

Yutong Hongkong Limited

Audit Report

D.H.S.Z.[2025]1611010607-EN

Da Hua Certified Public Accountants (Special General Partnership)

Yutong Hongkong Limited
Audit Report and Financial Statements

(1 January 2024 to 31 December 2024)

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A u d i t R e p o r t

D.H.S.Z.[2025]1611010607-EN

To the Shareholders of Yutong Hongkong Limited:

I. Audit Opinion

We have audited the accompanying financial statements of Yutong Hongkong Limited (Herein after “Yutong Hongkong”), Which comprise the consolidated and the parent company's balance sheet as at 31 December 2024, the consolidated and the parent company's statement of comprehensive income, the consolidated and the parent company's cash flows statement and the consolidated and the parent company's statement of changes in equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present in all material respects in accordance with the requirements of Accounting Standards for Business Enterprises, and fairly reflect Yutong Hongkong financial position at 31 December 2024 and the financial performance and cash flows for the year then ended.

II. Basis for Audit Opinion

We conducted our audit in accordance with CICPA Standards on Auditing (“CSAs”). In ‘VI. Certified Public Accountant's Responsibilities for the

Audit of Financial Statements' of this report, our responsibilities under these standards are described. Those standards require that we comply with CICPA professional ethical requirements, that we are independent from Yutong Hongkong and have fulfilled all other ethical obligations. We believe that we have obtained sufficient and appropriate audit evidence as basis of for our opinion.

III.Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Yutong Hongkong is responsible for the preparation and present these financial statements fairly in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management of Yutong Hongkong is also responsible for assessing Yutong Hongkong's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and using going concern assumption, unless the management either intends to liquidate the Company or to cease operations or has no realistic option to comply.

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

IV.Certified Public Accountant's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an independent auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions the users taken on the basis of these Financial Statements.

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

1. Identify and assess the risks of material misstatements of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting. Based on the audit evidence obtained, conclude on whether a material uncertainty exists related to events or

conditions that may cast significant doubt on Yutong Hongkong's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Yutong Hongkong to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Financial Statements, and evaluate whether Financial Statements fairly reflected the underlying transactions and events.

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

Da Hua Certified Public Accountants
(Special General Partnership) Henan
Branch

Zhengzhou, China

CICPA:

Li Bin

CICPA:

Zhao Limeng

29 March 2025



Consolidated Balance Sheet

As at 31 December 2024

Prepared by Yutong Hongkong Limited

(The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Assets	Notes V	Closing Balance	Opening Balance
Current assets:			
Cash and Cash equivalents	V.1	1,325,488,866.89	1,375,468,002.77
Financial assets held for trading	V.2	55,030,683.10	
Derivative financial assets			
Notes receivable			
Accounts receivable	V.3	1,389,282,353.34	571,092,041.34
Financing receivables			
Prepayments	V.4	8,768,552.48	69,141,705.22
Other receivables	V.5	817,569,802.87	700,881,150.74
Inventories	V.6	19,950,581.46	81,686,609.75
Contract assets			
Held-for-sale assets			
Current portion of non-current assets			
Other current assets	V.7		33,753,293.27
Total current assets		3,616,090,840.14	2,832,022,803.09
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments			
Other equity instruments investments	V.8	44,139,710.00	80,247,100.00
Other non-current financial assets			
Investment properties			
Fixed assets	V.9		2,094,928.00
Construction in progress	V.10		9,699.86
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			
Goodwill			
Long-term deferred expenses	V.11		16,530.19
Deferred tax assets	V.12		36,248,503.42
Other non-current assets			
Total non-current assets		44,139,710.00	118,616,761.47
Total assets		3,660,230,550.14	2,950,639,564.56

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

崔展舒

Financial Manager:

古朋





Consolidated Balance Sheet (Continue)

As at 31 December 2024

Prepared by: Yutong Hongkong Limited

(除特别注明外，金额单位均为人民币元)

* Liability and Equity	Notes V	Closing Balance	Opening Balance
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading	V.13		14,058,582.52
Derivative financial liabilities			
Notes payable			
Accounts payable	V.14	2,879,351,243.93	1,852,957,786.70
Receipts in advance			
Contract liabilities	V.15	530,170,421.68	776,202,346.02
Payroll and employee benefits payable	V.16		
Taxes payable	V.17		1,313,966.54
Other payables	V.18	354,700,718.49	346,584,429.95
Held-for-sale liabilities			
Current portion of non-current liabilities			
Other current liabilities	V.19	28,518,320.04	35,664,406.93
Total current liabilities		3,792,740,704.14	3,026,781,518.66
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred stock			
Including: Perpetual debt			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions	V.20	54,520,986.11	280,833,584.46
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		54,520,986.11	280,833,584.46
Total liabilities		3,847,261,690.25	3,307,615,103.12
Equity:			
Paid-in capital	V.21	10,355.00	10,355.00
Other equity instruments			
Including: Preferred stock			
Including: Perpetual debt			
Capital reserves			
Less: Treasury shares			
Other comprehensive income	V.22	-127,338,500.89	-101,975,315.07
Special reserves			
Surplus reserve	V.23	3,993,687.62	3,993,687.62
Unappropriated profit	V.24	-63,696,681.84	-253,279,648.09
Equity attributable to parent company		-187,031,140.11	-351,250,920.54
Non-controlling interests			-5,724,618.02
Total shareholders' equity		-187,031,140.11	-356,975,538.56
Total liabilities and shareholders' equity		3,660,230,550.14	2,950,639,564.56

