agreed order quantity. As some OEMs failed to realize the contracted order quantities, resulting in the Group's economic interests being damaged, the Group negotiated with these OEMs and agreed to receive corresponding compensation payments from the OEMs as a means of making up for the economic losses incurred as a result of the shortfall in the order quantities. Among them, according to the agreements with the OEMs, the Group recognized the compensation payment, which was agreed to be received within one year, as a non-current assets due within one year

**(2) Provision for bad and doubtful debts**

Applicable  Not applicable

**(3) Long-term receivables derecognized due to the transfer of financial assets**

Applicable  Not applicable

**(4) The amount of assets and liabilities formed by the transfer of long-term receivables and continued involvement**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**17、 Long-term equity investments**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Investee	Beginning balance	Movements during the period							Ending balance	Balance of provision for impairment at the end of the period	
		Increase in capital	Decrease in capital	Investment income recognized under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment			Other
<b>1. Joint ventures</b>											
-Yanfeng Key Auto Safety Systems Ltd. (Note I)	109,796,659.35			-341,110.68						109,455,548.67	
Subtotal	109,796,659.35			-341,110.68						109,455,548.67	
<b>2. Associates</b>											
-Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd. (Note II)	1,927,587,999.04			66,515,380.95	33,995,152.98					2,028,098,532.97	
-Innoventis GmbH	5,273,821.99								322,700.02	5,596,522.01	
-AutoIO Technology Co.,LTD	32,947,242.60									32,947,242.60	
Suzhou SME-CQ Automotive Safety Technology Co.,Ltd.	11,693,362.35									11,693,362.35	
Subtotal	1,977,502,425.98			66,515,380.95	33,995,152.98	-	-	-	322,700.02	2,078,335,659.94	
Total	2,087,299,085.33			66,174,270.27	33,995,152.98				322,700.02	2,187,791,208.60	

Other information:

Note I Yanfeng Key Auto Safety Systems Ltd. (“YFK”) was a joint venture of the Group’s subsidiary, Key Safety Systems, Inc. (hereinafter referred to as “KSS”) and Yanfeng Automotive Trim Systems Co., Ltd (hereinafter referred to as “Yanfeng”). KSS and Yanfeng held 49.9% and 50.1% of the equity interests in YFK respectively.

Note II JoysonQuin is the joint venture of the Group and Senssun. The Group and Senssun hold 49% and 51% of the shares of JoysonQuin, respectively.

**18、 Investment in other equity instruments****(1). Investment in other equity instruments**

Applicable  Not applicable

**(2). Investment in non-trading equity instruments**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**19、 Other non-current financial assets**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Financial assets designated at fair value through profit or loss	673,667,100.43	897,303,111.50
Including: Equity investments	148,444,105.92	84,027,247.41
Reinsurance of defined benefit plan	62,174,597.57	61,245,698.76
Contingent assets due from Senssun arising from financial performance compensation	300,655,000.00	562,210,000.00
Derivative financial assets	162,393,396.94	189,820,165.33
Total	673,667,100.43	897,303,111.50

Other information:

In other non-current financial assets, investment in equity instruments refer to equity investments that the Group do not have significant influence and are classified as financial assets at fair value through profit or loss and presented as other non-current financial assets.

The Group sold 51% shares of JoysonQuin to Senssun on 31 December 2020 with a consideration of RMB2,040,000,000.00 and received the first installment of RMB1,200,000,000.00 on the same day. The settlement of the remaining consideration of RMB840,000,000.00 depends on the financial performance of JoysonQuin during 2021 to 2023. If the financial performance doesn't meet with the target, the Group is obliged to repay compensation. The contingent consideration is classified as financial assets at fair value of deal closing date and presented as other non-current financial assets. As at 30 June 2023, the Group had received the third installment of RMB300,000,000.00 and re-assessed the fair value of the contingent consideration according to financial performance forecast of JoysonQuin during 2023.

The reinsurance of defined benefit plan represents the contracts that Preh and Joyson Safety signed with Allianz, Swiss Life and Generali China to secure the payment of its staff pension. Its changes in fair value offset the present value of plan assets for the defined benefit plan. The reinsurance of defined benefit plan is classified as financial assets at fair value through profit or loss and presented as other non-current financial assets.

**20、 Investment property**

Investment property measurement model

Not applicable

**21、 Fixed assets****List of items**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Fixed assets	11,068,444,666.84	11,146,163,605.79

Fixed assets liquidation		
Total	11,068,444,666.84	11,146,163,605.79

**Fixed assets**

**(1). Fixed assets**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Plant & buildings	Machinery & equipment	Motor vehicles	Other equipment	Land use rights	Total
I. Cost						
i. Balance at the beginning of the year	5,304,594,715.54	10,647,783,858.73	36,106,065.99	5,057,611,217.33	1,356,235,320.63	22,402,331,178.22
ii. Additions during the year	201,807,137.87	639,250,467.78	2,081,659.84	284,075,737.98	68,897,886.31	1,196,112,889.78
- Purchases	25,405,712.64	94,060,927.77	1,494,844.59	73,450,575.02	12,233,752.43	206,645,812.45
- Transfers from construction in progress	12,672,458.22	160,030,888.96		57,941,947.51		230,645,294.69
- Change in exchange rate	163,728,967.01	385,158,651.05	586,815.25	152,683,215.45	56,664,133.88	758,821,782.64
iii. Decrease during the year	7,227,812.73	69,178,016.66	1,097,723.49	37,432,383.73	11,188,462.43	126,124,399.04
- Disposals or scrap	7,227,812.73	69,178,016.66	1,097,723.49	37,432,383.73	11,188,462.43	126,124,399.04
- Change in exchange rate						
v. Balance at the end of the year	5,499,174,040.68	11,217,856,309.85	37,090,002.34	5,304,254,571.58	1,413,944,744.51	23,472,319,668.96
II. Accumulated depreciation						
i. Balance at the beginning of the year	1,578,737,863.83	6,028,734,370.38	25,362,884.90	3,618,745,420.21		11,251,580,539.32
ii. Additions during the year	164,813,467.59	745,575,505.25	1,981,918.37	330,902,927.43		1,243,273,818.64
- Accruals for the year	107,735,381.18	502,683,984.89	1,500,034.84	213,326,874.53		825,246,275.44
- Change in exchange rate	57,078,086.41	242,891,520.36	481,883.53	117,576,052.90		418,027,543.20
iii. Decrease during the year	6,091,332.11	56,434,063.42	849,693.05	32,854,964.70		96,230,053.28
- Disposals or scrap	6,091,332.11	56,434,063.42	849,693.05	32,854,964.70		96,230,053.28
- Change in exchange rate						
v. Balance at the end of the year	1,737,459,999.31	6,717,875,812.21	26,495,110.22	3,916,793,382.94		12,398,624,304.68
III. Provision for impairment						
i. Balance at the beginning of the year		4,587,033.11				4,587,033.11
ii. Additions during the year		168,042.37		495,621.96		663,664.33
- Accruals for the year				477,980.46		477,980.46
iii. Decrease during the year		168,042.37		17,641.50		185,683.87
- Disposals or scrap						
iv. Balance at the end of the year		4,755,075.48		495,621.96		5,250,697.44
IV. Carrying amounts						
ii. At the end of the year	3,761,714,041.37	4,495,225,422.16	10,594,892.12	1,386,965,566.68	1,413,944,744.51	11,068,444,666.84
ii. At the beginning of the year	3,725,856,851.71	4,614,462,455.24	10,743,181.09	1,438,865,797.12	1,356,235,320.63	11,146,163,605.79

**(2). Temporarily idle fixed assets**

Applicable  Not applicable

**(3). Fixed assets acquired under finance leases**

Applicable  Not applicable

**(4). Fixed assets leased out under operating leases**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Carrying amount at the end of the year
Plant & buildings	98,698,526.38

**(5). Fixed assets pending certificates of ownership**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**Fixed assets liquidation**

Applicable  Not applicable

## 22、 Construction in progress

### List of items

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Construction in progress	2,586,621,975.60	2,148,641,718.01
Construction materials		
Total	2,586,621,975.60	2,148,641,718.01

## Construction in progress

### (1). Construction in progress

Applicable  Not applicable

Unit: Yuan Currency: RMB

Project	Ending Balance			Beginning Balance		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Machinery & equipment (excluding Tooling)	2,162,671,318.35		2,162,671,318.35	1,664,963,581.84		1,664,963,581.84
Decoration, renovation, etc.	170,052,119.56		170,052,119.56	281,838,208.92		281,838,208.92
Tooling	253,898,537.69		253,898,537.69	201,839,927.25		201,839,927.25
Total	2,586,621,975.60		2,586,621,975.60	2,148,641,718.01		2,148,641,718.01

### (2). Movements of major construction projects in progress during the year

Applicable  Not applicable

Unit: Yuan Currency: RMB

Project	Budget	Balance at the beginning of the year	Additions during the year	Transfers to fixed assets	Transfers to intangible assets	Transfers to Long-term deferred expenses	Change in exchange rate	Balance at the end of the year	Percentage of actual cost to budget (%)	Project progress	Accumulated capitalised interest	Including: Interest capitalised in 2021
Machinery & equipment (excluding Tooling)	4,229,690,586.49	1,664,963,581.84	685,615,550.13	187,627,097.93	280,715.69	2,162,671,318.35	51.13	51.13%	62,448,172.42	17,814,271.20	4.96%	Own funds, deposit with bank
Decoration, renovation, etc.	907,764,119.31	281,838,208.92	24,823,420.87	21,408,971.02	115,200,539.21	170,052,119.56	18.73	18.73%				Own funds
Tooling	275,747,042.73	201,839,927.25	73,667,836.18	21,609,225.74		253,898,537.69	92.08	92.08%				Own funds
Total	5,413,201,748.53	2,148,641,718.01	784,106,807.18	230,645,294.69	115,481,254.90	2,586,621,975.60	/	/	62,448,172.42	17,814,271.20	4.96%	/

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

Applicable  Not applicable

Other information

Applicable  Not applicable

## Construction materials

Applicable  Not applicable

## 23、 Productive biological assets

### (1). Productive biological assets using the cost measurement model

Applicable  Not applicable

### (2). Productive biological assets measured at fair value

Applicable  Not applicable

Other information

Applicable  Not applicable

## 24、 Oil and gas properties

Applicable  Not applicable

## 25、Right-of-use assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Mechanical equipment	Office and other equipment	Means of transport	Other equipment
<b>I. Cost</b>					
i. Balance at the beginning of the year	902,547,200.90	40,489,550.47	57,928,925.56	36,259,473.52	1,037,225,150.45
ii. Additions during the year	28,693,002.81	7,818,451.16	48,642,482.86	5,333,361.17	90,487,298.00
- Purchases	18,375,493.17	4,992,175.12	30,850,567.02	1,601,803.97	55,820,039.28
- Change in exchange rate	10,317,509.64	2,826,276.04	17,791,915.84	3,731,557.20	34,667,258.72
iii. Decrease during the year	30,369,383.41	574,031.46	20,410,404.70	3,789,239.80	55,143,059.37
- Disposals or scrap	30,369,383.41	574,031.46	20,410,404.70	3,789,239.80	55,143,059.37
iv. Ending Balance	900,870,820.30	47,733,970.17	86,161,003.72	37,803,594.89	1,072,569,389.08
<b>II. Accumulated depreciation</b>					
i. Balance at the beginning of the year	190,463,012.39	10,512,561.10	28,716,305.50	5,512,764.21	235,204,643.20
ii. Additions during the year	53,888,332.39	6,547,556.87	26,730,187.61	7,915,794.99	95,081,871.86
- Accruals for the year	50,110,254.30	5,508,301.67	11,667,990.97	5,742,873.85	73,029,420.79
- Change in exchange rate	3,778,078.09	1,039,255.20	15,062,196.64	2,172,921.14	22,052,451.07
iii. Decrease during the year	19,516,321.87	3,094.06	20,115,947.07	3,163,692.73	42,799,055.73
- Disposals or scrap	19,516,321.87	3,094.06	20,115,947.07	3,163,692.73	42,799,055.73
v. Balance at the end of the year	224,835,022.91	17,057,023.91	35,330,546.04	10,264,866.47	287,487,459.33
<b>III. Provision for impairment</b>					
i. Balance at the beginning of the year					
ii. Additions during the year					
- Accruals for the year					
- Change in exchange rate					
iii. Decrease during the year					
- Disposals or scrap					
iv. Balance at the end of the year					
<b>IV. Carrying amounts</b>					
i. At the end of the year	676,035,797.39	30,676,946.26	50,830,457.68	27,538,728.42	785,081,929.75
ii. At the beginning of the year	712,084,188.51	29,976,989.37	29,212,620.06	30,746,709.31	802,020,507.25

## 26、Intangible assets

### (1). Intangible assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Software and patent right	Non-patent know-hows	Capitalized development costs	Customer relationship and platform	Trademarks	Franchise, industrial property right	Total
<b>I. Cost</b>								
i. Balance at the beginning of the period	470,626,893.26	1,164,768,665.88	893,911,314.13	5,271,958,929.46	344,473,852.79	176,464,073.86	10,983,013.36	8,333,186,742.74
ii. Additions during the period	6,537,194.59	108,670,709.04	32,815,950.00	557,819,593.52	12,919,129.64	6,618,099.54	1,428,977.90	726,809,654.23
- Purchases		45,864,816.17					1,130,535.35	46,995,351.52
- CIP to intangible assets				375,981,594.72				375,981,594.72
- Internal development		280,715.69						280,715.69
- Change in exchange rate	6,537,194.59	62,525,177.18	32,815,950.00	181,837,998.80	12,919,129.64	6,618,099.54	298,442.55	303,551,992.30
iii. Decrease during the period		59,992,186.50		37,215,696.81			8,296,099.87	105,503,983.18
- Disposals		59,992,186.50		37,215,696.81			8,296,099.87	105,503,983.18
- Change in exchange rate								
iv. Balance at the end of the period	477,164,087.85	1,213,447,188.42	926,727,264.13	5,792,562,826.17	357,392,982.43	183,082,173.40	4,115,891.39	8,954,492,413.79
<b>II. Accumulated depreciation or amortisation</b>								
i. Balance at the beginning of the period	83,239,891.71	1,043,459,906.62	620,939,194.42	3,082,427,791.53	195,814,536.77	58,286,091.49	10,506,637.30	5,094,674,049.84
ii. Additions during the period	3,401,332.93	127,163,035.63	32,815,950.00	561,738,318.51	22,775,294.31	6,555,512.23	994,319.75	755,443,763.36
- Accrual	2,937,255.34	83,157,297.25		448,121,266.09	14,882,197.63	4,414,135.68	176,186.78	553,688,338.77

-Change in exchange rate	464,077.59	44,005,738.38	32,815,950.00	113,617,052.42	7,893,096.68	2,141,376.55	818,132.97	201,755,424.59
iii. Decreases during the period		57,290,804.29		16,217,890.38			7,994,289.04	81,502,983.71
- Disposals		57,290,804.29		16,217,890.38			7,994,289.04	81,502,983.71
- Change in exchange rate								
iv. Balance at the end of the period	86,641,224.63	1,113,332,137.96	653,755,144.42	3,627,948,219.66	218,589,831.08	64,841,603.72	3,506,668.01	5,768,614,829.48
III. Impairment provision								
i. Balance at the beginning of the period				106,935.65				106,935.65
ii. Additions during the period				4,010.51				4,010.51
- Accrual								
iii. Decreases during the period				4,010.51				4,010.51
- Disposals								
-Change in exchange rate								
iv. Balance at the end of the period				110,946.16				110,946.16
III. Carrying amounts								
i. At the end of the period	390,522,863.22	100,115,050.46	272,972,119.71	2,164,503,660.35	138,803,151.35	118,240,569.68	609,223.38	3,185,766,638.15
ii. At the beginning of the period	387,387,001.55	121,308,759.26	272,972,119.71	2,189,424,202.28	148,659,316.02	118,177,982.37	476,376.06	3,238,405,757.25

The carrying amount of intangible assets of the Group arising from internal development is 67.94% of the total carrying amount of intangible assets at the end of the period.

## (2). Land use rights pending certificates of ownership

Applicable  Not applicable

Other information:

Applicable  Not applicable

## 27、 Development cost

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Additions during the period			Decrease during the period		Balance at the end of the period
		Internal development	Other	Change in exchange rate	Recognized as intangible assets	Transferred into current profit and loss	
Product development costs	1,090,506,883.25	662,268,543.83		64,927,497.35	375,981,594.72		1,441,721,329.71
Total	1,090,506,883.25	662,268,543.83		64,927,497.35	375,981,594.72		1,441,721,329.71

Other information:

Regarding technology development activities in the production of auto parts, before the mass production, if the Group and the experts have obtained the order from OEMs to produce the specified product, and the management has approved the new product's feasibility study, relevant design and testing expenditures incurred in the development phase meeting relevant conditions can be capitalized.

## 28、 Goodwill

### (1). Changes in goodwill

Applicable  Not applicable

Unit: Yuan Currency: RMB

Name of investee or events from which goodwill arose	Balance at the beginning of the period	Additions during the period		Disposals during the period		Balance at the end of the period
		Additions due to business combinations	Change in exchange rate	Disposals	Change in exchange rate	
KSS Holdings, Inc.	6,813,673,326.06		255,539,653.79			7,069,212,979.85
Preh Car Connect GmbH	783,473,427.43		47,939,973.69			831,413,401.12
Preh Sweden	5,997,814.54		367,000.41			6,364,814.95
Others	23,663,286.78		1,447,933.45			25,111,220.23
Total	7,626,807,854.81		305,294,561.34			7,932,102,416.15

**(2). Provision for impairment of goodwill**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Name of investee or events from which goodwill arose	Balance at the beginning of the period	Additions during the period		Disposals during the period		Balance at the end of the period
		Additions due to business combinations	Change in exchange rate	Disposals	Change in exchange rate	
KSS Holdings, Inc.	2,205,737,572.20				82,723,868.40	2,288,461,440.60
Total	2,205,737,572.20				82,723,868.40	2,288,461,440.60

**(3). Information of goodwill related asset group or asset groups**√ Applicable  Not applicable

As at 30 June 2023, the goodwill of the Group mainly derived from acquisitions of KSS and Technisat's automotive information business (later renamed as Preh Car Connect GmbH). Based on the analysis of the asset group or asset groups that can benefit from the synergies of the business combination, the goodwill is allocated to safety system and intelligent auto interconnection business segments. These business segments constitute the asset group or asset groups are the lowest levels of goodwill monitored by the Group for internal management purposes.

**(4). Valuation model, key parameters (e.g. future revenue growth rate, profit rate, /discount rate, forecast period, if applicable in the calculation of the present value of estimated future cash flows) and the method in assessing goodwill impairment**√ Applicable  Not applicable

The goodwill of the Group mainly derived from acquisitions of KSS and Technisat's automotive information business (later renamed as Preh Car Connect GmbH). Based on the analysis of the asset group or asset groups that can benefit from the synergies of the business combination, the goodwill is allocated to safety system and intelligent auto interconnection business segments. These business segments constitute the asset group or asset groups are the lowest levels of goodwill monitored by the Group for internal management purposes.

It is expected that the key assumptions in calculating the present value of future cash flows may change. Management believes that the carrying amount of the Group's asset group or asset groups (including goodwill) may exceed the recoverable amount, if there are unfavourable changes to key assumptions.

Key parameters and assumptions

Key parameters	Safety system business (Note)	Intelligent auto interconnection business
Revenue growth rate	The forecasted revenue was based on the realization of customer orders in respective regions.	
	Business scale of perpetual period is same as the last year of the forecast period. Zero growth rate is applied.	
Changes in working capital	Management forecasted the changes in working capital and capital expenditures by considering historical data, operation experience, restructuring and future business plan.	
Capital expenditures		
Discount Rate	8.97% - 20.97%	15.30%

Note: According to the following valuation reports issued by Beijing China Enterprise Appraisal Co., Ltd. <Valuation report on the recoverable amount of Joyson Auto Safety Holdings S.A. – CN region for Ningbo Joyson Electronic Corp.'s goodwill impairment test> (Zhongqihuaguzi (2023) 6128-3), <Valuation report on the recoverable amount of Joyson

Auto Safety Holdings S.A. – ROA region for Ningbo Joyson Electronic Corp.'s goodwill impairment test> (Zhongqihuaguzi (2023) 6128-1) ,<Valuation report on the recoverable amount of Joyson Auto Safety Holdings S.A. – EMEA region for Ningbo Joyson Electronic Corp.'s goodwill impairment test> (Zhongqihuaguzi (2023) 6128-2), and <Valuation report on the recoverable amount of Joyson Auto Safety Holdings S.A. – AM region for Ningbo Joyson Electronic Corp.'s goodwill impairment test> (Zhongqihuaguzi (2023) 6128-4).Based on the valuation results,the recoverable amount of the asset groups (including the allocated goodwill) of JSS ROA, EMEA and AM regions are impaired by a total amount USD 316,707,000, which was equivalent to RMB RMB2,288,461,440.60 as of June 30,2023.

It is expected that the key assumptions in calculating the present value of future cash flows may change. Management believes that the carrying amount of the Group's asset group or asset groups (including goodwill) may exceed the recoverable amount, if there are unfavourable changes to key assumptions.

#### (5). The impact of goodwill impairment test

Applicable  Not applicable

See Note VII.28(4).

Other information:

Applicable  Not applicable

#### 29、 Long-term deferred expenses

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Additions during the period	Amortization for the period	Other reductions	Balance at the end of the period
Fixed operating lease Asset improvement expenditure	61,396,466.27	3,779,005.94	4,858,432.13		60,317,040.08
Total	61,396,466.27	3,779,005.94	4,858,432.13		60,317,040.08

#### 30、 Deferred tax assets and deferred tax liabilities

##### (1). Unoffset deferred tax assets

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance		Beginning Balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealised profits of intra-group transactions	69,132,553.30	10,385,394.72	34,834,734.57	7,961,137.96
Deductible tax losses	3,033,788,827.65	816,029,122.14	2,563,594,853.94	730,366,816.30
Defined benefit plans	164,961,784.04	32,008,512.63	146,489,052.46	35,248,136.61
Inventories and receivables	1,164,401,953.67	184,865,337.24	1,086,847,380.59	179,015,689.10
Depreciation and amortisation of long-term assets	327,290,696.26	77,880,261.77	305,580,211.97	79,878,676.11
Accrued expenses and estimated liabilities	3,962,889,870.75	821,537,507.21	3,311,249,470.11	741,886,268.58
Less: Amount offset	-	-768,420,814.04		-731,809,421.13
Total	8,722,465,685.67	1,174,285,321.67	7,448,595,703.64	1,042,547,303.53

##### (2). Unoffset deferred tax liabilities

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance		Beginning Balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Depreciation and amortisation of long-term assets	2,401,393,602.16	856,986,300.43	2,855,353,511.34	786,011,426.30
Inventories and receivables	187,433,100.39	54,632,376.79	183,382,732.02	53,457,623.85
Others	626,812,220.46	173,016,860.46	955,783,290.33	257,375,631.08
Less: Amount offset	-	-768,420,814.04		-731,809,421.13
Total	3,215,638,923.01	316,214,723.64	3,994,519,533.69	365,035,260.10

**(3). Deferred tax assets or liabilities listed as net amount after offset**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Deferred tax assets and liabilities offset amount at the end of the period	Ending balance of deferred tax assets or liabilities after offset	Deferred tax asset and liability offset amount at the beginning of the period	Beginning balance of deferred tax assets or liabilities after offset
Deferred tax assets	768,420,814.04	1,174,285,321.67	731,809,421.13	1,042,547,303.53
Deferred tax liabilities	768,420,814.04	316,214,723.64	731,809,421.13	365,035,260.10

**(4). Details of unrecognized deferred tax assets**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Deductible temporary differences	645,184,571.81	555,120,484.21
Deductible tax losses	4,176,191,664.40	3,626,041,931.17
Total	4,821,376,236.21	4,181,162,415.38

**(5). The deductible losses of unrecognized deferred tax assets will expire in the following years**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Year	Balance at the end of the period	Balance at the beginning of the period	Remark
2023	42,393,286.68	42,393,286.68	
2024			
2025			
2026	5,905,672.22	5,905,672.22	
2027 and thereafter	4,127,892,705.50	3,577,742,972.27	
Total	4,176,191,664.40	3,626,041,931.17	/

Other information:

√ Applicable  Not applicable

As at 30 June 2023, temporary differences relating to the undistributed profits of subsidiaries amounted to RMB3,370,535,265.01 (2022: RMB3,099,023,847.61). Deferred tax liabilities have not been recognized in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable future.

**31. Other non-current assets**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance			Beginning Balance		
	Book value	Impairment provision	Carrying amounts	Book value	Impairment provision	Carrying amounts
Payment to vehicle manufacturer (Note)	381,136,588.84		381,136,588.84	359,086,494.09		359,086,494.09
Prepayment for long-term assets purchasing	403,222,178.79		403,222,178.79	406,039,222.68		406,039,222.68
Overpayment of tax in previous years by overseas subsidiaries	331,675,541.77		331,675,541.77	204,536,389.65		204,536,389.65
Others	475,838,534.61		475,838,534.61	58,038,161.99		58,038,161.99
Total	1,591,872,844.01		1,591,872,844.01	1,027,700,268.41		1,027,700,268.41

Other information:

Note : As a common practice in industry, the Group has agreed in the supply upfront framework agreement with certain OEMs that the Group makes certain payment to the OEMs. In view of the fact that the Group has obtained relevant supply agreements and has business relationship with these customers for many years, the Group is able to estimate the future purchase volume by the customers. The payment is expected to be recovered from the customers' future orders. Therefore, the Group capitalizes the payment and amortizes it offsetting the revenue when the expected future purchases are realized.

### 32、 Short-term loans

#### (1). Short-term loans by category

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Ending Balance	Beginning Balance
Pledged loans	289,306,131.95	509,318,337.16
Mortgage	500,472,222.22	
Guaranteed loans	903,891,395.89	690,909,662.58
Unsecured loans	2,813,923,512.89	1,807,358,071.93
Total	4,507,593,262.95	3,007,586,071.67

Explanation of short-term loans classification:

As of 30 June 2023, short-term loans mainly include:

- (a) Pledged loans mainly include short-term loans of EUR21,800,000.00, equivalent to RMB171,720,780.00, borrowed from Agricultural Bank of China through pledge of certificates of deposit, and short-term loans of USD6,960,000.00, equivalent to RMB50,291,568.00, borrowed from Deutsche Bank through pledge of accounts receivable of EUR5,111,426.94, equivalent to RMB40,290,333.57. The maturity dates of above-mentioned loans are from 10 July 2023 to 29th February 2024. The interest is repaid on a monthly basis and the principal is repaid in full upon maturity.
- (b) Mortgage loans mainly include short-term loans of RMB 500,000,000.00 borrowed from Postal Savings Bank of China, with the above short-term loans as mortgage on real estate.
- (c) Guaranteed loans mainly include short-term loans of RMB165,000,000.00, borrowed from Agricultural Bank of China, and short-term loans of RMB300,000,000.00, borrowed from Industrial and Commercial Bank of China, both of which are guaranteed by Joyson Group; short-term loans of EUR3,000,000.00, equivalent to RMB23,647,212.83, borrowed from Deutsche Bank, which are guaranteed by KSS Holdings Inc.; short-term loans of RMB 260,000,000.00 borrowed from China Merchants Bank; short-term loans of EUR22,657,112.43, equivalent to RMB178,472,340.32, borrowed from BNP Paribas Bank, which are guaranteed by Joyson Electronics. The maturity dates of above-mentioned

loans are from 25 July 2023 to 24 June 2024. The interest is repaid on a monthly basis and the principal is repaid in full upon maturity.

- (d) Unsecured loans mainly include short-term loans borrowed from Industrial and Commercial Bank of China with total principle of RMB302,000,000.00; short-term loans borrowed from China Merchants Bank with total principle of RMB500,000,000.00; short-term loans borrowed from Agricultural Bank of China with total principle of RMB20,000,000.00; short-term loans borrowed from Industrial Bank with total principle of RMB258,000,000.00; short-term loans borrowed from Bank of China with total principle of RMB350,000,000.00; short-term loans of EUR132,623,414.40, equivalent to RMB1,044,687,897.57, borrowed from Commerzbank; short-term loans of EUR1,128,600.12.00, equivalent to RMB8,890,096.01, borrowed from Banco de Crédito del Perú; short-term loans of EUR2,734,074.6111, equivalent to RMB21,536,579.11, borrowed from Banco Bilbao Vizcaya Argentaria; short-term loans of EUR560,811.53, equivalent to RMB4,417,568.50, borrowed from Novo Banco; short-term loans of EUR3,537,537.51, equivalent to RMB27,865,536.72, borrowed from Santander Bank. short-term loans of EUR4,596,922.52, equivalent to RMB36,210,418.38 borrowed from Bayerische Landesbank; short-term loans of BRL8,674,556.00, equivalent to RMB13,092,560.97, borrowed from Bank of Brasil; short-term loans of USD 27,840,000.00, equivalent to RMB201,166,272.00, borrowed from Agricultural Bank of China; short-term loans of EUR2,840,045.82, equivalent to RMB20,521,603.09, borrowed from Santander Bank. The maturity dates of above-mentioned loans are from 4 October 2023 to 5 April 2024. The interest is repaid on a monthly basis and the principal is repaid in full upon maturity.

As at 30 June 2023, the annual interest rates of the above-mentioned loans are between 0.70% and 9.28%.

## (2). Short-term borrowings that are overdue but not repaid

Applicable  Not applicable

Other information:

Applicable  Not applicable

## 33、 Trading financial liabilities

Applicable  Not applicable

## 34、 Derivative financial liabilities

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Forward contract of foreign currency	1,529,120.35	271,634.98
Interest rate swap contract		67,123.14
Total	1,529,120.35	338,758.12

Other information:

The Group has entered into certain forward contracts of foreign currency to hedge the uncertainty arising from fluctuations of foreign currency exchange rate. As at 30 June 2023, the nominal amounts of the foreign currency forward contract held by the Group were USD4,000,000.00 (sell US dollar against Brazilian Real), and the fair value of the forward contract was RMB-1,529,120.35, which were included in derivative financial liabilities.

## 35、 Bills payable

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Bank acceptance bills	351,007,733.21	74,763,040.23
Total	351,007,733.21	74,763,040.23

The total amount of notes payable due and unpaid at the end of the period is RMB0.

### 36、Accounts payable

#### (1). List of accounts payable

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Purchase of raw material	8,715,642,764.77	8,253,082,427.71
Construction payable	134,656,736.45	593,616,307.04
Total	8,850,299,501.22	8,846,698,734.75

#### (2). Significant accounts payable with ageing of more than one year

Applicable  Not applicable

Other information:

Applicable  Not applicable

### 37、Advance receipts

#### (1). List of advance receipts

Applicable  Not applicable

#### (2). Significant advance receipts with ageing of more than one year

Applicable  Not applicable

Other information:

Applicable  Not applicable

### 38、Contract liabilities

#### (1). Contract liabilities

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Advances from sales of automotive components	54,756,609.24	46,721,001.86
Advances on tooling and R&D services	603,603,873.54	635,221,349.65
Total	658,360,482.78	681,942,351.51

#### (2). Amount of and reasons for significant changes in book value during the reporting period

Applicable  Not applicable

Other information:

Applicable  Not applicable

### 39、Employee benefits payable

#### (1). Employee benefits payable

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Additions during the period	Decreased during the period	Ending Balance
I. Short-term employee benefits	1,132,581,362.13	5,031,609,970.83	4,857,952,714.15	1,306,238,618.81
II. Post-employment benefits - defined contribution plans	44,157,506.02	87,375,220.98	85,214,989.52	46,317,737.48
III. Termination benefits	29,141,282.67	7,023,844.85	753,460.00	35,411,667.52
Total	1,205,880,150.82	5,126,009,036.66	4,943,921,163.67	1,387,968,023.81

**(2). Short-term employee benefits**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Additions during the period	Decreased during the period	Ending Balance
I. Salaries, bonuses, allowances	701,507,553.83	3,676,150,631.86	3,600,117,834.32	777,540,351.37
II. Staff welfare	8,003,564.89	12,392,972.95	2,067,832.59	18,328,705.25
III. Social insurance	127,317,045.02	481,993,472.53	477,809,209.32	131,501,308.23
Including: Medical insurance	1,382,195.04	16,998,021.78	17,012,408.25	1,367,808.57
Work-related injury insurance	42,332.15	329,574.16	314,419.85	57,486.46
Maternity insurance	13,719.61	729,395.80	727,609.39	15,506.02
Comprehensive insurance	125,878,798.22	463,936,480.79	459,754,771.83	130,060,507.18
IV. Housing fund	26,293,619.28	41,958,771.19	41,519,395.79	26,732,994.68
V. Labour union fee, staff and workers' education fee	13,841,743.60	601,598.59	4,340,347.52	10,102,994.67
VI. Short-term paid absences	255,617,835.51	818,512,523.71	732,098,094.61	342,032,264.61
Total	1,132,581,362.13	5,031,609,970.83	4,857,952,714.15	1,306,238,618.81

**(3). Post-employment benefits-defined contribution plans**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Additions during the period	Decreased during the period	Ending Balance
Basic pension insurance	27,741,095.34	84,689,830.97	83,792,525.79	28,638,400.52
Unemployment insurance	16,416,410.68	2,685,390.01	1,422,463.73	17,679,336.96
Total	44,157,506.02	87,375,220.98	85,214,989.52	46,317,737.48

Other information:

□ Applicable √ Not applicable

**40. Taxes payable**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Value-added tax	371,584,948.58	331,871,119.63
Corporate income tax	336,374,434.66	229,777,806.16
Withholding individual income tax	113,273,684.41	112,986,758.07
Other taxes of overseas subsidiaries	79,017,556.94	57,038,267.21
Other taxes of domestic subsidiaries	22,488,060.16	28,589,671.76
Total	922,738,684.75	760,263,622.83

**41. Other payables****List of items**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Interest payable		
Dividends payable	900,000.00	
Other payables	489,732,145.88	684,787,448.10
Total	490,632,145.88	684,787,448.10

**Interest payable**

Applicable  Not applicable

**Dividend payable**

Applicable  Not applicable

Item	Ending Balance	Beginning Balance
Dividends payable	900,000.00	
Total	900,000.00	

**Other payables****(1). Other payables listed according to the nature of the payment**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Performance guarantee		
Freight charges payable	209,256,412.04	260,617,846.00
Service charges payable	105,997,418.77	208,914,451.32
Repurchase obligations of restricted stock	73,150,000.00	81,700,000.00
Royalty payable	46,677,664.47	40,628,724.77
Payables for purchasing minority shareholder equity		47,465,600.00
Others	54,650,650.60	45,460,826.01
Total	489,732,145.88	684,787,448.10