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

符展舒

Financial Manager:

古朋





Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

Prepared by: Yutong Hongkong Limited

(The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Items	Notes V	Current Period	Prior Period
1. Operating revenue	V.25	11,600,135,521.74	8,521,952,800.90
Less: Operating costs	V.25	11,495,949,453.43	8,553,563,925.39
Taxes and surcharges	V.26	153,599.70	84,221.70
Selling expenses	V.27	36,660,305.02	96,871,984.08
Administrative expenses			
Research and development expenses	V.28		3,479.10
Finance expenses	V.29	-5,418,410.86	86,033,488.35
Including: Interest expenses			
Interest income	V.29	11,251,664.35	7,766,986.46
Add: Other income			
Income from investments	V.30	165,634,865.74	-18,982,625.59
Including: Investment income from associates and joint ventures			
Derecognition of financial assets at amortised cost	V.30	-41,033,059.53	-27,391,481.96
Gains from net exposure hedging			
Gains from changes in fair values			
Credit impairment losses	V.31	-46,479,988.86	-5,345,238.46
Assets impairment losses	V.32	-4,887,175.40	-4,636,974.96
Gains from asset disposals			
2. Operating profit		<u>187,058,275.93</u>	<u>-243,569,136.73</u>
Add: Non-operating income	V.33	5,094,958.53	16,722.45
Less: Non-operating expenses	V.34	2,143,322.67	
3. Profit before tax		<u>190,009,911.79</u>	<u>-243,552,414.28</u>
Less: Income tax expenses	V.35	791,647.79	-10,110,767.93
4. Net profit		<u>189,218,264.00</u>	<u>-233,441,646.35</u>
Including: Net profit realised before business combinations under common control			
I. Net profit classified by going concern			
Net profit from continuing operations		189,218,264.00	-233,441,646.35
Net profit from discontinuing operations			
II. Net profit classified by ownership			
Net profit attributable to parent company		189,582,966.25	-233,263,099.60
Net profit attributable to non-controlling interests		-364,702.25	-178,546.75
5. Other comprehensive income after tax		<u>-25,363,185.82</u>	<u>-59,313,309.27</u>
Other comprehensive income after tax attributable to parent company		<u>-25,363,185.82</u>	<u>-59,313,309.27</u>
I. Items of other comprehensive income that will not be reclassified to profit or loss		<u>-25,363,185.82</u>	<u>-59,313,309.27</u>
i. Changes in remeasurement of defined benefit plans			
ii. Other comprehensive income that cannot be transferred to profit or loss under the			
iii. Changes in fair value of investments in equity instruments		-25,363,185.82	-59,313,309.27
iv. Changes in fair value of the Company's own credit risk			
v. Others			
II. Items of other comprehensive income that will be reclassified to profit or loss			
i. Other comprehensive income that can be transferred to profit or loss under the			
ii. Changes in fair value of other debt investments			
iii. Amount of financial assets reclassified into other comprehensive income			
iv. Provisions for credit impairment of other debt investments			
v. The effective portion of gains or losses arising from cash flow hedging			
vi. Translation differences arising from financial statements in foreign currencies			
vii. Income from investments in subsidiaries before loss of control			
viii. Investment properties at fair value converted from other assets			
ix. Others			
Other comprehensive income attributable to non-controlling interests after tax			
6. Total comprehensive income		<u>163,855,078.18</u>	<u>-292,754,955.62</u>
Total comprehensive income attributable to parent company		164,219,780.43	-292,576,408.87
Total comprehensive income attributable to non-controlling interests		-364,702.25	-178,546.75
7. Earnings per share			
I. Basic earnings per share			
II. Diluted earnings per share			

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

符耀

Financial Manager:

石朋





Consolidated Cash Flows Statement

For the year ended 31 December 2024

Prepared by: Yutong Hongkong Limited

(The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Items	Notes V	Current Period	Prior Period
1. Cash flows from operating activities			
Cash received from sales and services		12,369,902,189.00	9,202,466,711.17
Tax and surcharge refunds			
Other cash receipts related to operating activities	V.36.i	143,119,416.32	345,363,203.25
Total cash inflows from operating activities		12,513,021,605.32	9,547,829,914.42
Cash paid for goods and services		11,912,453,053.50	8,432,943,580.03
Cash paid to and for employees		2,196,156.74	2,980,457.18
Taxes and surcharges paid		3,503,015.25	87,114,818.76
Other cash payments related to operating activities	V.36.i	259,128,706.69	1,116,674,960.81
Total cash outflows from operating activities		12,177,280,932.18	9,639,713,816.78
Net cash flows from operating activities		335,740,673.14	-91,883,902.36
2. Cash flows from investing activities			
Cash received from withdrawal of investments		13,104,648.73	15,713,963.44
Cash received from investment income			
Net proceeds from disposals of fixed assets, intangible assets and other long-term assets			
Net proceeds from disposal of subsidiaries and other business units			
Other cash receipts related to investing activities			
Total cash inflows from investing activities		13,104,648.73	15,713,963.44
Cash paid for fixed assets, intangible assets and other long-term assets		1,998,213.25	6,236,341.94
Cash paid for investments		2,360,444.55	2,983,865.00
Net cash paid for acquiring subsidiaries and other business units			
Other cash payments related to investing activities	V.36.ii	573,685,825.42	2,983,612.78
Total cash outflows from investing activities		578,044,483.22	12,203,819.72
Net cash flows from investing activities		-564,939,834.49	3,510,143.72
3. Cash flows from financing activities			
Cash received from investments by others			
Including: Cash received by subsidiaries from non-controlling investors			
Cash received from borrowings			
Other cash receipts related to other financing activities			
Total cash inflows from financing activities			
Cash repayments for debts			
Cash paid for distribution of dividends and profit and for interest expenses			422,049.09
Including: Dividends or profit paid by subsidiaries to non-controlling investors			
Other cash payments related to financing activities			
Total cash outflows from financing activities			422,049.09
Net cash flows from financing activities			-422,049.09
4. Effect of changes in foreign exchange rates on cash and cash equivalents		45,527,143.04	-21,875,171.57
5. Net increase in cash and cash equivalents		-183,672,018.31	-110,670,979.30
Add: Opening balance of cash and cash equivalents		1,305,583,898.48	1,416,254,877.78
6. Closing balance of cash and cash equivalents		1,121,911,880.17	1,305,583,898.48

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

李会展

Financial Manager:

李会展





Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

(The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Prepared by

	Current Period										
	Equity attributable to parent company										
	Paid-in capital	Other equity instruments		Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserve	Unappropriated profit	Non-controlling interests	Total shareholders' equity
Preferred stock	Perpetual debt	Others				comprehensive income				interests	equity
1. Closing balance of last year	10,355.00					-101,975,315.07	3,993,687.62	-253,279,648.09		-5,724,618.02	-356,975,538.56
Add: Increase/decrease due to changes in accounting policies											
Increase/decrease due to corrections of errors in prior period											
Business combination under common control											
Others											
2. Opening balance of current year	10,355.00					-101,975,315.07	3,993,687.62	-253,279,648.09		-5,724,618.02	-356,975,538.56
3. Increase/decrease for current year						-25,363,185.82		189,582,966.25		5,724,618.02	163,944,398.45
I. Total comprehensive income						-25,363,185.82		189,582,966.25		-384,702.25	163,855,078.18
II. Owner's contributions to and withdrawals of capital											
i. Common stock contributed/paid-in capital by											
ii. Capital contributed by other equity instruments holders											
iii. Share-based payments to owners' equity											
iv. Others											
III. Profits distribution											
i. Appropriation of surplus reserve										6,089,320.27	6,089,320.27
ii. Distribution to owners											
iii. Others											
IV. Transfers within owners' equity											
i. Capital reserves transferred to paid-in capital											
ii. Surplus reserve transferred to paid-in capital											
iii. Use of surplus reserve to cover previous losses											
iv. Changes in remeasurement of defined benefit plans											
v. Other comprehensive income transferred to retained											
vi. Others											
V. Special reserves											
i. Appropriated during current year											
ii. Used during current year											
VI. Others											
4. Closing balance of current year	10,355.00					-127,338,500.89	3,993,687.62	-63,696,681.84		6,089,320.27	-187,031,140.11

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

李会展

Financial Manager:

古妍





Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

(The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Prepared by: Xutong Hongkong Limited 香港字通國際有限公司	Prior Period										
	Equity attributable to parent company										Total shareholders' equity
	Paid-in capital	Other equity instruments		Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserve	Unappropriated profit	Non-controlling interests	
Preferred stock	Perpetual debt	Others									
10,355.00					-37,813,019.79		3,993,687.62	-24,865,534.50		-5,030,824.49	-63,705,336.16
10,355.00					-37,813,019.79		3,993,687.62	-24,865,534.50		-5,030,824.49	-63,705,336.16
					-64,162,295.28			-228,414,113.59		-693,793.53	-293,270,202.40
					-59,313,309.27			-233,263,099.60		-178,546.75	-292,754,955.62
1. Closing balance of last year											
Add: Increase/decrease due to changes in accounting policies											
Increase/decrease due to corrections of errors in prior											
Business combination under common control											
Others											
2. Opening balance of current year											
3. Increase/decrease for current year											
I. Total comprehensive income											
II. Owner's contributions to and withdrawals of capital											
i. Common stock contributed/paid-in capital by											
ii. Capital contributed by other equity instruments holders											
iii. Share-based payments to owners' equity											
iv. Others											
III. Profits distribution											
i. Appropriation of surplus reserve											
ii. Distribution to owners											
iii. Others											
IV. Transfers within owners' equity											
i. Capital reserves transferred to paid-in capital											
ii. Surplus reserve transferred to paid-in capital											
iii. Use of surplus reserve to cover previous losses											
iv. Changes in remeasurement of defined benefit plans											
v. Other comprehensive income transferred to retained											
vi. Others											
V. Special reserves											
i. Appropriated during current year											
ii. Used during current year											
VI. Others											
4. Closing balance of current year	10,355.00				-101,975,315.07		3,993,687.62	-253,279,646.09		-5,724,618.02	-356,975,538.56