**(2). Significant item of other payables with ageing of more than one year**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**42. Liabilities held for sale**

Applicable  Not applicable

**43. Non-current liabilities due within one year**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Long-term loans due within one year (Note VII.45)	2,351,404,556.12	3,438,016,919.61
Long-term debentures payable due within one year (Note VII.46)		523,442,622.94
Long-term payables due within one year (Note VII.48)	25,816,851.42	39,947,994.28
Lease liabilities due within one year (Note VII.47)	145,584,860.86	128,505,591.13
Total	2,522,806,268.40	4,129,913,127.96

**44. Other current liabilities**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Provisions (Note VII.50)	900,660,936.21	933,769,415.07
Escrow money payable relating to acquisition of Takata business		
Others	524,034,498.95	549,270,973.02
Total	1,424,695,435.16	1,483,040,388.09

Changes in short-term bonds payable:

Applicable  Not applicable

Other information:

Applicable  Not applicable

#### 45、 Long-term loans

##### (1). Classification of long-term loans

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Pledged loans	7,590,085,609.24	9,075,194,553.16
Mortgage loans	671,184,487.95	410,687,284.95
Guaranteed loans	3,276,555,660.55	2,718,995,056.92
Unsecured loans	4,107,366,061.59	3,700,879,002.74
Less: Long-term loans due within one year (Note VII.43)	-2,351,404,556.12	-3,438,016,919.61
Total	13,293,787,263.21	12,467,738,978.16

Explanation on the classification of long-term loans:

As at 30 June 2023, long-term loans mainly consist of:

- (a) Pledged loans mainly include long-term loans of USD373,008,374.72, equivalent to RMB2,695,283,917.32, JPY20,165,925,000.00, equivalent to RMB1,009,735,575.25 and EUR409,995,691.51, equivalent to RMB3,231,751,792.00, borrowed by the subsidiaries of the Group from Deutsche Bank; long-term loans of RMB500,000,000.00, borrowed from Bank of China; long-term loans of USD7,400,000.00, equivalent to RMB53,470,920.00, borrowed from Agricultural Bank of China. The amount due within one year is RMB452,696,998.20. The maturity dates of other loans are from 12 October 2024 to 12 October 2026. The above-mentioned loans are mainly pledged by immovable assets, bank certificates of deposit and deposits.
- (b) Mortgage loans mainly include long-term loans of RMB110,000,000.00, borrowed by the subsidiaries of the Group from China Construction Bank.; long-term loans of RMB 250,000,000.00, borrowed from The Import-Export Bank of China. The collaterals of above-mentioned loans are immovable assets.
- (c) Guaranteed loans mainly include long-term loans of RMB1,700,508,575.53, borrowed by the subsidiaries of the Group from China Construction Bank; long-term loans of RMB340,000,000.00, borrowed from Agricultural Bank of China; long-term loans of RMB1,000,000,000.00, borrowed from Bank of China; long-term loans of RMB137,100,000.00, borrowed from China Merchants Bank; long-term loans of RMB400,000,000.00, borrowed from Industrial Bank; long-term loans of EUR10,000,000.00, equivalent to RMB78,771,000.00, borrowed from BNP Paribas Bank; long-term loans of EUR9,270,000.00, equivalent to RMB73,020,717.00, borrowed from Santander Bank. The amount due within one year is RMB547,500,000.00. The maturity

dates of other loans are from 13 July 2024 to 30 December 2029. The loans are guaranteed by Joyson Holding Co., Ltd.

- (d) Unsecured loans mainly include several long-term loans of RMB1,206,000,000.00, borrowed from Industrial and Commercial Bank of China; long-term loans of RMB200,000,000.00, borrowed from Agricultural Bank of China; long-term loans of RMB450,000,000.00, borrowed from Postal Savings Bank of China; long-term loans of RMB550,000,000.00, borrowed from Bank of China; long-term loans of RMB20,000,000.00, borrowed from Industrial Bank; long-term loans of RMB116,669,505.83, borrowed from China Merchants Bank; long-term loans of BRL213,438.73, equivalent to RMB322,144.25, borrowed from Itau Unibanco; long-term loans of USD19,500,000.00, equivalent to RMB140,903,100.00, borrowed from China Construction Bank; long-term loans of USD29,600,000.00, equivalent to RMB213,883,680.00, borrowed from Agricultural Bank of China; long-term loans of EUR100,000,000.00, equivalent to RMB787,710,000.00, borrowed from Commerzbank; long-term loans of JPY54,992,000.00, equivalent to RMB2,753,525.01, borrowed from Saga Bank; long-term loans of EUR500,000.00, equivalent to RMB3,938,550.00, borrowed from Santander Bank; and 7-year promissory notes of EUR16,500,000.00, equivalent to RMB129,972,150.00, 7-year promissory notes of EUR34,000,000.00, equivalent to RMB267,821,400.00, 10-year promissory notes of EUR4,000,000.00, equivalent to RMB31,508,400.00, borrowed from Bayerische Landesbank. The amount due within one year is RMB1,316,166,368.06. The maturity dates of other loans are from 1 July 2024 to 5 April 2028.

Other information, including, including interest rate range:

Applicable  Not applicable

As at 30 June 2023, the details of the pledges and collaterals for the above-mentioned loans can be referred to Note VII.81 Assets with restricted ownership or right of use.

As of 30 June, 2023, the annual interests rate ranged from 1.50% to 4.65% for pledged loans, 3.2% for mortgage loans, 3.20% to 4.79% for guaranteed loans, and 0.75% to 5.52% for unsecured loans.

#### 46、 Debentures payable

##### (1). Debentures payable

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
20 Joyson Electronic MTN001 (102000393)		523,442,622.94
Less: Debentures payable due within one year (Note VII.43)		-523,442,622.94
Total	0	0

##### (2). Movements of debentures payable: (excluding other financial instruments classified as financial liabilities, such as preference shares and perpetual debentures)

Applicable  Not applicable

Unit: Yuan Currency: RMB

Debenture	Face value	Issuance date	Maturity period	Issuance amount	Balance at the beginning of the period	Issuance during the period	Interest at face value	Amortization of discounts or premium	Repayment during the period	Balance at the end of the period
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20 Joyson Electronic MTN001 (102000393)		2020-03-19	3 years	500,000,000.00	523,442,622.94		6,557,377.06		530,000,000.00	0
Total	/	/	/	500,000,000.00	523,442,622.94		6,557,377.06		530,000,000.00	0

**(3). Conversion conditions and time description of convertible corporate bonds**

Applicable  Not applicable

**(4). Description of other financial instruments classified as financial liabilities**

Basic information on other financial instruments such as preferred shares and perpetual bonds issued at the end of the period

Applicable  Not applicable

Statement of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period

Applicable  Not applicable

Explanation of the basis for classifying other financial instruments as financial liabilities

Applicable  Not applicable

Other information:

Applicable  Not applicable

**47. Lease liabilities**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Long-term lease liabilities	781,542,468.28	780,144,710.73
Less: Lease liabilities due within one year (Note VII.43)	-145,584,860.86	-128,505,591.13
Total	635,957,607.42	651,639,119.60

Other information:

The Group leases premises and buildings as office buildings and production plants. The lease terms for the plants and office buildings range from 2 to 20 years. In addition, the Group also leases machinery and transportation tools for the production and manufacture of auto parts. The lease terms of machinery, equipment and transportation tools range from 2 to 5 years.

**48. Long-term payables**

**List of items**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Long-term payables	261,616,834.84	250,926,817.76
Special payables		
Total	261,616,834.84	250,926,817.76

**Long-term payables**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
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Government interest-free loans of Preh Portugal	7,802,416.58	8,718,999.36
Long-term quality claims payable	279,631,269.68	282,155,812.68
Less: Payables under finance leases due within one year (Note VII.43)	-25,816,851.42	-39,947,994.28
Total	261,616,834.84	250,926,817.76

**Specific payables**

Applicable  Not applicable

**49、 Long-term employee benefits payable**

Applicable  Not applicable

**(1) Table of long-term employee benefits payable**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
I. Post-employment benefits-defined benefit plans	1,144,177,249.29	1,097,686,574.06
II. Dismissal benefits		
III. Other long-term employee benefits payable	205,630,763.92	181,746,803.33
Total	1,349,808,013.21	1,279,433,377.39

**(2) Movement of defined benefit plans**

The present value of defined benefit plan obligations:

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
1. Balance at the beginning of the period	1,167,651,886.40	1,601,198,282.14
2. Included in profit or loss	14,836,741.21	13,669,648.01
- Current service cost	14,449,215.24	17,384,496.11
- Past service costs		
- Settlement gain ("-" for losses)	-7,215,363.29	-6,989,953.15
- Net interest	7,602,889.26	3,275,105.05
3. Included in other comprehensive income	-6,290,584.95	-186,147,665.74
- Actuarial gain ("-" for losses)	-6,290,584.95	-186,147,665.74
4. Other changes	40,596,080.50	-73,681,108.51
- Consideration paid during settlement	-	-24,052.82
- Benefits paid	-7,918,175.80	-30,024,670.53
- Exchange differences	48,514,256.30	-43,632,385.16
5. Balance at the end of the period	1,216,794,123.16	1,355,039,155.90

Plan assets:

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
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1. Balance at the beginning of the period	69,965,312.34	123,235,404.14
2. Included in profit or loss		
- Net interest		
3. Included in other comprehensive income		
- Return of plan assets (excluding the return included in net interest)		
- Changes in the impact of asset ceilings (except those included in net interest)		
4. Other changes	2,651,561.53	-8,159,462.05
- Benefits paid		
- Employee contribution		
- Exchange differences	2,651,561.53	-8,159,462.05
5. Balance at the end of the period	72,616,873.87	115,075,942.09

Net defined benefit plan liabilities

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Beginning Balance	1,097,686,574.06	1,477,962,878.00
Included in profit or loss	14,836,741.21	13,669,648.01
Included in other comprehensive income	-6,290,584.95	-186,147,665.74
Other changes	37,944,518.97	-65,521,646.46
Ending Balance	1,144,177,249.29	1,239,963,213.81

Description of the content of the defined benefit plan and related risks, the impact on the Company's future cash flow, time and uncertainty:

Applicable  Not applicable

The defined benefit plans are the pension plans provided by Preh and Joyson Safety System to their employees. In terms of defined benefit plan, an actuarial valuation is performed by independent actuary on the balance sheet date, and the cost and vesting period of benefits are determined using the expected cumulative benefit unit method.

The discount rate used by the Group in calculating the present value of the defined benefit plans ranged from 1.3% to 7.90%.

Other information:

Applicable  Not applicable

## 50、Provisions

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Ending Balance	Reasons for the provision
Warranty provision	683,162,302.79	644,210,890.46	Note I
Restructuring provision	73,327,436.40	102,889,476.11	Note IV
Onerous contract	9,844,852.11	9,866,328.11	Note III
Sales rebate	472,458,946.64	417,266,707.07	Note II
Environment recovery obligation	23,543,160.90	22,659,335.27	Note V

Less: provisions due within one year (Note VII.44)	-933,769,415.07	-900,660,936.21	
Total	328,567,283.77	296,231,800.81	/

Other notes, including relevant important assumptions and estimates of important estimated liabilities:

Note I: The Group provides product warranty to the customers of automotive components during the warranty period in the event of any quality issue. The Group estimated and accrued the provision for product warranty in respect of automotive components sold to customers based on the Group's experience of recent claims. It is possible that the experience of recent claims is not indicative of future claims that it will receive in respect of past sales, so a considerable level of management judgement is required and exercised to estimate the provision. Any increase or decrease in the provision would affect profit or loss in future years.

Note II: As a common practice in industry, the Group will reduce the price of parts and components to OEM customers after a certain period of time or when reaching certain purchase volume, based on contractual agreements or negotiation between both parties. If it is a variable consideration, the Group will estimate the purchase volume and corresponding discount when determining the transaction price, and continue to update it within the contract period.

Note III: The provision of onerous contract was separately recognised in purchase price allocation in the acquisition of Takata Business in 2018. It is related to the sales contracts entered before the acquisition date but to be fulfilled by the Group after acquisition date. The inevitable cost to fulfill the contract exceeded the expected economic benefits. The fair value of the onerous contract can be measured properly, which was recognized as a liability by the Group in the business combination.

Note IV: The restructuring provision was recognized when the Group has a detailed and formal plan for the restructuring, including the business lines, the locations, the function and number of employees to be compensated, the expected restructuring expenditures, the timeline of exercising the plan and etc., and it is publicly announced and carried out or the key information of the plan has been notified to all affected parties. The amount of the restructuring provision is the direct expenditures arising from the restructuring, which does not include costs of ongoing activities.

Note V: The environment recovery obligation is mainly for the Group's certain plants in the U.S. to carry out the activities required by local laws and regulations to recover pollution and damage caused by daily production and operation. The fair value of the environment recovery obligation can be measured properly and recognised by the Group in the business combination.

## 51、Deferred income

Deferred income

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Additions during the period	Reductions during the period	Ending Balance	Reasons for the deferral
Government grant- asset related	101,595,086.93	33,783,913.22	19,699,131.06	115,679,869.09	Government grants related to asset
Government grant- income related	1,356,800.00		1,356,800.00		Government grants related to income
Total	102,951,886.93	33,783,913.22	21,055,931.06	115,679,869.09	/

Projects related to government grant:

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Additions	Included in non-operating income	Included in other income	Ending Balance	Asset related/income related
Subsidy for long-term asset	47,520,842.10	21,072,132.70		6,797,124.14	61,795,850.66	Asset related
Subsidies for significant technology innovation project	11,097,583.14	2,384,651.12		3,111,222.25	10,371,012.01	Asset related
Government grants related to R&D	42,976,661.69	10,327,129.40		9,790,784.67	43,513,006.42	Asset related
Subsidies for significant technology innovation project	1,356,800.00	-		1,356,800.00		Income related
Total	102,951,886.93	33,783,913.51		21,055,931.06	115,679,869.09	

Other information:

 Applicable  Not applicable**52、 Other non-current liabilities** Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Repurchase obligation of employee incentive plan	47,036,879.57	47,036,879.57
Income tax provisions	26,654,781.47	39,737,214.64
Others	22,542,146.97	135,164.87
Total	96,233,808.01	86,909,259.08

**53、 Share capital** Applicable  Not applicable

Unit: Yuan Currency: RMB

	Beginning Balance	Changes during the period (+/-)					Ending Balance
		Issuance of new shares	Bonus shares	Transfer from reserves	Others	Sub-total	
Total shares	1,368,084,624.00						1,368,084,624.00

**54、 Other equity instruments****(1) Basic information on other financial instruments such as preferred shares and perpetual bonds issued at the end of the period** Applicable  Not applicable**(2) Statement of changes in financial instruments such as preferred shares and perpetual bonds issued at the end of the period** Applicable  Not applicable

Changes in the increase or decrease of other equity instruments in the current period, explanations for the reasons for the changes, and the basis for relevant accounting treatment:

 Applicable  Not applicable

Other information:

 Applicable  Not applicable**55、 Capital reserve** Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Additions during the period	Reductions during the period	Ending Balance
Share premium	10,174,225,864.55			10,174,225,864.55
Other capital reserves (Note 1)	90,223,750.48	22,312,808.38		112,536,558.86
Total	10,264,449,615.03	22,312,808.38		10,286,762,423.41

Other notes, including the increase or decrease in the current period, and the reasons for the changes:

Note 1: The additions of other capital reserves during the year are the ESOP expense of the Company and its subsidiary, JoyNext.

## 56、Treasury shares

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Additions during the period	Reductions during the period	Ending Balance
Treasury shares	225,263,700.64			225,263,700.64
Total	225,263,700.64			225,263,700.64

Other notes, including the increase or decrease in the current period, and the reasons for the changes:

Not applicable

## 57、Other comprehensive income

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Balance at the beginning of the period	Movements during the period					Balance at the end of the period
		Before-tax amount	Less: Previously recognized amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	
Items that will not be reclassified to profit or loss	-255,660.54	6,290,584.95		-1,655,496.00	4,010,276.40	624,812.55	3,754,615.86
Including: Remeasurement of defined benefit plan	-255,660.54	6,290,584.95		-1,655,496.00	4,010,276.40	624,812.55	3,754,615.86
Items that may be reclassified to profit or loss	-205,992,868.64	442,573,601.93	-4,269,354.54	-7,061,254.33	360,190,045.27	76,203,411.72	154,197,176.63
Including: Other comprehensive income recognised under equity method	-5,058,106.80	33,995,152.98			33,995,152.98		28,937,046.18
Effective portion of gains or losses arising from cash flow hedging instruments	21,483,140.09	18,090,068.95	-4,269,354.54	-7,061,254.33	3,833,061.54	2,926,398.54	25,316,201.63
Translation differences arising from translation of foreign currency financial statements	-222,417,901.93	390,488,380.00			322,361,830.75	73,277,013.18	99,943,928.82
Total	-206,248,529.18	448,864,186.88	-4,269,354.54	-8,716,750.33	364,200,321.67	76,828,224.27	157,951,792.49

Other notes, including the adjustment of the effective portion of the cash flow hedging gain or loss to the initially recognised amount of the hedged item:

Not applicable

### 58、 Special reserve

Applicable  Not applicable

### 59、 Surplus reserve

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Additions during the period	Reductions during the period	Ending Balance
Statutory surplus reserve	150,565,499.47			150,565,499.47
Discretionary surplus reserve				
Reserve fund				
Business development fund				
Others				
Total	150,565,499.47			150,565,499.47

Notes of the surplus reserve, including the increase or decrease in the current period, and the reasons for the change:

Not applicable

### 60、 Retained earnings

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Retained earnings at the beginning of the year (before adjustment)	901,312,046.13	523,226,710.20
Total adjustments for opening retained earnings ("+" for increase; "-" for decrease)		
Retained earnings at the beginning of the year (after adjustment)	901,312,046.13	523,226,710.20
Add: Net profits for the year attributable to shareholders of the Company ("-" for net loss)	475,508,341.55	394,184,331.03
Less: Appropriation for statutory surplus reserve		16,098,995.10
Dividends to ordinary shares	136,808,462.40	
Retained earnings at the end of the year	1,240,011,925.28	901,312,046.13

Adjustment of undistributed profits at the beginning of the period:

1. Due to the retrospective adjustment of "Accounting Standards for Business Enterprises" and related new regulations, the undistributed profit at the beginning of the period is affected by RMB0.
2. Due to the change of accounting policy, the undistributed profit at the beginning of the period is affected by RMB0.
3. Due to the correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB0.
4. The change in the scope of consolidation due to the same control affects the undistributed profit at the beginning of the period of RMB0.
5. Other adjustments affects the undistributed profit of RMB 0 at the beginning of the period in total.