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

李福强

Financial Manager:

石明





Parent Company's Balance Sheet

As at 31 December 2024

Prepared by: Yutong Hongkong Limited (The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Assets	Notes XI	Closing Balance	Opening Balance
Current assets:			
Cash and Cash equivalents		1,325,446,181.74	1,321,975,638.05
Financial assets held for trading		55,030,683.10	
Derivative financial assets			
Notes receivable			
Accounts receivable	XI.1	1,389,282,353.34	601,977,133.88
Financing receivables			
Prepayments		8,768,552.48	9,876,075.69
Other receivables	XI.2	847,954,878.11	752,567,893.94
Inventories		19,950,581.46	10,342,981.44
Contract assets			
Held-for-sale assets			
Current portion of non-current assets			
Other current assets			6,924,976.54
Total current assets		3,646,433,230.23	2,703,664,699.54
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XI.3		107,173.22
Other equity instruments investments		31,391,700.00	58,773,000.00
Other non-current financial assets			
Investment properties			
Fixed assets			
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets			
Other non-current assets			
Total non-current assets		31,391,700.00	58,880,173.22
Total assets		3,677,824,930.23	2,762,544,872.76

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

曾再舒

Financial Manager:

石妍





Parent Company's Balance Sheet (Continue)

As at 31 December 2024

Prepared by: Yutong Hongkong Limited (The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Liability and Equity	Notes XI	Closing Balance	Opening Balance
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading			14,058,582.52
Derivative financial liabilities			
Notes payable			
Accounts payable		2,879,351,243.93	1,832,609,832.08
Receipts in advance			
Contract liabilities		530,170,421.68	686,683,150.64
Payroll and employee benefits payable			
Taxes payable			
Other payables		354,700,718.49	281,031,642.63
Held-for-sale liabilities			
Current portion of non-current liabilities			
Other current liabilities		28,518,320.04	
Total current liabilities		<u>3,792,740,704.14</u>	<u>2,814,383,207.87</u>
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred stock			
Including: Perpetual debt			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions		54,520,986.11	104,014,230.73
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		<u>54,520,986.11</u>	<u>104,014,230.73</u>
Total liabilities		<u>3,847,261,690.25</u>	<u>2,918,397,438.60</u>
Equity:			
Paid-in capital		10,355.00	10,355.00
Other equity instruments			
Including: Preferred stock			
Including: Perpetual debt			
Capital reserves			
Less: Treasury shares			
Other comprehensive income		-112,103,253.81	-97,826,602.54
Special reserves			
Surplus reserve		3,993,687.62	3,993,687.62
Unappropriated profit		-61,337,548.83	-62,030,005.92
Total shareholders' equity		<u>-169,436,760.02</u>	<u>-155,852,565.84</u>
Total liabilities and owners' equity		<u>3,677,824,930.23</u>	<u>2,762,544,872.76</u>

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

李会展

Financial Manager:

石朋





Parent Company's Statement of Comprehensive Income

For the year ended 31 December 2024

Prepared by: Yutong Hongkong Limited

(The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Items	Notes XI	Current Period	Prior Period
1. Operating revenue	XI.4	11,183,393,739.05	8,062,712,370.18
Less: Operating costs	XI.4	11,104,735,599.20	8,109,789,637.07
Taxes and surcharges			
Selling expenses		22,771,460.74	21,579,188.04
Administrative expenses			
Research and development expenses			3,479.10
Finance expenses		-32,399,015.47	62,986,786.20
Including: Interest expenses			
Interest income		11,251,471.38	7,591,314.53
Add: Other income			
Income from investments	XI.5	-41,059,562.48	22,008,028.47
Including: Investment income from associates and joint ventures			
Derecognition of financial assets at amortised cost		-41,033,059.53	-27,391,481.96
Gains from net exposure hedging			
Gains from changes in fair values			
Credit impairment losses		-45,482,359.94	-5,326,497.00
Assets impairment losses		-3,233,812.05	-1,981,125.03
Gains from asset disposals			
2. Operating profit		-1,490,039.89	-116,946,313.79
Add: Non-operating income		5,063,144.35	16,722.45
Less: Non-operating expenses		2,143,322.67	
3. Profit before tax		1,429,781.79	-116,929,591.34
Less: Income tax expenses		737,324.70	8,686,926.33
4. Net profit		692,457.09	-125,616,517.67
Net profit from continuing operations		692,457.09	-125,616,517.67
Net profit from discontinuing operations			
5. Other comprehensive income after tax		-14,276,651.27	-54,683,634.60
I. Items of other comprehensive income that will not be reclassified to profit or loss		-14,276,651.27	-54,683,634.60
i. Changes in remeasurement of defined benefit plans			
ii. Other comprehensive income that cannot be transferred to profit or loss under the			
iii. Changes in fair value of investments in equity instruments		-14,276,651.27	-54,683,634.60
iv. Changes in fair value of the Company's own credit risk			
v. Others			
II. Items of other comprehensive income that will be reclassified to profit or loss			
i. Other comprehensive income that can be transferred to profit or loss under the			
ii. Changes in fair value of other debt investments			
iii. Amount of financial assets reclassified into other comprehensive income			
iv. Provisions for credit impairment of other debt investments			
v. The effective portion of gains or losses arising from cash flow hedging			
vi. Translation differences arising from financial statements in foreign currencies			
vii. Income from investments in subsidiaries before loss of control			
viii. Investment properties at fair value converted from other assets			
ix. Others			
6. Total comprehensive income		-13,584,194.18	-180,300,152.27
7. Earnings per share			
I. Basic earnings per share			
II. Diluted earnings per share			

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

曹昆彰

Financial Manager:

右丽





Parent Company's Cash Flows Statement

For the year ended 31 December 2024

Prepared by: Yutong Hongkong Limited

(The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

Items	Notes XI	Current Period	Prior Period
1. Cash flows from operating activities			
Cash received from sales and services		10,029,227,489.87	8,432,902,753.67
Tax and surcharge refunds			
Other cash receipts related to operating activities		142,796,743.35	353,569,706.66
Total cash inflows from operating activities		10,172,024,233.22	8,786,472,460.33
Cash paid for goods and services		10,139,322,004.20	7,704,750,365.00
Cash paid to and for employees			132,559.94
Taxes and surcharges paid		737,324.70	
Other cash payments related to operating activities		216,653,766.44	1,020,606,720.76
Total cash outflows from operating activities		10,356,713,095.34	8,725,489,645.70
Net cash flows from operating activities		-184,688,862.12	60,982,814.63
2. Cash flows from investing activities			
Cash received from withdrawal of investments		13,104,648.73	8,753,314.94
Cash received from investment income			44,103,898.77
Net proceeds from disposals of fixed assets, intangible assets and other long-term assets			
Net proceeds from disposal of subsidiaries and other business units			
Other cash receipts related to investing activities			
Total cash inflows from investing activities		13,104,648.73	52,857,213.71
Cash paid for fixed assets, intangible assets and other long-term assets			6,224,702.11
Cash paid for investments			
Net cash paid for acquiring subsidiaries and other business units			
Other cash payments related to investing activities			
Total cash outflows from investing activities		6,224,702.11	6,224,702.11
Net cash flows from investing activities		13,104,648.73	46,632,511.60
3. Cash flows from financing activities			
Cash received from investments by others			
Cash received from borrowings			
Other cash receipts related to other financing activities			
Total cash inflows from financing activities		-----	-----
Cash repayments for debts			
Cash paid for distribution of dividends and profit and for interest expenses			
Other cash payments related to financing activities			
Total cash outflows from financing activities		-----	-----
Net cash flows from financing activities		-----	-----
4. Effect of changes in foreign exchange rates on cash and cash equivalents		41,361,874.65	-12,626,081.11
5. Net increase in cash and cash equivalents		-130,222,338.74	94,989,245.12
Add: Opening balance of cash and cash equivalents		1,252,091,533.76	1,157,102,288.64
6. Closing balance of cash and cash equivalents		1,121,869,195.02	1,252,091,533.76

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

崔展彰

Financial Manager:

石羽





Parent Company's Statement of Changes in Equity

For the year ended 31 December 2024

Prepared by: Yuhongkong Limited (The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