**61、 Operating income and operating costs****(1). Operating income and operating costs**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period		Previous period	
	Income	Cost	Income	Cost
Principal activities	26,913,316,366.75	23,296,668,656.19	22,811,022,893.68	20,310,016,661.95
Other operating activities	101,048,136.48	92,949,151.05	108,858,156.24	102,942,319.78
Total	27,014,364,503.23	23,389,617,807.24	22,919,881,049.92	20,412,958,981.73

**(2). Revenue from contracts**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Contract classification	Current period	Previous period
Revenue recognized at a point in time		
- Sales of automotive components	26,365,965,511.18	22,241,387,216.98
- Sales of R&D	400,501,796.90	390,642,555.05
- Sales of Tooling	231,418,927.84	275,276,591.19
Total	26,997,886,235.92	22,907,306,363.22

Description of revenue generated by contracts:  
Not applicable

**(3). Description of performance obligations**

□ Applicable √ Not applicable

**(4). Description of apportionment to remaining performance obligations**

□ Applicable √ Not applicable

**62、 Taxes and surcharges**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Property tax	21,925,978.49	24,072,427.67
City maintenance and construction tax	12,677,133.82	10,301,509.36
Stamp duty	5,698,911.16	7,400,211.33
Education surcharge	8,710,916.54	6,880,589.65
Business Tax	1,705,448.64	3,309,936.97
Land use tax	1,093,047.06	1,235,570.54
Land value added tax	170,277.74	194,148.92
Others	15,519,735.60	11,533,892.21
Total	67,501,449.05	64,928,286.65

**63、 Selling and distribution expenses**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Staff costs	143,510,756.33	131,646,780.34

Warranty expenses	94,893,059.46	122,070,689.78
Sample charge	22,142,715.61	33,498,531.79
Service charge	9,827,602.09	13,088,085.79
Depreciation and amortisation	9,246,801.36	8,262,949.03
Advertisement	5,874,528.92	3,794,561.43
Travel expenses	7,733,588.48	4,139,989.49
Rental charges	2,869,239.35	2,210,682.41
Others	10,749,385.86	11,920,344.37
Total	306,847,677.46	330,632,614.43

**64、 General and administrative expenses**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Staff costs	648,938,223.51	656,009,313.46
Service charge	144,665,492.15	120,894,470.27
Restructuring cost	143,511,272.04	201,598,828.02
Repair and maintenance	85,699,912.89	81,585,132.53
Depreciation and amortisation	66,513,803.62	72,421,984.71
Insurance	34,002,533.64	44,143,215.61
Office expenses	13,471,468.81	16,640,934.07
Travel expenses	25,420,949.17	11,505,215.30
Rental charge	3,504,624.20	3,057,265.43
Others	70,669,404.42	30,016,839.87
Total	1,236,397,684.45	1,237,873,199.27

**65、 Research and development expense**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Staff costs	406,490,537.46	518,274,688.68
Depreciation and amortisation	349,216,585.77	284,025,177.72
Material costs	129,017,313.12	94,957,423.57
Outsourcing service fee	88,555,897.78	66,229,943.93
Repair and maintenance	43,191,787.07	26,688,241.35
Rental charge	6,858,023.89	16,118,088.35
Tooling costs	20,064,854.12	8,807,004.18
Travel expenses	17,862,017.30	7,224,966.02
Office expenses	10,808,595.20	10,168,766.88
Consulting fee	36,264,581.09	5,848,307.88
Others	15,624,479.49	25,849,892.18
Total	1,123,954,672.29	1,064,192,500.74

**66、 Financial expenses**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Interest expenses from loans and payables	601,995,636.77	447,833,465.92
Interest expenses from lease liabilities	20,816,395.61	18,332,508.89
Less: Borrowing costs capitalised	-17,814,271.20	-10,200,292.42
Interest income from deposits and receivables	-70,726,001.40	-75,060,338.64
Net exchange losses	-129,537,972.36	-244,375,509.76
Other financial expenses	20,302,171.74	10,449,701.83

Total	425,035,959.16	146,979,535.82
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Other information:

The ratio to capitalize interest cost of borrowings is 4.96%, for the year (2022: 4.34% - 6.60%).

### 67、 Other income

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
- Government grants related to income	62,795,778.16	54,662,432.18
- Government grants related to assets	19,699,131.06	20,123,800.14
Total	82,494,909.22	74,786,232.32

Other information:

N/A

### 68、 Investment income

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Investment income from long-term equity investments accounted for using the equity method	66,174,270.27	39,875,711.92
Investment income from financial assets at fair value through profit or loss during the holding period	3,409,900.38	12,365,839.91
Total	69,584,170.65	52,241,551.83

### 69、 Gains from net exposure hedging

Applicable  Not applicable

### 70、 Gains from changes in fair value

Applicable  Not applicable

Unit: Yuan Currency: RMB

Source of gains from changes in fair value	Current period	Previous period
Financial assets held for trading	6,267,872.64	4,407,103.53
Derivative financial assets/liabilities	2,147,227.38	
Other non-current financial assets	98,713,831.63	
Total	107,128,931.65	4,407,103.53

### 71、 Credit losses

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Bad debt losses on accounts receivable	-7,630,203.88	1,480,677.13
Total	-7,630,203.88	1,480,677.13

### 72、 Impairment losses

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
1. Bad debt loss		

2. Loss of inventory depreciation and loss of contract performance cost impairment	-8,939,975.75	30,273,884.87
3. Impairment loss of long-term equity investment		
4. Impairment loss of investment real estate		
5. Impairment loss of fixed assets	477,980.56	
6. Impairment loss of engineering materials		
7. Impairment loss of construction in progress		
8. Impairment loss of productive biological assets		
9. Impairment loss of oil and gas assets		
10. Impairment loss of intangible assets		
11. Goodwill impairment loss		
12. Others		
Total	-8,461,995.18	30,273,884.87

### 73、 Gains from asset disposals

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Gains and losses on disposal of fixed assets	-590,459.77	2,045,719.11
Total	-590,459.77	2,045,719.11

Other information:

Applicable  Not applicable

### 74、 Non-operating income

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period	Amount recognised in extraordinary gain and loss in current period
Others	4,080,268.72	4,736,251.12	4,080,268.72
Total	4,080,268.72	4,736,251.12	4,080,268.72

Government subsidies included in current profit and loss

Applicable  Not applicable

Other information:

Applicable  Not applicable

### 75、 Non-operating expenses

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period	Amount recognised in extraordinary gain and loss in current period
Loss on disposal of non-current assets	1,083,306.68	463,718.09	1,083,306.68
Including: Loss on disposal of fixed assets	1,083,306.68	463,718.09	1,083,306.68
Donations	1,151,222.38	2,189,866.72	1,151,222.38

Others	129,136.35	757,955.68	129,136.35
Total	2,363,665.42	3,411,540.49	2,363,665.42

**76、 Income tax expenses****(1) Income tax expense table**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Current tax expense for the year	328,601,289.30	196,957,343.95
Changes in deferred tax assets/liabilities	-113,788,504.78	-102,111,328.26
Tax filling differences	-2,793,114.65	-3,145,426.49
Total	212,019,669.87	91,700,589.20

**(2) Reconciliation between income tax expenses and accounting profit**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period
Profits before taxation	709,251,209.57
Expected income tax expenses at statutory or applicable tax rate	177,312,802.39
Effect of different tax rates applied by subsidiaries	-25,674,782.59
Adjustments to income tax of previous years	-2,793,114.65
Effect of non-taxable income	-48,396,293.27
Effect of non-deductible costs, expense and losses	96,340,696.58
Effect of using the deductible losses for which no deferred tax asset was recognized in previous period	-30,183,719.95
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognized this period	46,586,480.77
R&D super deduction effect	-30,274,633.96
Withholding income tax of dividends of overseas subsidiaries	29,102,234.55
Income tax expenses	212,019,669.87

Other information:

□ Applicable √ Not applicable

**77、 Other comprehensive income**

√ Applicable □ Not applicable

For details, please refer to Note VII.57

**78、 Cash flow statement items****(1). Proceeds relating to other operating activities**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Proceeds of restricted cash	37,943,890.14	34,679,285.33
Government grants received	48,833,030.67	68,895,907.23
Insurance company compensation received	225,019.55	223,042.52
Interest received	59,529,886.04	37,934,657.38
Compensation received	844,884.99	7,966,672.00
Reimbursement of advance payment		13,572,761.19
Deposit received		3,005,000.00

Others	66,886,673.63	31,382,329.78
Total	214,263,385.03	197,659,655.43

**(2). Payments relating to other operating activities**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Payment for other operating expenses	790,329,322.23	647,827,579.75
Payment for bank charges	10,259,189.09	3,438,940.28
Others	2,891,717.12	18,267,301.82
Total	803,480,228.44	669,533,821.85

**(3). Proceeds relating to other investing activities**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Redemption of financial products	660,000,000.00	820,000,000.00
Others	100,000,000.00	4,434,592.40
Total	760,000,000.00	824,434,592.40

**(4). Payments relating to other investing activities**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Purchase of financial products	520,000,000.00	739,999,995.28
Others	2,395,893.44	
Total	522,395,893.44	739,999,995.28

**(5). Proceeds relating to other financing activities**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Proceeds of restricted cash	420,000,000.00	34,679,285.33
Others	2,957,461.62	2,004,686.82
Total	422,957,461.62	36,683,972.15

**(6). Payments relating to other financing activities**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Repayment of due debentures	530,000,000.00	
Repayment of principal and interest of lease liabilities	162,348,187.26	58,858,590.71
Payment for the purchase of minority interests in subsidiaries	47,465,600.00	
Repayment of restricted cash	38,693,476.31	21,339,838.85
Others	457,284,000.00	
Total	1,235,791,263.57	80,198,429.56

**79. Supplementary information on cash flow statement****(1) Supplement to cash flow statement**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Supplementary information	Current period	Previous period
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	497,231,539.70	-262,824,778.50
Add: Impairment losses	8,461,995.18	-30,273,884.87
Credit losses	7,630,203.88	-1,480,677.13
Depreciation of fixed assets	825,246,275.44	813,972,235.07
Amortization of right-of-use assets	73,029,420.79	113,119,881.08
Amortization of intangible assets	553,688,338.77	480,302,552.25
Amortization of long-term deferred expenses	4,858,432.13	2,520,184.51
Losses from disposal of fixed assets, intangible assets, and other long-term assets (“-” for gains)	590,459.77	-2,045,719.11
Losses from scrapping of fixed assets (“-” for gains)	1,083,306.68	463,718.09
Losses from changes in fair value (“-” for gains)	-107,128,931.65	-4,407,103.53
Financial expenses (“-” for income)	604,997,761.18	455,965,682.39
Losses arising from investments (“-” for gains)	-69,584,170.65	-52,241,551.83
Decrease in deferred tax assets (“-” for increase)	-131,738,018.14	-86,077,361.12
Increase in deferred tax liabilities (“-” for decrease)	-48,820,536.46	36,782,286.57
Decrease in gross inventories (“-” for increase)	-547,975,002.61	-919,306,582.98
Decrease in operating receivables (“-” for increase)	-570,286,347.50	-257,840,524.06
Increase in operating payables (“-” for decrease)	509,215,257.44	3,042,162.25
Net cash inflow from operating activities	1,610,499,983.95	289,670,519.08
<b>2. Significant investing and financing activities that do not involve cash receipts and payments:</b>		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Financing leased fixed assets		
<b>3. Change in cash and cash equivalents:</b>		
Cash at the end of the year	3,924,172,567.43	4,194,668,916.78
Less: Cash at the beginning of the year	3,845,521,051.52	4,549,246,354.22
Add: Cash equivalents at the end of the year		
Less: Cash equivalents at the beginning of the year		
Net increase in cash and cash equivalents (“-” for net decrease)	78,651,515.91	-354,577,437.44

**(2) Net cash paid for acquisition of subsidiaries in the current period**
 Applicable  Not applicable
**(3) Net cash received from disposal of subsidiaries in the current period**
 Applicable  Not applicable

**(4) Details of cash and cash equivalents**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
1.Cash at bank and on hand		3,845,521,051.52
Including: Cash on hand	1,205,022.98	1,238,494.41
Bank deposits available on demand	3,922,967,544.45	3,844,282,557.11
2.Cash equivalent		
3.Closing balance of cash and cash equivalents	3,924,172,567.43	3,845,521,051.52
Including: Restricted cash and cash equivalents held by the Company or subsidiaries of the Group		

Other information:

□ Applicable √ Not applicable

**80、 Notes to items in the statement of changes in owner's equity**

Explain the item names and adjusted amounts of "other" items that adjusted the closing balance of the previous year:

□ Applicable √ Not applicable

**81、 Assets with restrictive ownership title or right of use**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Balance at the end of the period	Reason for restriction
Cash at bank and on hand	1,033,647,871.80	Pledged loan, deposit
Bills receivable	96,327,022.89	Mortgage and pledged loan
Accounts receivable	1,614,618,186.19	Mortgage and pledged loan
Prepayments	25,669,155.97	Mortgage and pledged loan
Other receivables	145,348,915.56	Mortgage and pledged loan
Inventories	1,692,106,640.16	Mortgage and pledged loan
Other current assets	656,517,551.38	Mortgage and pledged loan
Long-term receivables	338,417,740.27	Mortgage and pledged loan
Fixed assets	3,861,856,364.94	Mortgage and pledged loan
Construction in progress	223,360,648.81	Mortgage and pledged loan
Right-of-use assets	148,574,207.90	Mortgage and pledged loan
Intangible assets	361,121,635.31	Mortgage and pledged loan
Development costs	174,169,424.43	Mortgage and pledged loan
Deferred tax assets	420,085,495.96	Mortgage and pledged loan
Other non-current assets	102,580,401.15	Mortgage and pledged loan
Total	10,894,401,262.72	/

**82、 Foreign currency monetary items****(1). Foreign currency monetary items**

√ Applicable □ Not applicable

单位：元

Item	Foreign currency balance at the end of the period	Exchange rate	Converted into RMB at the end of the period
Cash at bank and on hand			

Including: US Dollar (USD)	13,652,597.35	7.2258	98,650,937.96
Euro (EUR)	30,423,884.83	7.8771	239,651,983.21
Romania New Lei (RON)	1,573,482.90	1.5959	2,511,121.36
Mexico Peso (MXN)	93,157,689.69	0.4235	39,452,281.58
Japanese Yen (JPY)	193,611,009.77	0.0501	9,699,911.59
Thailand Baht (THB)	2,900.00	0.2034	589.86
Pound (GBP)	4,741.86	9.1432	43,355.77
Korean Won (KRW)	49,380,501.00	0.0055	271,592.76
Russian Ruble (RUB)	446.25	0.0834	37.22
Polish Zloty (PLN)	36,687,626.20	1.7711	64,977,454.76
Hungarian Forint (HUF)	102,436,464.00	0.0212	2,171,653.04
Uruguayan Peso (UYU)	2,139,363.63	0.1936	414,238.94
Argentina Peso (ARS)	5,740.00	0.0283	162.18
Singapore (SGD)		5.3442	
Swedish (SEK)	399,763.35	0.6675	266,842.04
Accounts receivable			
Including: US Dollar (USD)	320,637,049.84	7.2258	2,316,859,194.77
Euro (EUR)	91,353,290.68	7.8771	719,599,005.98
Romania New Lei (RON)	28,183,096.25	1.5959	44,977,403.31
Japanese Yen (JPY)	141,114,558.31	0.0501	7,069,839.37
Thailand Baht (THB)	18,099,622.75	0.2034	3,681,463.27
Pound (GBP)	1,272.39	9.1432	11,633.72
Korean Won (KRW)	1,927,148,709.00	0.0055	10,599,317.90
Polish Zloty (PLN)	102,129.73	1.7711	180,881.96
Hungarian Forint (HUF)	4,380,030.00	0.0212	92,856.64
Mexico Peso (MXN)	81,232,678.67	0.4235	34,402,039.42
Romania New Lei (RON)		0.0834	
Short-term loans			
Including: US Dollar (USD)	106,276,652.25	7.2258	767,933,833.83
Euro (EUR)	27,762,862.03	7.8771	218,690,840.48
Accounts payable			
Including: US Dollar (USD)	383,421,096.74	7.2258	2,770,524,160.83
Euro (EUR)	144,360,079.83	7.8771	1,137,138,784.86
Romania New Lei (RON)	54,191,639.81	1.5959	86,484,437.97
Mexico Peso (MXN)	200,086,520.14	0.4235	84,736,641.28
Japanese Yen (JPY)	2,168,083,309.53	0.0501	108,620,973.81
Thailand Baht (THB)	17,118,392.64	0.2034	3,481,881.06
Pound (GBP)	1,627,814.84	9.1432	14,883,436.64
Korean Won (KRW)	315,384,179.16	0.0055	1,734,612.99
Polish Zloty (PLN)	2,634,113.54	1.7711	4,665,278.49
Switzerland Franc (CHF)	205,267.30	8.0614	1,654,741.81
Czech Krona (CZK)	1,795,393.43	0.3331	597,975.35
Uruguayan Peso (UYU)	14,343,017.45	0.1936	2,777,197.97
Swedish (SEK)	283,796.78	0.6675	189,434.35
Long-term loans			
Including: US Dollar (USD)	112,532,951.86	7.2258	813,140,603.54
Euro (EUR)	46,225,896.55	7.8771	364,126,009.71

- (2). **Description of overseas business entities: for important overseas business entities, its main overseas business location, functional currency for bookkeeping and the basis for selection shall be disclosed; if the functional currency for bookkeeping changes, the reason shall also be disclosed**

√ Applicable □ Not applicable

The Company's subsidiaries, Preh and Joyson Safety, are important overseas operating entities of the Company, mainly located in Germany, the United States, Portugal, Romania, Japan and

Mexico and other countries. They mainly produce and sell automotive components. For the functional currency of bookkeeping and the basis for selection, please refer to Note V.4 "Functional Currency".