	Current Period						Total shareholders' equity					
	Paid-in capital	Preferred stock	Perpetual debt	Other equity instruments	Capital reserves	Less: Treasury shares		Other comprehensive income	Special reserves	Surplus reserve	Unappropriated profit	
1. Closing balance of last year	10,355.00						-97,826,602.54		3,993,687.62	-62,030,005.92		-155,852,565.84
Add: Increase/decrease due to changes in accounting policies												
Increase/decrease due to corrections of errors in prior period												
Others												
2. Opening balance of current year	10,355.00						-97,826,602.54		3,993,687.62	-62,030,005.92		-155,852,565.84
3. Increase/decrease for current year							-14,276,651.27			692,457.09		-13,584,194.18
I. Total comprehensive income							-14,276,651.27			692,457.09		-13,584,194.18
II. Owner's contributions to and withdrawals of capital												
i. Common stock contributed/paid-in capital by												
ii. Capital contributed by other equity instruments holders												
iii. Share-based payments to owners' equity												
iv. Others												
III. Profits distribution												
i. Appropriation of surplus reserve												
ii. Distribution to owners												
iii. Others												
IV. Transfers within owners' equity												
i. Capital reserves transferred to paid-in capital												
ii. Surplus reserve transferred to paid-in capital												
iii. Use of surplus reserve to cover previous losses												
iv. Changes in remeasurement of defined benefit plans												
v. Other comprehensive income transferred to retained earnings												
vi. Others												
V. Special reserves												
i. Appropriated during current year												
ii. Used during current year												
VI. Others												
4. Closing balance of current year	10,355.00						-112,103,253.81		3,993,687.62	-61,337,548.83		-169,436,760.02

(Attached notes to statements are part of the financial statements)

Legal Representative: 

Finance Officer (CFO): 

Financial Manager: 





Parent Company's Statement of Changes in Equity

For the year ended 31 December 2024

(The currency of the statements are Chinese Yuan or 'CNY', unless otherwise indicated)

	Prior Period						Total shareholders' equity
	Paid-in capital	Preferred stock	Perpetual debt	Others	Capital reserves	Less: Treasury shares	
1. Closing balance of last year	10,355.00						24,447,586.43
Add: Increase/decrease due to changes in accounting policies							
Increase/decrease due to corrections of errors in prior period							
Others							
2. Opening balance of current year	10,355.00						24,447,586.43
3. Increase/decrease for current year							
I. Total comprehensive income				-43,142,967.94		3,993,687.62	63,586,511.75
II. Owner's contributions to and withdrawals of capital							
i. Common stock contributed/paid-in capital by							
ii. Capital contributed by other equity instruments holders							
iii. Share-based payments to owners' equity							
iv. Others							
III. Profits distribution							
i. Appropriation of surplus reserve							
ii. Distribution to owners							
iii. Others							
IV. Transfers within owners' equity							
i. Capital reserves transferred to paid-in capital							
ii. Surplus reserve transferred to paid-in capital							
iii. Use of surplus reserve to cover previous losses							
iv. Changes in remeasurement or defined benefit plans							
v. Other comprehensive income transferred to retained earnings							
vi. Others							
V. Special reserves							
i. Appropriated during current year							
ii. Used during current year							
VI. Others							
4. Closing balance of current year	10,355.00			-97,826,602.54		3,993,687.62	-62,030,005.92
							-155,852,565.84

(Attached notes to statements are part of the financial statements)

Legal Representative:

李会展

Finance Officer (CFO):

崔海峰

Financial Manager:

石丽



Yutong Hongkong Limited

For the year ended 31 december 2024

Notes to the financial statements

I.GENERAL INFORMATION OF THE COMPANY

1.Company profile

Yutong Hongkong Limited (hereinafter referred to as the "Company") is an overseas limited company funded and established by SINOMACHINARY INTERNATIONAL LIMITED, approved by Henan Development and Reform Commission Yufa Reform Foreign Capital [2011] No. 1636. Yutong Bus CO.,LTD. acquired all the equity of Yutong Hongkong Limited in November 2011. Registered address: Hong Kong. The registered capital of the company is HK \$10,000.

2.The business nature and main business activities of the Company

The company belongs to the import and export trade industry.

II.PREPARATION BASIS OF FINANCIAL STATEMENTS

1.Basis of Preparation

The Group has adopted the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MoF"). In addition, the Group has disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting (Revised in 2023).

2.Going concern

The Company evaluated its ability to go as a going concern for the 12 months from the end of the reporting period and did not identify matters or circumstances that raised material doubt about its ability to go as a going concern. Accordingly, the financial statements have been prepared on the basis of going concern assumptions.

3.Basis of accounting and pricing principles

The Company's accounting is based on the accrual basis. Except for certain financial instruments measured at fair value, the financial statements are measured on a historical cost basis. In case of asset impairment, the corresponding impairment reserve shall be set aside in accordance with relevant provisions.

III.SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1.Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the company meet the requirements of the accounting standards for business enterprises, truly and completely reflect the company's financial position, operating results, cash flow and other relevant information during the reporting period.

2.Accounting period

The accounting period is from 1 January to 31 December.

3.Operating cycle

The main business of the company is the production and sales of buses, the operating cycle is short, with 12 months as the liquidity division standard of assets and liabilities

4.Reporting currency

The Company's functional currency is Renminbi.

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

i. The terms, conditions, and economic impact of each transaction in the process of a step-by-step business combination meet one or more of the following conditions, accounting for multiple transactions as a package transaction

- (1)The transactions were entered into at the same time or having regard to the effects of each other;
- (2)These transactions as a whole can achieve a complete business outcome;
- (3)The occurrence of one transaction depends on the occurrence of at least one other transaction;
- (4)A transaction is uneconomic in isolation, but economic when considered in conjunction with other transactions.

ii. Business combinations involving entities under common control

The enterprises participating in the merger are ultimately controlled by the same party or the same multiple parties before and after the merger, and the control is not temporary, and it is a business combination under the same control.

The assets and liabilities acquired by the Company in the business combination shall be measured according to the book value of the assets and liabilities of the merged party (including the goodwill generated by the acquisition of the merged party by the ultimate controlling party) in the consolidated financial statements of the ultimate controlling party on the merger date. For the difference between the book value of net assets acquired in the merger and the book value of the merger consideration paid (or the total face value of the issued shares), the capital premium in the capital reserve shall be adjusted. If the capital premium in the capital reserve is insufficient for write-down, the retained earnings shall be adjusted.

If contingent consideration exists and a projected liability or asset needs to be recognized, the difference between the estimated liability or asset amount and the subsequent contingent consideration settlement amount, Adjust capital reserves (capital premium or equity premium), and if capital reserves are insufficient, adjust retained earnings.

For the enterprise merger that is finally realized through multiple transactions and belongs to the package transaction, accounting treatment shall be carried out for each transaction as one transaction that has acquired control rights. If it is not a package transaction, on the date of acquisition of control rights, Initial investment cost of long-term equity investment, the difference between the book value of the long-term equity investment before the merger and the book value of the new consideration for shares acquired on the merger date, adjust the capital reserve; If the capital reserve is insufficient for write-down, the retained earnings shall be adjusted. For the equity investment held before the merger date, other comprehensive income recognized by using the equity method of accounting or financial instrument recognition and measurement standards accounting, temporarily no accounting treatment, until the disposal of the investment in the same basis as the direct disposal of relevant assets or liabilities of the invested entity; Other changes in owner's equity except net profit and loss, other comprehensive income and profit distribution in the net assets of the invested entity recognized by the equity method shall not be accounted for temporarily until they are transferred to current profit and loss when the investment is disposed of.

iii. Business combinations involving entities not under common control

The enterprises participating in the merger are not ultimately controlled by the same party or the same multiple parties before and after the merger, which is a business merger not under the same control.

On the purchase date, the Company measures the assets paid and liabilities incurred or assumed as

consideration for the merger in accordance with the fair value, and the difference between the fair value and the carrying value is recorded into current profit and loss.

The Company recognizes as goodwill the difference between the cost of the merger and the share of the fair value of the identifiable net assets of the purchaser obtained in the merger; The difference between the merger cost less than the fair value share of the identifiable net assets of the purchaser obtained in the merger shall be recorded into the current profit and loss after review.

If the enterprise combination under different control is realized step by step through multiple exchange transactions, and belongs to a package transaction, each transaction shall be treated as one transaction that has acquired control rights; If the equity investment held before the merger date is accounted by the equity method, the sum of the book value of the equity investment held by the purchaser before the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost of the investment. Other comprehensive income recognized by the equity method for the equity investment held before the purchase date shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the invested entity when disposing of the investment. If the equity investment held before the merger date is accounted by financial instrument recognition and measurement criteria, the sum of the fair value of the equity investment on the merger date plus the cost of new investment shall be taken as the initial investment cost on the merger date. The balance between the fair value of the original equity and the book value as well as the accumulated fair value changes originally included in other comprehensive income shall all be transferred to the investment income of the current period of the merger date.

iv. Are expenses incurred in connection with the merger

Intermediary fees, such as auditing, legal services, evaluation and consulting, and other directly related expenses incurred for business merger shall be booked into current profit and loss when incurred; Transaction expenses of equity securities issued for the purpose of enterprise merger may be deducted from equity directly attributable to equity transactions.

6.The criterion of control and the preparation method of consolidated financial statements

i. The criterion of control

Control means that the investor has power over the investee, enjoys variable returns by participating in the investee's related activities, and has the ability to use its power over the investee to influence the amount of returns.

The Company determines whether to control the investee on the basis of comprehensive consideration of all relevant facts and circumstances. If changes in relevant facts and

circumstances lead to changes in the relevant elements of the definition of control, the Company will re-evaluate. Relevant facts and circumstances include:

- (1) The purpose of establishment of the investee.
- (2) the related activities of the investee and how to make decisions about the related activities.
- (3) whether the rights enjoyed by the investor currently enable it to direct the relevant activities of the investee.
- (4) Whether the investor enjoys variable returns by participating in the investee's related activities.
- (5) Whether the investor has the ability to use its power over the investee to influence the amount of its return.
- (6) The investor's relationship with other parties.

ii. Scope of consolidated financial statements

The consolidated scope of the Company's consolidated financial statements is determined on a control basis and all subsidiaries (including separate entities controlled by the Company) are included in the consolidated financial statements.

iii. Merge program

The Company prepares consolidated financial statements based on its own financial statements and those of its subsidiaries and other relevant information. In preparing consolidated financial statements, the Company regards the entire enterprise group as one accounting entity and reflects the overall financial position, operating results and cash flow of the enterprise group in accordance with the recognition, measurement and presentation requirements of relevant accounting standards for enterprises and in accordance with uniform accounting policies.