### 83、 Hedging

Applicable  Not applicable

Qualitative and quantitative disclosures of hedging items, related hedging instruments and hedging risks by hedging category are as follows:

#### (1) Cash flow hedges

##### (a) Interest rate swap contract

The Group uses interest rate swaps to mitigate the cash flow risks of variable interest rate, which is converting the variable interest rates into fixed ones. The Group designated the interest rate swaps as hedging instruments from 2022. The terms of the interest rate swaps are the same as the corresponding bank loans. The Group used the key terms comparison method or regression analysis method to evaluate the effectiveness of hedging. The management of the Group believes that interest rate swaps are highly effective hedging instruments. Its key terms are as follows:

Nominal amount	Maturity date	Swap terms
EURO 17,000,000.00	2024-6-28	The Euribor 6 months interest rate plus 1.15% is replaced with fixed interest rate of 0.810%
EURO 17,000,000.00	2024-6-28	The Euribor 6 months interest rate plus 1.15% is replaced with fixed interest rate of 0.816%
USD 101,488,075.00	2026-10-12	The USD Libor 3 months interest rate is replaced with fixed interest rate of 1.875%
USD 224,799,076.03	2026-10-12	The Euribor 3 months interest rate is replaced with fixed interest rate of 0.485%

The Group uses interest rate swaps to mitigate the cash flow risks arising from changes in interest rate. A net gain of RMB18,090,068.95 (2022H1: net gain of RMB176,445,592.51) from the fair value change of the above swaps that meet the requirements of hedge accounting is included in other comprehensive income, and a net gain of RMB4,269,354.54 was transferred out from other comprehensive income recognised in the income statement during the year.

### 84、 Government grants

#### (1). Government grants

Applicable  Not applicable

Unit: Yuan Currency: RMB

Type	Amount	Items listed	Amount included in current profit and loss
Government grants related to assets	19,699,131.06	Other income	19,699,131.06
Government grants related to income	62,795,778.16	Other income	62,795,778.16
	82,494,909.22		82,494,909.22

#### (2). Return of government subsidies

Applicable  Not applicable

### 85、 Others

Applicable  Not applicable

**VIII. Change of consolidation scope****1、 Business consolidation not under common control**

Applicable  Not applicable

**2、 Business consolidation under the same control**

Applicable  Not applicable

**3、 Counter purchase**

Applicable  Not applicable

**4、 Disposal of subsidiaries**

Whether there is a situation in which the control right is lost after a single disposal of the investment in the subsidiary

Applicable  Not applicable

Other information:

Applicable  Not applicable

**5、 Changes in the scope of consolidation due to other reasons**

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

Applicable  Not applicable

Name of subsidiary	Form/lose control of the judgement basis
Logico Design S.r.L.	Absorbed and merged
Ningbo Junli Automotive Systems Co., Ltd.	Newly established subsidiary
Ningbo Junxin Automotive Systems Co., Ltd.	Newly established subsidiary

**6、 Others**

Applicable  Not applicable

**IX. Interests in other entities**

**1、 Interests in subsidiaries**

**(1). Composition of the Group**

√ Applicable □ Not applicable

Name of the Subsidiary	Principal place of business	Registration place	Business nature	Shareholding percentage (%)		Acquisition method
				Direct	Indirect	
Ningbo Joyson Technology Co., Ltd	Ningbo	Ningbo	Manufacturing of automotive components	100		Establishment
Ningbo Junzhi Automobile Technology Co., Ltd. (former name: Ningbo Joyson Intelligent Car Alliance Co., Ltd.)	Ningbo	Ningbo	Manufacturing of automotive components	100		Establishment
Joycharge GmbH	Germany	Germany	Manufacturing of automotive components		100	Establishment
Ningbo Joynext Technology Corp. (former name: Ningbo Joynext Technology Co., Ltd.)	Ningbo	Ningbo	R&D and production of satellite navigation and communication equipments	54.99	28.75	Establishment
Shanghai Joynext Technology Co., Ltd.	Shanghai	Shanghai	Automotive information business products		83.74	Business combinations involving entities not under common control
Dalian Joynext Technology Co., Ltd. (formerly known as Dalian Joyson Purui Intelligent Vehicle Alliance Co., Ltd.)	Dalian	Dalian	Automotive information business products		83.74	Establishment
Ningbo Joynext Information Technology Service Co., Ltd.	Ningbo	Ningbo	Software development technical services		83.74	Establishment
Joynext GmbH (former name: Preh Car Connect GmbH)	Germany	Germany	Automotive information business products		83.74	Business combinations involving entities not under common control
Joynext Sp.z o.o. (former name: Preh Car Connect Polska Sp. z o.o.)	Poland	Poland	Automotive information business products		83.74	Business combinations involving entities not under common control
Joynext K.K. (former name: Preh Car Connect Japan K. K., JP)	Japan	Japan	Automotive information business products		83.74	Business combinations involving entities not under common control
Shanghai Joyson Bairui Automatic Driving Research and Development Co., Ltd	Shanghai	Shanghai	Automotive technology research and development	100		Establishment
Joyson Electronics USA Co., Ltd	USA	USA	Investment holding	100		Establishment
Joyson Europe Co. Ltd	Germany	Germany	Manufacturing of automotive components	100		Establishment
Preh GmbH	Germany	Germany	Manufacturing of automotive components	100		Business combinations involving entities under common control
Preh Beteiligungs GmbH	Germany	Germany	Manufacturing of automotive components		100	Business combinations involving entities under common control
Preh Portugal, Lda	Portugal	Portugal	Manufacturing of automotive components		100	Business combinations involving entities under common control
Preh Romania S.R.L.	Romania	Romania	Manufacturing of automotive components		100	Business combinations involving entities under common control
Preh de Mexico, S.A. de C.V.	Mexico	Mexico	Manufacturing of automotive components		100	Business combinations involving entities under common control
Preh, Inc.	USA	USA	Manufacturing of automotive components		100	Business combinations involving entities under common control
Ningbo Preh Joyson Automotive Electronics Co., Ltd.	Ningbo	Ningbo	Manufacturing of automotive components		100	Business combinations involving entities under common control
Preh Sweden AB	Swedish	Swedish	Manufacturing of automotive components		100	Business combinations involving entities not under common control
Preh Thüringen GmbH	Germany	Germany	Manufacturing of automotive components		100	Business combinations involving entities not under common control
Joyson Auto Safety Holdings S.A. (note 1)	Luxembourg	Luxembourg	Investment holding		60.32	Business combinations involving entities not under common control
Joyson Auto Safety S.A. (note 1)	Luxembourg	Luxembourg	Investment holding		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Holdings No.3 S.à r.l. (note 1)	Luxembourg	Luxembourg	Investment holding		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Hungary Kft. (note 1)	Hungary	Hungary	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Sibiu S.R.L. (note 1)	Romania	Romania	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Czech s.r.o. (note 1)	Czech	Czech	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Poland sp. z o.o. (note 1)	Poland	Poland	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Takata South Africa (Pty.) Ltd. (note 1)	South Africa	South Africa	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Arad S.R.L. (note 1)	Romania	Romania	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Platin 1543. GmbH (note 1)	Germany	Germany	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Sachsen GmbH	Germany	Germany	Manufacturing		60.32	Business combinations involving

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(note 1)			of safety systems			entities not under common control
Recall Services Europe GmbH (note 1)	Germany	Germany	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Ignition GmbH. (note 1)	Germany	Germany	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems PlasTec GmbH	Germany	Germany	Manufacturing of safety systems		100	Business combinations involving entities not under common control
Joyson Safety Systems Holdings No. 1 S.à r.l. (note 1)	Luxembourg	Luxembourg	Investment holding		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Holdings No. 2 S.à r.l. (note 1)	Luxembourg	Luxembourg	Investment holding		60.32	Business combinations involving entities not under common control
Joyson KSS Auto Safety Special Finance Ltd. (note 1)	Cayman Islands	Cayman Islands	Investment holding		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Japan G.K. (former name: Joyson Safety Systems Japan KK) (note 1)	Japan	Japan	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems International Finance B.V. (note 1)	Netherlands	Netherlands	Investment holding		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Orsova S.R.L. (note 1)	Romania	Romania	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Deta S.R.L. (note 1)	Romania	Romania	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Jibou S.R.L. (Note 1)	Romania	Romania	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Maroc S.à r.l. (Note 1)	Morocco	Morocco	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Rus LLC (Note 1)	Russia	Russia	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
RTA Holdings, Inc. (Note 1)	Philippines	Philippines	Investment holding		24.13	Business combinations involving entities not under common control
RTA Properties, Inc. (Note 1)	Philippines	Philippines	Manufacturing of safety systems		38.60	Business combinations involving entities not under common control
PT. Joyson Safety Systems Indonesia (Note 1)	Indonesia	Indonesia	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems (M) Sdn. Bhd (Note 1)	Malaysia	Malaysia	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson-TOA Safety Systems Co., Ltd. (Note 1)	Thailand	Thailand	Manufacturing of safety systems		42.22	Business combinations involving entities not under common control
Joyson Safety Systems (Philippines) Corporation (Note 1)	Philippines	Philippines	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Korea Co., Ltd. (Note 1)	Korea	Korea	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
KSS Holdings, Inc. (Note 1)	USA	USA	Investment holding		60.32	Business combinations involving entities not under common control
KSS Acquisition Company (Note 1)	USA	USA	Investment holding		60.32	Business combinations involving entities not under common control
Key Safety Systems, Inc. (Note 1)	USA	USA	Investment holding		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Acquisition LLC (Note 1)	USA	USA	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
SSSeating Liquidation Holdings , LLC (Former name: SynTec Seating Solution LLC (Note 1))	USA	USA	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems France Eurl (Note 1)	France	France	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Aviation Occupant Safety, LLC (Note 1)	USA	USA	Manufacturing of safety systems		39.21	Business combinations involving entities not under common control
Breed Automotive Technology, Inc. (Note 1)	USA	USA	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Key Automotive Accessories Co., Ltd (Note 1)	USA	USA	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
KSS Foreign HoldCo LLC (Note 1)	USA	USA	Investment holding		60.32	Business combinations involving entities not under common control
Key Safety Restraint Systems, Inc. (Note 1)	USA	USA	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Key Automotive of Florida, LLC (Note 1)	USA	USA	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control

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Joyson Safety Systems Uruguay S.A. (Note 1)	Uruguay	Uruguay	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems Brasil Ltda (Note 1)	Brazil	Brazil	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Key Asian Holdings, Inc. (Note 1)	USA	USA	Investment holding	60.32	Business combinations involving entities not under common control
Key Cayman GP LLC (Note 1)	Cayman Islands	Cayman Islands	Investment holding	60.32	Business combinations involving entities not under common control
Joyson Safety Systems India Private Limited (Former Name: KSS India Private Limited (Note 1))	India	India	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Anand Abhishek Safety Systems Pvt. Limited	India	India	Manufacturing of safety systems	39.21	Business combinations involving entities not under common control
Key Safety Systems Hong Kong Limited (Note 1)	Hong Kong	Hong Kong	Investment holding	60.32	Business combinations involving entities not under common control
Key Automotive Accessory Co., Ltd. (Note 1)	Tianjin	Tianjin	Manufacturing of safety systems	48.26	Business combinations involving entities not under common control
Joyson Safety Systems (Huzhou) Co., Ltd. (Note 1)	Huzhou	Huzhou	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson JunAn Safety Systems (Shanghai) Co., Ltd.(Former Name: Key Safety Systems (China) Trading Co.,Ltd)	Shanghai	Shanghai	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Key Cayman LP (Note 1)	Cayman Islands	Cayman Islands	Investment holding	60.32	Business combinations involving entities not under common control
Joyson Safety Systems Luxembourg S.à r.l. (Note 1)	Luxembourg	Luxembourg	Investment holding	60.32	Business combinations involving entities not under common control
Ningbo Joyson Safety Systems Mexico S.de R.L. de C.V. (Note 1)	Mexico	Mexico	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Equipo Automotriz Americana S.A. de C.V. (Note 1)	Mexico	Mexico	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Falcomex S.A. de C.V. (Note 1)	Mexico	Mexico	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Safety Autoparts Mexico S. de R.L.de C.V. (Note 1)	Mexico	Mexico	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems Torino S.r.l. (Note 1)	Italy	Italy	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems Ribita S.R.L. (Former Name: Key Safety Systems RO. S.R.L.) (Note 1)	Romania	Romania	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems UK Limited (Note 1)	UK	UK	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
JOYSON ITALIA S.R.L. (Former Name: Joyson Safety Systems Italia S.r.l.)	Italy	Italy	Manufacturing of safety systems	100	Business combinations involving entities under common control
Joyson Safety Systems Macedonia Doel (Note 1)	Macedonia	Macedonia	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Key Safety Systems Deutschland, GmbH (Note 1)	Germany	Germany	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Key Automotive Accessories De Mexico (Note 1)	Mexico	Mexico	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Key Automotive Direct de Mexico, S. de R.L. de C.V. (Note 1)	Mexico	Mexico	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems de Mexico S. de R.L. (Former Name: Key Safety Systems de Mexico) (Note 1)	Mexico	Mexico	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems Holdings No.4 S.à r.l. (Note 1)	Luxembourg	Luxembourg	Investment holding	60.32	Business combinations involving entities not under common control
Ningbo Joyson Intelligent Safety Systems Co., Ltd (Note 1)	Ningbo	Ningbo	Manufacturing of safety systems	60.32	Establishment
Ningbo Joyson Safety Systems Co., Ltd. (Note 1)	Ningbo	Ningbo	Manufacturing of safety systems	60.32	Establishment
Joyson Safety Systems (Shanghai) Co., Ltd. (Note 1)	Shanghai	Shanghai	Manufacturing of safety systems	60.32	Establishment
Joyson Safety Systems Technical Center (Shanghai) Co., Ltd. (Note 1)	Shanghai	Shanghai	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems Electronics (Shanghai) Co., Ltd. (formerly Takata Automotive Electronics Shanghai Co., Ltd.) (Note 1)	Shanghai	Shanghai	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems (Changxing) Co., Ltd. (Note 1)	Changxing	Changxing	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control
Joyson Safety Systems (Tianjin) Co., Ltd. (Note 1)	Tianjin	Tianjin	Manufacturing of safety systems	60.32	Business combinations involving entities not under common control

Joyson Safety Systems (Jingzhou) Co., Ltd. (Note 1)	Jingzhou	Jingzhou	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Germany GmbH (Note 1)	Germany	Germany	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Joyson Safety Systems Aschaffenburg GmbH (Note 1)	Germany	Germany	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Ningbo Joyson Key Safety Systems Co., Ltd (Note 1)	Ningbo	Ningbo	Manufacturing of safety systems		60.32	Establishment
Shanghai Lingang Joyson Automotive Safety Systems Co., Ltd. (Note 1)	Shanghai	Shanghai	Manufacturing of safety systems		60.32	Establishment
Joyson Safety Systems Global Services GmbH (Note 1)	Germany	Germany	Investment holding		60.32	Establishment
Ningbo JunAn Safety System Co., Ltd	Ningbo	Ningbo	Manufacturing of safety systems		60.32	Establishment
Joyson Safety Systems Receivable LLC	USA	USA	Investment holding		60.32	Establishment
Highland Industries Inc. (Note 1)	USA	USA	Manufacturing of safety systems		60.32	Business combinations involving entities not under common control
Ningbo Joyson Advanced Energy Institute Co., Ltd.	Ningbo	Ningbo	Software development	100		Establishment
Ningbo Joyson Intelligent Automobile Technology Research Institute Co., LTD	Ningbo	Ningbo	Software development	100		Establishment
Anhui Joyson Auto Safety System Holdings Co., Ltd.	Hefei	Hefei	Manufacturing of safety systems	70.00		Establishment
Joyson Safety System (Anhui) Co., LTD (Note 1)	Hefei	Hefei	Manufacturing of safety systems		60.32	Establishment
Ningbo Junli Automotive Systems Co., Ltd.	Ningbo	Ningbo	Manufacturing of automotive components	100.00		Establishment
Ningbo Junxin Automotive Systems Co., Ltd.	Ningbo	Ningbo	Manufacturing of automotive components	100.00		Establishment

Note 1: These companies are held by the Company through its non-wholly-owned subsidiary, Anhui Joyson Auto Safety System Holdings Co., Ltd. The proportion of ownership interest indirectly held by the Company is multiplied by the Company's proportion of ownership interest directly to Anhui Joyson Auto Safety System Holdings Co., Ltd. of 70.00% and the ownership interest to these companies held by Anhui Joyson Auto Safety System Holdings Co., Ltd.

**(2). Material non-wholly owned subsidiaries**

Applicable  Not applicable

Expressed in ten thousand, Currency: RMB

Name of the Subsidiary	Proportion of ownership interest held by non-controlling interests	Profit or loss allocated to non-controlling interests during the period	Dividend declared to non-controlling shareholders during the period	Balance of non-controlling interests at the end of the period
Anhui Joyson Auto Safety System Holdings Co., Ltd. and its subsidiaries	30	298.00	723.03	505,516.00

Description of the proportion of shares held by minority shareholders of subsidiaries is different from the proportion of voting rights:

Applicable  Not applicable

Other information:

Applicable  Not applicable

**(3). Key financial information about material non-wholly owned subsidiaries**

Applicable  Not applicable

Expressed in ten thousand, Currency: RMB

Name of the Subsidiary	Ending Balance						Beginning Balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Anhui Joyson Auto Safety System Holdings Co., Ltd. and its subsidiaries	1,402,595	1,899,391	3,301,986	1,340,102	951,270	2,291,372	1,448,893	1,822,319	3,271,212	1,293,421	966,745	2,260,166

Name of the Subsidiary	Current period				Previous period			
	Operating income	Total comprehensive income	Cash flow from operating activities	Operating income	Total comprehensive income	Cash flow from operating activities	Operating income	Total comprehensive income
Anhui Joyson Auto Safety System Holdings Co., Ltd. and its subsidiaries	1,821,605	926	15,672	104,678	1,576,776	-53,096	-27,111	473

**(4). Major restrictions on the use of enterprise group assets and repayment of enterprise group debts:**

Applicable  Not applicable

**(5). Financial support or other support provided to structured entities included in the scope of consolidated financial statements**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**2. Transactions in which the owner's equity share of the subsidiary changes and still controls the subsidiary**

Applicable  Not applicable

**3. Equity in joint ventures or associates**

Applicable  Not applicable

**(1). Important joint ventures or associates**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Name of joint ventures or associates	Principal place of business	Registered place	Nature of business	Shareholding percentage (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd.	Ningbo	Ningbo	Manufacturing of automotive components	20.85	28.15	Equity method

**(2). Key financial information of material joint ventures**

Applicable  Not applicable

**(3). Key financial information of material associates**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

	Balance at the beginning of the period / Current period	Balance at the end of the period / Previous period
	Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd	
Current assets	2,912,676,375.76	2,843,483,224.65
Non-current assets	3,238,444,208.61	3,019,605,928.87
Total assets	6,151,120,584.37	5,863,089,153.52
Current liabilities	2,949,668,259.43	2,952,250,729.39
Non-current liabilities	598,213,473.55	536,136,595.22
Total liabilities	3,547,881,732.98	3,488,387,324.61
Non-controlling interests	72,522,536.05	68,451,241.91
Equity attributable to shareholders of the Company	2,530,716,315.34	2,306,250,587.00
Group's share of net assets	1,230,573,321.57	1,130,062,787.64
Adjustments	797,525,211.40	797,525,211.40
-- Goodwill	797,525,211.40	797,525,211.40
-- Unrealized profit from insider transactions		
-- Others		
The carrying value of an investment in an associate	2,028,098,532.97	1,927,587,999.04
Fair value of equity investments in associates with publicly quoted prices		
Operating income	2,231,369,050.14	1,827,171,936.30
Net profit	149,453,306.54	87,751,621.95
Net profit from discontinued operations		
Other comprehensive income	79,083,715.94	-7,440,125.97
Total comprehensive income	228,537,022.48	80,311,495.98
Dividends received from associates during the year		

**(4). Aggregated financial information of non-material joint ventures and associates**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

	Balance at the beginning of the period/ Current period	Balance at the end of the period / Previous period
Joint ventures:		

Total book value of investments	109,455,548.67	109,796,659.35
The total number of the following items based on shareholding ratio		
-- Net profit	-341,110.68	
-- Other comprehensive income		
-- Total comprehensive income	-341,110.68	
Associates:		
Total book value of investments	50,237,126.97	49,914,426.94
The total number of the following items based on shareholding ratio		
-- Net profit		
-- Other comprehensive income		
-- Total comprehensive income		

**(5). Description of significant limitations on the ability of joint ventures or associates to transfer funds to the Company**

Applicable  Not applicable

**(6). Excessive losses incurred by joint ventures or associates**

Applicable  Not applicable

**(7). Unrecognized commitments related to investment in joint ventures**

Applicable  Not applicable

**(8). Contingent liabilities related to investments in joint ventures or associates**

Applicable  Not applicable

**4、 Important joint operations**

Applicable  Not applicable

**5、 Interests in structured entities not included in the scope of the consolidated financial statements**

Relevant explanations of structured entities not included in the scope of the consolidated financial statement:

Applicable  Not applicable

**6、 Others**

Applicable  Not applicable

**X. Risk related to financial instruments**

Applicable  Not applicable

The Group has exposure to the following main risks from its use of financial instruments in the normal course of the Group's operations:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk

The following mainly presents information about the Group's exposure to each of the above risks and their sources, their changes during the year, and the Group's objectives, policies and processes for measuring and managing risks, and their changes during the year.

The Group aims to seek appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The internal audit department of the Group undertakes both regular and ad-hoc reviews of risk management controls and procedures.

## **1. Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, receivables, contract assets, financial products and other financial assets. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

### **(1) Accounts receivable**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry, country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, for the five largest balances of accounts receivable and other receivables by debtors at the end of the year, refer to Note VII.5(5) and Note VII.8(6).

In respect of receivables, the management of the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and their bank credit records where available. Receivables are due within 30 – 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

For details of accounts receivable, refer to Note VII.5.

## **2. Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily unutilized marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the balance sheet date) and the earliest date the Group can be required to pay:

Item	Contractual undiscounted cash flow at 30 June, 2022					Carrying amount at balance sheet date
	Within 1 year or on demand	Carrying amount at balance sheet date	More than 2 year but less than 5 years	More than 5 years	Total	
Short-term loan	4,643,176,358.63				4,643,176,358.63	4,507,593,262.95
Derivative financial liabilities	1,529,120.35				1,529,120.35	1,529,120.35
Bills payable	351,007,733.21				351,007,733.21	351,007,733.21
Accounts payable	8,901,127,247.05				8,901,127,247.05	8,901,127,247.05
Other payables	489,732,146.03				489,732,146.03	489,732,146.03
Long-term loan	3,075,185,132.06	3,435,341,151.07	10,534,216,603.84		17,044,742,886.97	15,102,548,017.56
Long-term payables	25,816,851.38	963,686.93	260,653,147.91		287,433,686.22	287,433,686.22
Lease liabilities	184,162,299.83	137,570,782.44	295,923,741.58	306,414,393.95	924,071,217.80	781,542,468.30
Total	17,671,736,888.54	3,573,875,620.44	11,090,793,493.33	306,414,393.95	32,642,820,396.26	30,422,513,681.67

In view of the Group's financing continuing capability, the Group believes that there is no significant liquidity risk. As at 30 June 2023, the Group's unutilized loan facility was RMB4,073,724,600 (31 December 2022: RMB4,035,899,100).

### 3. Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to fair value interest risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The fair value interest rate risk and cash flow interest rate risk that the Group exposed to are not significant.

(a) The interest-bearing financial instruments held by the Group on 30 June are as follows:

Fixed Rate Financial Instruments:

Item	30 June, 2023	
	Effective interest rate	Amounts
Financial assets		
- Cash at bank	0.0%-1.91%	1,575,028,187.34
Financial liabilities		
- Long-term payables	0.00%	-287,433,686.22

- Debenture payable	6.00%	
- Lease liabilities	1.49%-4.65%	-781,542,468.30
Total		506,052,032.82

## Variable Rate Financial Instruments:

Item	30 June, 2023	
	Effective interest rate	Amounts
Financial assets		
- Cash at bank	0.0%-2.75%	3,382,792,251.88
Financial liabilities		
- Short-term loans	0.70%-9.28%	-4,507,593,262.95
- Long-term loans	0.75%-5.52%	-15,102,548,017.56
Total		-22,992,933,532.39

## (b) Sensitivity analysis

As at 30 June 2023, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would decrease the Group's equity by RMB172,447,001.49, and net profit by RMB172,447,001.49.

**4. Foreign currency risk**

In respect of cash at bank and on hand, accounts receivable and payable, short-term loans and long-term loans denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

As at 30 June, the Group's exposure to currency risk arising from recognised assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date. Differences resulting from the translation of foreign currency financial statements are excluded.

	June 30, 2023		December 31, 2022	
	Balance at foreign currency	Balance at RMB equivalent	Balance at foreign currency	Balance at RMB equivalent
Cash at bank and on hand		458,112,162.27		528,987,625.13
- US Dollar (USD)	13,652,597.35	98,650,937.96	34,028,050.38	236,991,759.67
- Euro (EUR)	30,423,884.83	239,651,983.21	28,509,670.55	211,624,433.52
-Romania New Lei (RON)	1,573,482.90	2,511,121.36	2,599,258.92	3,881,993.20
- Mexico Peso (MXN)	93,157,689.69	39,452,281.58	71,461,757.64	25,561,870.71
- Japanese Yen (JPY)	193,611,009.77	9,699,911.59	138,705,505.38	7,268,168.48
- Thailand Baht (THB)	2,900.00	589.86	2,900.00	584.06
- Pound (GBP)	4,741.86	43,355.77	21,948.46	184,237.57
- Korean Won (KRW)	49,380,501.00	271,592.76	20,480,247.00	112,641.36
- Russian Ruble (RUB)	446.25	37.22	446.34	42.05
- Polish Zloty (PLN)	36,687,626.20	64,977,454.76	22,695,703.27	36,036,237.65
- Hungarian Forint (HUF)	102,436,464.00	2,171,653.04	381,509,451.00	7,096,075.79
- Uruguayan Peso (UYU)	2,139,363.63	414,238.94	30,297.00	5,236.63

- Argentina Peso (ARS)	5,740.00	162.18	5,740.00	223.55
- Singapore Dollar (SGD)	-	-	29.00	150.31
- Swedish Krona (SEK)	399,763.35	266,842.04	336,342.67	223,970.58
Accounts receivable		3,137,473,636.34		2,367,146,597.23
- US Dollar (USD)	320,637,049.84	2,316,859,194.77	251,230,692.75	1,749,721,282.73
- Euro (EUR)	91,353,290.68	719,599,005.98	72,869,293.59	540,901,479.39
-Romania New Lei (RON)	28,183,096.25	44,977,403.31	11,164,021.47	16,673,466.07
- Japanese Yen (JPY)	141,114,558.31	7,069,839.37	220,899,368.18	11,575,126.89
- Thailand Baht (THB)	18,099,622.75	3,681,463.27	18,164,811.30	3,658,393.00
- Pound (GBP)	1,272.39	11,633.72	1,185.63	9,952.30
- Korean Won (KRW)	1,927,148,709.00	10,599,317.90	1,061,999,083.00	5,840,994.96
- Polish Zloty (PLN)	102,129.73	180,881.96	3,186.56	5,059.62
- Hungarian Forint (HUF)	4,380,030.00	92,856.64	3,931,432.00	73,124.64
- Mexico Peso (MXN)	81,232,678.67	34,402,039.42	106,918,837.49	38,244,868.17
- Russian Ruble (RUB)			4,701,162.00	442,849.46
Short-term loans		-986,624,674.31		-785,530,980.12
- US Dollar (USD)	-106,276,652.25	-767,933,833.83	-89,503,136.77	-623,353,546.33
- Euro (EUR)	-27,762,862.03	-218,690,840.48	-21,848,257.93	-162,177,433.79
Long-term loans		-1,177,266,613.25		-401,641,950.74
- US Dollar (USD)	-112,532,951.86	-813,140,603.54	-57,669,062.22	-401,641,950.74
- Euro (EUR)	-46,225,896.55	-364,126,009.71		
Accounts payable		-4,217,489,557.41		-3,313,223,834.57
- US Dollar (USD)	-383,421,096.74	-2,770,524,160.83	-288,078,870.28	-2,006,354,099.97
- Euro (EUR)	-144,360,079.83	-1,137,138,784.86	-134,433,821.77	-997,888,815.59
-Romania New Lei (RON)	-54,191,639.81	-86,484,437.97	-52,496,745.29	-78,403,889.09
- Mexico Peso (MXN)	-200,086,520.14	-84,736,641.28	-200,951,979.23	-71,880,522.97
- Japanese Yen (JPY)	-2,168,083,309.53	-108,620,973.81	-2,533,270,504.05	-132,743,374.41
- Thailand Baht (THB)	-17,118,392.64	-3,481,881.06	-26,258,398.34	-5,288,441.43
- Pound (GBP)	-1,627,814.84	-14,883,436.64	-571,199.23	-4,794,703.44
- Korean Won (KRW)	-315,384,179.16	-1,734,612.99	-745,048,683.00	-4,097,767.76
- Polish Zloty (PLN)	-2,634,113.54	-4,665,278.49	-5,437,110.07	-8,633,043.37
- Czech Krona (CZK)	-205,267.30	-1,654,741.81	-1,428,267.38	-436,674.91
- Uruguayan Peso (UYU)	-1,795,393.43	-597,975.35	-222,593.00	-38,473.66
- Switzerland Franc (CHF)	-14,343,017.45	-2,777,197.97	-288,303.55	-2,174,731.34
- Swedish Krona (SEK)	-283,796.78	-189,434.35	-734,789.96	-489,296.63
Receipt and payment difference		-1,080,015,921.07		-946,077,237.34
Net foreign currency of monetary items		-3,437,100,094.94		-1,604,262,543.07
Gross balance sheet exposure				
- US Dollar (USD)	-267,941,053.66	-1,936,088,465.47	-149,992,326.14	-1,044,636,554.64
- Euro (EUR)	-96,571,662.90	-760,704,645.86	-54,903,115.56	-407,540,336.47
-Romania New Lei (RON)	-24,435,060.66	-38,995,913.30	-38,733,464.90	-57,848,429.82
- Mexico Peso (MXN)	-25,696,151.78	-10,882,320.28	-22,571,384.10	-8,073,784.09
- Japanese Yen (JPY)	-1,833,357,741.45	-91,851,222.85	-2,173,665,630.49	-113,900,079.04
- Thailand Baht (THB)	984,130.11	200,172.07	-8,090,687.04	-1,629,464.37
- Pound (GBP)	-1,621,800.59	-14,828,447.15	-548,065.14	-4,600,513.57

- Korean Won (KRW)	1,661,145,030.84	9,136,297.67	337,430,647.00	1,855,868.56
- Russian Ruble (RUB)	446.25	37.22	4,701,608.34	442,891.51
- Polish Zloty (PLN)	34,155,642.39	60,493,058.23	17,261,779.76	27,408,253.90
- Switzerland Franc (CHF)	-205,267.30	-1,654,741.81	-288,303.55	-2,174,731.34
- Hungarian Forint (HUF)	106,816,494.00	2,264,509.68	385,440,883.00	7,169,200.43
- Czech Krona (CZK)	-1,795,393.43	-597,975.35	-1,428,267.38	-436,674.91
- Uruguayan Peso (UYU)	-12,203,653.82	-2,362,959.03	-192,296.00	-33,237.03
- Argentina Peso (ARS)	5,740.00	162.18	5,740.00	223.55
- Singapore Dollar (SGD)			29.00	150.31
- Swedish Krona (SEK)	115,966.57	77,407.69	-398,447.29	-265,326.05
Notional amounts of foreign currency forward contracts used as economic hedges				
- US Dollar (USD)				
Net balance sheet exposure				
- US Dollar (USD)	-408,469,584.52	-2,951,519,523.76	-149,992,326.14	-1,044,636,554.64
- Euro (EUR)	-50,345,766.35	-396,578,636.15	-54,903,115.56	-407,540,336.47
-Romania New Lei (RON)	-24,435,060.66	-38,995,913.30	-38,733,464.90	-57,848,429.82
- Mexico Peso (MXN)	-25,696,151.78	-10,882,320.28	-22,571,384.10	-8,073,784.09
- Japanese Yen (JPY)	-1,833,357,741.45	-91,851,222.85	-2,173,665,630.49	-113,900,079.04
- Thailand Baht (THB)	984,130.11	200,172.07	-8,090,687.04	-1,629,464.37
- Pound (GBP)	-1,621,800.59	-14,828,447.15	-548,065.14	-4,600,513.57
- Korean Won (KRW)	1,661,145,030.84	9,136,297.67	337,430,647.00	1,855,868.56
- Russian Ruble (RUB)	446.25	37.22	4,701,608.34	442,891.51
- Polish Zloty (PLN)	34,155,642.39	60,493,058.23	17,261,779.76	27,408,253.90
- Switzerland Franc (CHF)	-205,267.30	-1,654,741.81	-288,303.55	-2,174,731.34
- Hungarian Forint (HUF)	106,816,494.00	2,264,509.68	385,440,883.00	7,169,200.43
- Czech Krona (CZK)	-1,795,393.43	-597,975.35	-1,428,267.38	-436,674.91
- Uruguayan Peso (UYU)	-12,203,653.82	-2,362,959.03	-192,296.00	-33,237.03
- Argentina Peso (ARS)	5,740.00	162.18	5,740.00	223.55
- Singapore Dollar (SGD)			29.00	150.31
- Swedish Krona (SEK)	115,966.57	77,407.69	-398,447.29	-265,326.05

## XI. Fair value disclosure

### 1、 Final fair value of assets and liabilities measured at fair value at the end of the year

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Fair value at the end of the period			
	Level 1	Level 2	Level 3	Total
<b>Fair value measured on a recurring basis</b>				
i. Financial assets held for trading	52,787,239.89	557,754,139.42	511,273,703.49	1,121,815,082.80
1. Financial assets at fair value through profit or loss	52,787,239.89	395,360,742.48		448,147,982.37
(1) Equity investments in listed companies	52,787,239.89			52,787,239.89
(2) Financial products		276,965,957.40		276,965,957.40

(3) Derivative financial assets		118,394,785.08		118,394,785.08
2. Financial assets designated as at fair value through profit or loss		162,393,396.94	511,273,703.49	673,667,100.43
(1) Investments in debt instruments				
(2) Investments in equity instruments			148,444,105.92	148,444,105.92
(3) Defined benefit plan reinsurance			62,174,597.57	62,174,597.57
(4) Unsettled consideration of selling 51% shares of JoysonQuin			300,655,000.00	300,655,000.00
(5) Derivative financial assets		162,393,396.94		162,393,396.94
<b>Total assets measured at fair value on a recurring basis</b>		557,754,139.42	511,273,703.49	1,069,027,842.91
vi. Financial liabilities held for trading		1,529,120.35		1,529,120.35
1. Financial liabilities at fair value through profit or loss		1,529,120.35		1,529,120.35
Including: Trading bonds issued				
Derivative financial liabilities		1,529,120.35		1,529,120.35
Others				
2. Financial liabilities designated as at fair value through profit or loss				
<b>Total liabilities measured at fair value on a recurring basis</b>		1,529,120.35		1,529,120.35
<b>II. Fair value measurement on a non-recurring basis</b>				
i Assets held for sale				
<b>Total assets not measured at fair value on a non-recurring basis</b>				
<b>Total liabilities not measured at fair value on a non-recurring basis</b>				

## 2、Basis for determining the market value of fair value measurements categorised of Level 1 on a recurring and non-recurring basis

√ Applicable  Not applicable

The Company's recurring and non-recurring Level 1 fair value measurements is equity investments in secondary markets, of which the ending fair value is based on the publicly traded market price at the balance sheet date, which is the closing price at the end of the period on an active market such as an stock exchange.

## 3、Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurements categorised of Level 2 on a recurring and non-recurring basis

√ Applicable  Not applicable

The fair value of forward exchange contracts included in derivative financial assets is determined by discounting the difference between the contractual exercise price and the market forward price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period.

The fair value of interest rate swaps included in derivative financial assets is the estimated amount that would be received or paid to terminate the swap at the end of the reporting period, taking into account of current interest rates and the current creditworthiness of the swap counterparties.

The fair value of financial products is determined by discounting the future cash flow using the expected rate of return.

**4、 Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurements categorised of Level 3 on a recurring and non-recurring basis**

Applicable  Not applicable

Other non-current financial assets of recurring Level 3 fair value measurements mainly include equity investments of unlisted companies. The fair value was determined based on investment cost, the stage of development and related indicators of comparable companies of the invested companies.

During 2023, there were no transfers between Level 1 and Level 2 of the Group's financial instruments, as well as no transfers into or out of Level 3.

**5、 For fair value measurements categorised of Level 3 on a recurring basis, reconciliation information between opening and closing carrying values and sensitivity analysis of unobservable parameters**

Applicable  Not applicable

**6、 For fair value measurements on a recurring basis that were converted between levels during the current period, the reasons for the conversion and the policy for determining the point of conversion**

Applicable  Not applicable

**7、 Changes in valuation techniques that occurred during the current period and the reasons for such changes**

Applicable  Not applicable

**8、 Fair values of financial assets and liabilities not measured at fair value**

Applicable  Not applicable

**9、 Others**

Applicable  Not applicable

**XII. Related parties and related party transactions**

**1、 Information about the parent of the Company**

Applicable  Not applicable

Expressed in ten thousand, Currency: RMB

Company name	Registered place	Business nature	Registered capital	Shareholding percentage	Proportion of voting rights (%)
Joyson Holding Co., Ltd.	Ningbo	Industrial project investment, corporate management	12,000.00	34.85	35.09

		consulting, self-owned housing rental, etc.			
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Information about the parent of the Company: N/A

The ultimate controlling party of the Company is Mr. Wang Jianfeng, the Company's chairman and legal representative.

## 2、 Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note

Applicable  Not applicable

For information about the subsidiaries of the Company, refer to Note IX.1(1).

## 3、 Information about joint ventures and associates of the Company

For information about the joint ventures and associates of the Company, refer to Note

Applicable  Not applicable

For information about the joint ventures and associates of the Company, refer to Note VII.17.

Other joint ventures or associates with which the Company had related party transactions during the current period, or with which the Company had related party transactions in prior periods that resulted in balances, are as follows

Applicable  Not applicable

Name of joint ventures or associates	Relationship with the Company
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd.	Associate
Suzhou SME-CQ AUTOMOTIVE Safety TECHNOLOGY Ltd. CO.	Associate
Yanfeng KSS (Shanghai) Automotive Safety Systems Co., Ltd.	Joint venture

Other information:

Applicable  Not applicable

## Information on other related parties

Applicable  Not applicable

Name of other related parties	Related party relationship
Ningbo PIA Automation Holding Co., Ltd.	Under common control of ultimate controlling party
Ningbo Sci-Tech Park Joyson Property Management Co., Ltd.	Under common control of ultimate controlling party
Ningbo Dongqian Lake Tourist Resort Hanling Development Co., Ltd.	Under common control of ultimate controlling party
Ningbo Junya Hotel Management Co., Ltd	Under common control of ultimate controlling party
Ningbo Junyun Hotel Management Co., Ltd	Under common control of ultimate controlling party
Ningbo Joyson Asset Management Co. Ltd	Under common control of ultimate controlling party
Ningbo Joyson Real Estate Development Co., Ltd.	Under common control of ultimate controlling party
PIA Automation Amberg GmbH	Under common control of ultimate controlling party
PIA Automation Holding GmbH	Under common control of ultimate controlling party
PIA Automation Bad Neustadt GmbH	Under common control of ultimate controlling party

PIA Automation Canada Inc.	Under common control of ultimate controlling party
Suzhou SME-CQ AUTOMOTIVE Safety TECHNOLOGY Ltd. CO.	Associate
Yanfeng KSS (Shanghai) Automotive Safety Systems Co., Ltd.	A joint venture of subsidiaries
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd	Associate
Ningbo Joyson Quin Automotive Trim Co., Ltd.	A subsidiary of associates
Shanghai Joyson Benyuan Automotive Components Co., Ltd	A subsidiary of associates
Changchun Joyson Automotive Components Co., Ltd	A subsidiary of associates
Ningbo Joyson Quin New Energy Technology Co., Ltd.	A subsidiary of associates
JOYSONQUIN Automotive Systems GmbH	A subsidiary of associates
JOYSONQUIN Automotive Systems Mexico S.A. de C.V.	A subsidiary of associates
JOYSONQUIN Automotive Systems Polska Sp. z o.o.	A subsidiary of associates
JOYSONQUIN Automotive Systems Romania S.R.L.	A subsidiary of associates
JOYSONQUIN Automotive Systems North America LLC	A subsidiary of associate
Ningbo JOYSONQUIN Intelligent Technology Co., Ltd.	A subsidiary of associates
Ningbo Joyson Automotive Trim Technology Co., Ltd	A subsidiary of associates
Zhu Xuesong	Deputy chairman of the board
Cai Zhengxin	Director
Chen Wei	Director, Executive
Li Junyu	Director, Executive
Liu Yuan	Director, Executive
Zhou Xingyou	Supervisor
Weng Chunyan	Supervisor
Wang Xiaowei	Supervisor
Guo Jishun	Executive
Yu Zhaohui	Executive
Fan Jinhong	Director (Resigned)

#### 4、 Transactions with related parties

##### (1). Purchase/sale of goods and receiving/rendering of services

Purchase of goods/Receiving of services

Applicable  Not applicable

Unit: Yuan Currency: RMB

Name of related party	Nature of transaction	Current period	Previous period
Suzhou SME-CQ AUTOMOTIVE Safety TECHNOLOGY Ltd. CO.	Purchase of goods	42,072,152.89	
Ningbo PIA Automation Holding Co., Ltd.	Purchase of goods/Receiving of services	34,723,030.00	36,219,523.90
PIA Automation Bad Neustadt GmbH	Purchase of goods/Receiving of services	34,570,281.49	20,142,233.42
Ningbo Sci-Tech Park Joyson Property Management Co., Ltd.	Receiving of services	10,696,209.42	7,778,903.74
JOYSONQUIN Automotive Systems Polska Sp. z o.o.	Purchase of goods/Receiving of services	4,979,475.02	2,303.31
Ningbo JOYSONQUIN Intelligent Technology Co., Ltd.	Purchase of goods	1,368,319.53	18,999.99
Ningbo Joyson Automotive Trim Technology Co., Ltd	Purchase of goods	1,314,271.55	834,983.20
JOYSONQUIN Automotive Systems GmbH	Purchase of goods	1,082,918.09	1,686,126.75

Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd	Purchase of goods/Receiving of services	1,027,982.84	386,816.27
JOYSONQUIN Automotive Systems North America LLC	Receiving of services	947,555.39	1,006,317.46
PIA Automation Amberg GmbH	Purchase of goods	500,623.47	676,143.53
Ningbo Junya Hotel Management Co., Ltd	Receiving of services	307,768.00	517,082.01
JOYSONQUIN Automotive Systems México S.A. de C.V.	Purchase of goods	144,485.14	33,478.04
Shanghai Joyson Benyuan Automotive Components Co., Ltd	Purchase of goods/Receiving of services	336.98	104,325.60
Ningbo Junyun Hotel Management Co., Ltd	Receiving of services		2,878.00
Total		133,735,409.81	69,410,115.22

Sale of goods /Rendering of services

Applicable  Not applicable

Unit: Yuan Currency: RMB

Name of related party	Nature of transaction	Current period	Previous period
JOYSONQUIN Automotive Systems Polska Sp. z o.o.	Sales of goods/rendering of services	22,195,983.82	33,179,677.77
JOYSONQUIN Automotive Systems México S.A. de C.V.	Sales of goods	3,892,646.08	18,516,709.97
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd	Sales of goods/rendering of services	2,564,861.75	3,729,873.12
Shanghai Joyson Benyuan Automotive Components Co., Ltd	Sales of goods/rendering of services	1,517,894.29	1,499,838.74
Ningbo Joyson Quin Automotive Trim Co., Ltd.	rendering of services	649,009.96	383,559.77
Ningbo PIA Automation Holding Co., Ltd.	Sales of goods/rendering of services	614,306.89	406,337.05
Ningbo Sci-Tech Park Joyson Property Management Co., Ltd.	rendering of services	427,244.53	383,882.25
Ningbo Joyson Real Estate Development Co., Ltd.	rendering of services	186,097.42	
Yanfeng KSS (Shanghai) Automotive Safety Systems Co., Ltd.	Sales of goods	56,458.27	1,208,196.53
Ningbo JOYSONQUIN Intelligent Technology Co., Ltd.	rendering of services	24,663.56	1,343.59
PIA Automation Bad Neustadt GmbH	Sales of goods/rendering of services	20,772.97	39,748.35
Ningbo Dongqian Lake Tourist Resort Hanling Development Co., Ltd.	rendering of services		167,329.86
JOYSONQUIN Automotive Systems GmbH	rendering of services		43,355.69
Total		32,149,939.54	59,559,852.69

Description of related transactions for the purchase and sale of goods, provision and receipt of services

Applicable  Not applicable

**(2). Related party trusteeship/contracting arrangement and entrusted management/outsourcing**

Table on the Company's trusteeship/contracting arrangement

 Applicable  Not applicable

Description of affiliated party trusteeship/contracting

 Applicable  Not applicable

Table on the Company's entrusted management/outsourcing

 Applicable  Not applicable

Description of affiliated party management/outsourcing

 Applicable  Not applicable**(3). Leases**

The Group as the lessor:

 Applicable  Not applicable

Unit: Yuan Currency: RMB

Name of lessee	Type of assets leased	Lease income recognised in current period	Lease income recognised in previous period
Ningbo PIA Automation Holding Co., Ltd.	Buildings	4,455,024.00	3,494,160.00
Ningbo Joyson Quin Automotive Trim Co., Ltd.	Buildings	872,316.00	872,316.00
Ningbo Sci-Tech Park Joyson Property Management Co., Ltd.	Buildings	524,808.00	524,808.00
Joyson Holding Co., Ltd.	Buildings	405,003.48	405,003.48
Ningbo Joyson Real Estate Development Co., Ltd.	Buildings	405,003.48	
Ningbo Dongqian Lake Tourist Resort Hanling Development Co., Ltd.	Buildings		405,003.48
Total		6,662,154.96	5,701,290.96

The Group as the lessee:

 Applicable  Not applicable

Unit: Yuan Currency: RMB

Name of lessor	Type of assets leased	Short-term leases and leases of low-value assets which are accounted for using the practical expedient (If applicable)		Amount of variable lease payments not included in the measurement of the lease liability (If applicable)		Paid rental		Interest expenses from lease liabilities		Value of additional Right-of-Use Assets	
		Current period	Previous period	Current period	Previous period	Current period	Previous period	Current period	Previous period	Current period	Previous period
Ningbo Joyson Asset Management Co. Ltd	Buildings		426,667.00								
Joyson Holding Co., Ltd.	Buildings		224,000.00								
Total			650,667.00								

Description of affiliated leases

Applicable  Not applicable

#### (4). Guarantee

The Company as the guarantor holder

Applicable  Not applicable

Unit: Yuan Currency: RMB

The Company as the guarantee holder

Applicable  Not applicable

Unit: Yuan Currency: RMB

Name of guarantee	Amount of guarantee	Inception date of guarantee	Maturity date of guarantee	Guarantee completed (Yes/No)
Joyson Holding Co., Ltd.	250,000,000.00	2022.12.22.	2024.12.21.	No
Joyson Holding Co., Ltd.	300,000,000.00	2022.2.28.	2024.2.28.	No
Joyson Holding Co., Ltd.	225,000,000.00	2022.3.7.	2024.3.4.	No
Joyson Holding Co., Ltd.	169,000,000.00	2021.7.14.	2024.7.13.	No
Joyson Holding Co., Ltd.	103,150,000.00	2021.8.13.	2023.8.13.	No
Joyson Holding Co., Ltd.	300,000,000.00	2021.9.7.	2023.9.6.	No
Joyson Holding Co., Ltd.	250,000,000.00	2021.11.4.	2024.11.3.	No
Joyson Holding Co., Ltd.	250,000,000.00	2021.11.11.	2024.11.10.	No
Total	1,847,150,000.00			

Description of affiliated guarantees

Applicable  Not applicable

#### (5). Funding provided to related party

Applicable  Not applicable

The Group had no new funding provided to related party increase during the period.

#### (6). Transfer of assets and debt restructuring

Applicable  Not applicable

#### (7). Remuneration of key management personnel

Applicable  Not applicable

Expressed in ten thousand, Currency: RMB

Item	Current period	Previous period
Remuneration of key management personnel	1,222.98	1,213.53

#### (8). Other related party transactions

Applicable  Not applicable

## 5、Receivables from and payables to related parties

### (1). Receivables

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Related parties	Ending Balance		Beginning Balance	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Accounts receivable/Other receivable/Dividends receivable	Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd	225,702,499.13		324,951,645.04	
Prepayments/Other non-current assets	PIA Automation Bad Neustadt GmbH	40,072,979.29		36,633,755.54	
Accounts receivable/Prepayments/Other non-current assets	Ningbo PIA Automation Holding Co., Ltd.	28,442,250.43		11,359,795.46	
Accounts receivable	Shanghai Joyson Benyuan Automotive Components Co., Ltd	4,637,581.90		6,032,879.52	
Accounts receivable	JOYSONQUIN Automotive Systems Polska Sp. z o.o.	3,851,554.99		1,851,047.46	
Accounts receivable	Yanfeng KSS (Shanghai) Automotive Safety Systems Co., Ltd.	2,950,949.50		7,092,229.19	
Accounts receivable	Ningbo Joyson Quin Automotive Trim Co., Ltd.	1,507,349.99		781,620.31	
Accounts receivable	JOYSONQUIN Automotive Systems México S.A. de C.V.	1,057,994.29		9,378,675.98	
Prepayments	Ningbo Sci-Tech Park Joyson Property Management Co., Ltd.	114,075.51		262,924.51	
Accounts receivable/Other receivable	Ningbo JOYSONQUIN Intelligent Technology Co., Ltd.	10,372.84		2,286.17	
Accounts receivable	JOYSONQUIN Automotive Systems Romania S.R.L.	1,050.81		990.21	
Other receivable	Joyson Holding Co., Ltd.			22,603.10	
	Total	308,348,658.68		398,370,452.49	

### (2). Payables

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Related parties	Ending Balance	Beginning Balance
Accounts payable/other payable	Yanfeng KSS (Shanghai) Automotive Safety Systems Co., Ltd.	117,892,226.98	107,892,226.98
Accounts payable	Ningbo PIA Automation Holding Co., Ltd.	71,280,829.03	71,612,448.56

Accounts payable	PIA Automation Bad Neustadt GmbH	29,407,768.74	37,779,967.29
Accounts payable	Suzhou SME-CQ AUTOMOTIVE Safety TECHNOLOGY Ltd. CO.	19,538,074.69	5,911,056.97
Accounts payable	JOYSONQUIN Automotive Systems Polska Sp. z o.o.	4,556,203.65	
Accounts payable	Ningbo Sci-Tech Park Joyson Property Management Co., Ltd.	4,351,287.42	2,516,785.80
Accounts payable	Ningbo JOYSONQUIN Intelligent Technology Co., Ltd.	1,430,519.17	1,187,227.68
Accounts payable/other payable	Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd	1,020,070.30	92,455.13
Accounts payable	Ningbo Joyson Automotive Trim Technology Co., Ltd	508,986.08	3,276,039.45
Accounts payable	PIA Automation Amberg GmbH	168,861.31	98,784.48
Accounts payable	JOYSONQUIN Automotive Systems GmbH	45,107.43	287,061.36
Accounts payable	JOYSONQUIN Automotive Systems México S.A. de C.V.	9,653.23	
Accounts payable	JOYSONQUIN Automotive Systems Romania S.R.L.	1,184.79	
Accounts payable	Ningbo Junya Hotel Management Co., Ltd		210,000.00
Accounts payable	JOYSONQUIN Automotive Systems North America LLC		129,542.37
Accounts payable	Shanghai Joyson Benyuan Automotive Components Co., Ltd		98,948.91
	Total	250,210,772.82	231,092,544.98

## 6、 Commitments of related parties

Applicable  Not applicable

## 7、 Others

Applicable  Not applicable

### XIII. Share-based payment

#### 1、 Overall situation of share-based payment

Applicable  Not applicable

See Note VII.55

#### 2、 Equity-settled share-based payments

Applicable  Not applicable

#### 3、 Cash-settled share-based payments

Applicable  Not applicable

#### 4、 Modification and termination of share-based payment

Applicable  Not applicable

**5、 Others**

Applicable  Not applicable

**XIV. Commitments and contingencies****1、 Significant commitments**

Applicable  Not applicable

Significant external commitments existing at the balance sheet date, nature and amount

**(1) Capital commitments**

Item	Ending Balance	Beginning Balance
Investment in fixed assets, intangible assets and long-term assets	455,116,207.75	462,675,487.88
Total	455,116,207.75	462,675,487.88

**2、 Contingencies****(1). Significant contingencies existing at the balance sheet date**

Applicable  Not applicable

The Group is the defendant in certain cases and the designated party to the litigation that occurred in the course of other day-to-day business activities. The management has assessed the possible adverse consequences of these contingencies, lawsuits and other legal procedures, and believes that any resulting liabilities will not have material adverse effects on the Group's financial position, operating performance or cash flows.

**(2). The Company should state even if there are no material contingencies that need to be disclosed:**

Applicable  Not applicable

**3、 Others**

Applicable  Not applicable

**XV. Subsequent events****1、 Material non-adjusting post balance sheet date events**

Applicable  Not applicable

**2、 Profit distribution**

Applicable  Not applicable

**3、 Sales return**

Applicable  Not applicable

#### **4、 Description of subsequent events**

Applicable  Not applicable

#### **XVI. Other significant items**

##### **1、 Correction of previous accounting errors**

###### **(1). Retrospective restatement**

Applicable  Not applicable

###### **(2). Future application**

Applicable  Not applicable

##### **2、 Debt restructuring**

Applicable  Not applicable

##### **3、 Asset replacement**

###### **(1). Non-monetary asset exchange**

Applicable  Not applicable

###### **(2). Other asset replacement**

Applicable  Not applicable

##### **4、 Annuity plan**

Applicable  Not applicable

##### **5、 Termination of operation**

Applicable  Not applicable

##### **6、 Segment reporting**

###### **(1). The basis for determining the reporting segment and accounting policies**

Applicable  Not applicable

The Group has several reporting segments, which are automotive safety systems business and automotive electronics business. Each reporting segment is a separate business unit which offers different products and services, and is managed separately in terms of different technology and marketing strategies.

For the purposes of assessing performance of the segments and allocating resources, the Group management regularly reviews the operating income from external customers, the gross margin of external transactions, total assets and liabilities.

**(2). Information about revenue, profit, assets and liabilities of the reporting segments**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Automotive safety systems business segment	Automotive electronics business segment	Others	Elimination among segments	Total
Operating income from external customers	18,216,046,377.89	8,559,954,172.80	698,127,779.64	-459,763,827.10	27,014,364,503.23
The gross margin of external customers	1,849,810,734.27	1,608,956,921.52	187,068,009.82	-71,916,715.45	3,573,918,950.16
Total assets	33,019,858,131.24	15,251,634,429.06	26,014,942,965.30	-	56,009,534,890.28
Total liabilities	22,913,722,165.33	7,672,025,855.62	10,320,051,416.50	-3,422,638,858.71	37,483,160,578.74

**(3). If the Company has no reporting segment, or cannot disclose the total assets and liabilities of each reporting segment, it shall explain the reasons** Applicable  Not applicable**(4). Other information** Applicable  Not applicable**7. Other important transactions and matters affecting investors' decision-making** Applicable  Not applicable**8. Others** Applicable  Not applicable**XVII. Notes to the Company's financial statements****1. Accounts receivable****(1). Accounts receivable by aging:**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Ageing	Balance at the end of the period
Within 1 year (inclusive)	
Of which: sub-items within 1 year (inclusive)	
Within 1 year (inclusive)	57,342,668.70
Subtotal within 1 year (inclusive)	57,342,668.70
Over 1 year but within 2 years (inclusive)	9,639,217.20
Over 2 year but within 3 years (inclusive)	240,848,785.53
Over 3 year but within 4 years (inclusive)	184,590,047.05
Total	492,420,718.48

**(2). Accounts receivable by provisioning methods**√ Applicable  Not applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Individual assessment										
Of which:										
Collective assessment	492,420,718.48	100.00				490,829,106.09	100			
Of which:										
- Accounts receivable due from subsidiaries and related parties	492,420,718.48	100.00				490,829,106.09	100			
Total	492,420,718.48	/				490,829,106.09	/			

Individual assessment:

Applicable  Not applicable

Collective assessment:

Applicable  Not applicable

If the provision for bad and doubtful debts is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

Applicable  Not applicable

**(3). Provision for bad and doubtful debts**

Applicable  Not applicable

Accrual or reversal of provision for bad and doubtful debts during the year:

Applicable  Not applicable

**(4). Accounts receivable actually written off during the year**

Applicable  Not applicable

**(5). Five largest accounts receivable by debtor at the end of the year**

Applicable  Not applicable

Debtor	Amount at year end	As a percentage of the total closing balance of accounts receivable (%)	Closing balance of bad debt provision
Debtor A	229,853,602.59	46.68	
Debtor B	108,881,346.03	22.11	
Debtor C	87,261,126.99	17.72	
Debtor D	19,220,124.00	3.90	
Debtor E	13,582,351.82	2.76	
Total	458,798,551.43	93.17	

Other information:

The five largest accounts receivable of the Company amounted to RMB458,798,551.43, accounting for 93.17% of the total accounts receivable at the end of the year, and the corresponding balance of provision for bad and doubtful debts is nil.

**(6). Derecognition of accounts receivable due to transfer of financial assets**

Applicable  Not applicable

**(7). Assets and liabilities recognized due to the continuing involvement of accounts receivable transferred**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**2. Other receivables**

**List of items**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Interest receivable		63,746,402.74
Dividends receivable	208,028,327.42	208,028,327.42
Other receivables	2,477,194,651.66	1,993,448,734.33
Total	2,685,222,979.08	2,265,223,464.49

Other information:

Applicable  Not applicable

**Interest receivable**

**(1). Classification of interest receivable**

Applicable  Not applicable

**(2). Important overdue interest**

Applicable  Not applicable

**(3). Provision for bad and doubtful debts**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**Dividends receivable**

**(1). Dividends receivable**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item / Investee	Ending Balance	Beginning Balance
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd	208,028,327.42	208,028,327.42
Total	208,028,327.42	208,028,327.42

**(2). Important dividends receivable with an aging of over 1 year**

Applicable  Not applicable

**(3). Provision for bad and doubtful debts**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**Other receivables****(1). The ageing analysis is as follows:**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Ageing	Book balance at the end of the period
Within 1 year (inclusive)	
Including: sub-items within 1 year	
Within 1 year (inclusive)	544,613,624.76
Subtotal within 1 year	544,613,624.76
Over 1 year but within 2 years (inclusive)	952,460,824.69
Over 2 years but within 3 years (inclusive)	60,156,630.17
Over 3 years	919,963,572.04
Total	2,477,194,651.66

**(2). Others categorised by nature**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Nature of receivables	Book balance at the end of the period	Book balance at the beginning of the period
Intercompany lendings and borrowings within the Group	2,308,115,855.93	1,728,009,916.79
Related party lendings and borrowings outside the Group	15,526,123.87	114,462,400.00
Related party paid-on-behalf	142,429,722.25	133,429,722.25
Deposits	76,136.49	69,699.88
Third-party advance payment	11,046,813.12	17,476,995.41
Total	2,477,194,651.66	1,993,448,734.33

**(3). Provision for bad and doubtful debts**

Applicable  Not applicable

**(4). Provision for bad and doubtful debts**

Applicable  Not applicable

Among them, the reversal or recovery of the provision for bad and doubtful debts for the current period is important:

Applicable  Not applicable

**(5). Other accounts receivable actually written off in the current period**

Applicable  Not applicable

Description of other accounts receivable:

Applicable  Not applicable

**(6). Five largest other receivables by debtor at the end of the period**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Debtor	Nature	Ending Balance	Ageing	Proportion of the total balance (%)	Provision for bad and doubtful debts
Entity A	Related party loan and interest	1,024,053,465.03	Over 3 years	41.34	
Entity B	Related party loan and interest	491,435,000.00	Within 2 years	19.84	
Entity C	Related party loan and interest	467,793,443.64	Within 2 years	18.88	
Entity D	Related party paid-on-behalf	156,748,382.03	Within 1 year	6.33	
Entity E	Related party loan and interest	142,155,878.06	Within 1 year	5.74	
Total	/	2,282,186,168.76	/	92.13	

**(7). Receivables involving government subsidies**

Applicable  Not applicable

**(8). Other receivables derecognized due to the transfer of financial assets**

Applicable  Not applicable

**(9). The amount of assets and liabilities formed by the transfer of other receivables and continued involvement**

Applicable  Not applicable

Other information:

Applicable  Not applicable

**3. Long-term equity investments**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
------	----------------	-------------------

	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investments in subsidiaries	13,683,869,078.36		13,683,869,078.36	13,807,674,663.17		13,807,674,663.17
Investments in joint ventures and associates	433,319,618.32		433,319,618.32	395,996,186.92		395,996,186.92
Total	14,117,188,696.68		14,117,188,696.68	14,203,670,850.09		14,203,670,850.09

**(1) Investments in subsidiaries**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Investee	Beginning Balance	Increase during the period	Decrease during the period	Ending Balance	Provision for impairment	Ending Balance of provision for impairment
Ningbo Junzhi Automobile Technology Co., Ltd	133,000,000.00			133,000,000.00		
Ningbo Joyson Technology Co., Ltd	638,407,746.53			638,407,746.53		
Ningbo Joynext Technology Corp.	1,117,026,604.62	1,359,777.26		1,118,386,381.88		
Joyson Europe GmbH	29,694,340.00			29,694,340.00		
Preh GmbH	2,747,785,210.41			2,747,785,210.41		
Ningbo Preh Joyson Automotive Electronics Co., Ltd.	6,980,230.71	2,991,509.98		9,971,740.69		
Ningbo Joyson Safety System Co., Ltd.	6,980,189.97	2,991,509.98		9,971,699.95		
Shanghai Joyson Bairui Automatic Driving Research and Development Co., Ltd	185,000,000.00			185,000,000.00		
Joyson Electronic USA LLC	26,346,800.00			26,346,800.00		
Ningbo Joyson New Energy Institute Co., Ltd.	155,209,313.67	15,600,000.00		170,809,313.67		
Ningbo Joyson Technology Research Institute Co., Ltd.	246,748,382.03		146,748,382.03	100,000,000.00		
Anhui Joyson Auto Safety System Holdings Co., Ltd.	8,514,495,845.23			8,514,495,845.23		
Total	13,807,674,663.17	22,942,797.22	146,748,382.03	13,683,869,078.36		

**(2) Investments in associates and joint ventures**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Investee	Beginning Balance	Movement				Ending Balance	Ending Balance of provision for impairment
		Investment income recognized under the equity method	Other comprehensive income adjustment	Other equity changes	Declare a cash dividend or profit		
1. Joint ventures							
Subtotal							
2. Associates							
Ningbo JOYSONQUIN Automotive Systems Holding Co., Ltd	395,996,186.92	25,590,344.46	11,733,086.94			433,319,618.32	
Subtotal	395,996,186.92	25,590,344.46	11,733,086.94			433,319,618.32	
Total	395,996,186.92	25,590,344.46	11,733,086.94			433,319,618.32	

Other information:

□ Applicable √ Not applicable

**4、 Operating income and operating costs**

**(1). Operating income and operating costs**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
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	Operating income	Operating costs	Operating income	Operating costs
Principal activities				
Other operating activities	66,643,639.82		57,303,660.91	
Total	66,643,639.82		57,303,660.91	

**(2). Revenue from contracts with customers**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Category of contract	Total
Revenue recognised at a point in time	
- Royalty income	41,433,570.49
- Service income	284,456.77
Total	41,718,027.26

Description of revenue generated by the contract:

Applicable  Not applicable

**(3). Description of performance obligations**

Applicable  Not applicable

**(4). Description of apportionment to remaining performance obligations**

Applicable  Not applicable

**5. Investment income**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Previous period
Income from long-term equity investments accounted for using cost method	143,541,160.80	62,333,820.00
Income from long-term equity investments accounted for using equity method	25,590,344.46	16,967,522.32
Investment income from disposal of long-term equity investments		
Investment income from financial assets held for trading during the holding period	344,420.55	12,365,425.51
Investment income from disposal of financial assets at fair value through profit or loss	3,052,942.36	
Total	172,528,868.17	91,666,767.83

**6. Others**

Applicable  Not applicable

**XVIII. Supplementary information****1、 Extraordinary gains and losses in current period**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Instruction
Gains and losses from disposal of non-current assets	-590,459.77	
Unauthorized approval, or no formal document of approval, or occasional tax returns and tax relief		
Government grants recognised through profit or loss (excluding those having close relationships with the Group's operation and enjoyed in fixed amount or quantity according to uniform national standard)	79,277,317.42	
Capital appropriation fees charged to non-financial enterprises included in current profit or loss		
Gain arising from the fair value of the identifiable net assets of the investee to which the Company is entitled when the cost of investment in subsidiaries, associates and joint ventures acquired by the enterprise is less than the cost of investment when the investment is acquired		
Gain or loss on exchange of non-monetary assets		
Investment income or loss from entrusted investments or assets management	3,397,362.91	
Provision for impairment of various assets due to force majeure factors, such as natural disasters	477,980.56	
Gains or losses on debt restructuring		
Restructuring costs, such as staff compensation cost and integration expenses	-143,511,272.04	
Gains or losses in excess of fair value arising from transactions where the transaction price is not clearly fair		
Net gain or loss for the period from the beginning of the period to the date of consolidation for subsidiaries resulting from the Company's consolidation under the same control		
Gains or losses arising from contingencies not related to the		

Company's normal business operations		
Changes in fair value of financial assets and liabilities held for trading, and investment income from disposal of financial assets and liabilities held for trading and available-for-sale financial assets, other than those held for effective hedging related to normal operations	107,128,931.65	
Reversal of provision for bad and doubtful debts of receivables and contract assets assessed on an individual basis		
Gains or losses from external entrusted loans		
Gains or losses arising from changes in fair value of investment properties subsequently measured using the fair value model		
Effect of one-off adjustment on profit or loss in accordance with taxation or accounting laws and other relevant regulations		
Custodian fee income earned from entrusted operations		
Other non-operating income and expenses besides items above	1,716,603.30	
Other items qualified as extraordinary gain and loss	-2,968,302.47	
Tax effect	7,954,119.72	
Effect on non-controlling interests after taxation	-42,412,882.94	
Total	79,386,924.78	

Description of non-recurring gain or loss items defined by the Company in accordance with the definition of the “Explanatory Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities - Extraordinary Gains and Losses” and defining extraordinary gains and losses listed in the “Explanatory Announcement No. 1 on Information Disclosure by Companies Issuing Public Securities - Extraordinary Gains and Losses” as recurring items of gains and losses.

Applicable  Not applicable

## 2、Return on net assets and earnings per share

Applicable  Not applicable

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary equity shareholders	3.77	0.35	0.35

Net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	3.14	0.29	0.29
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**3、Differences in accounting data under domestic and foreign accounting standards**

Applicable  Not applicable

**4、Others**

Applicable  Not applicable

Chairman of the Board: Wang Jianfeng

Board approval and filing date: 21 Augusts 2023

**Revision information**

Applicable  Not applicable