The accounting policies and accounting periods adopted by all subsidiaries included in the consolidated financial statements are consistent with those of the Company. If the accounting policies and accounting periods adopted by the subsidiaries are not consistent with those of the Company, necessary adjustments shall be made in accordance with the accounting policies and accounting periods of the Company when preparing the consolidated financial statements.

The consolidated financial statements offset the impact of internal transactions between the Company and its subsidiaries and among subsidiaries on the consolidated balance sheet, consolidated income statement, consolidated cash flow statement and consolidated statement of changes in shareholders' equity. If the perspective of consolidated financial statements of an enterprise group is different from the recognition of the same transaction with the company or its

subsidiaries as the accounting subject, the transaction shall be adjusted from the perspective of the enterprise group.

The owners' equity, current net profit and loss and the shares belonging to minority shareholders in the current comprehensive income of the subsidiary are separately shown under the owners' equity item in the consolidated balance sheet, under the net profit item in the consolidated income statement and under the total comprehensive income item. The current loss shared by the minority shareholders of the subsidiary exceeds the balance formed by the minority shareholders' shares in the initial owner's equity of the subsidiary, and thus reduces the shareholders' equity.

For the subsidiaries acquired by the merger of enterprises under the same control, the financial statements of the subsidiaries shall be adjusted based on the book value of their assets and liabilities (including the goodwill formed by the acquisition of the subsidiary by the ultimate controlling party) in the financial statements of the ultimate controlling party.

For subsidiaries acquired by a merger of enterprises not under the same control, their financial statements shall be adjusted on the basis of the fair value of identifiable net assets on the purchase date

(1) Add a subsidiary or business

Adjust the beginning of the consolidated balance sheet during the reporting period if there is an increase in subsidiaries or businesses as a result of the merger of enterprises under the same control; Include the revenues, expenses and profits from the beginning of the current period to the end of the reporting period of the merger of subsidiaries or businesses into the consolidated income statement; If the cash flows of the subsidiary or business combination from the beginning of the current period to the end of the reporting period are included in the consolidated cash flow statement, and relevant items of the comparative statements are adjusted at the same time, it is deemed that the consolidated reporting subject has existed since the control point of the final controlling party.

If it is possible to exercise control over the investee under the same control due to additional investment or other reasons, it shall be deemed that the parties participating in the merger shall make adjustment in the current state when the final controlling party begins to control. Equity investment held prior to the acquisition of control of the merged party, if the relevant gains and losses, other comprehensive income and other changes in net assets are recognized between the date of acquisition of the original equity and the date on which the merged party and the merged party are under the same control and the merger date, the initial retained earnings or current gains and losses of the comparative statement period are respectively deducted.

During the reporting period, if there is an increase in subsidiaries or businesses due to the merger of enterprises not under the same control, the beginning of the consolidated balance sheet will not be adjusted; Include the revenues, expenses and profits of the subsidiary or business from the purchase date to the end of the reporting period into the consolidated income statement; The cash flows of the subsidiary or business from the purchase date to the end of the reporting period are included in the consolidated statement of cash flows.

If the Company is able to control the investee not under the same control due to additional investment or other reasons, for the equity held by the purchased buyer before the purchase date, the Company shall re-measure the equity according to the fair value of the equity on the purchase date, and the difference between the fair value and the book value shall be included in the current investment income. If the equity held by the purchaser before the purchase date involves changes in other comprehensive income under the equity method and other owners' equity except for net profit and loss, other comprehensive income and profit distribution, the relevant changes in other comprehensive income and other owners' equity shall be converted into investment income of the current period belonging to the purchase date. Except other comprehensive income arising from changes in net liabilities or net assets of the invested party due to remeasurement of the defined benefit plan.

(2) Dispose of a subsidiary or business

1) General treatment

During the Reporting Period, when the Company disposes of a subsidiary or business, the income, expenses and profits of that subsidiary or business from the beginning of the period to the date of disposal are included in the consolidated income statement of the Company; The cash flows from the beginning of the period to the disposal date of the subsidiary or operation are included in the consolidated statement of cash flows of the Company.

When the Company loses control of the investor due to the disposal of part of the equity investment or other reasons, the Company shall remeasure the remaining equity investment after disposal according to the fair value on the date of the loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the difference between the share of the original subsidiary's net assets and the sum of goodwill which should be continuously calculated since the purchase date or the merger date based on the original shareholding ratio, shall be included in the investment income of the period of loss of control. Other comprehensive income related to the equity investment of the original subsidiary or other changes in owners' equity other than net profit and loss, other comprehensive income and profit distribution shall be converted into current investment income when the right of

control is lost, except other comprehensive income arising from the change in net liabilities or net assets of the investor due to the remeasurement and setting of the benefit plan.

2) Disposal of subsidiaries step by step

Where the Company disposed of equity investment in a subsidiary step by step through multiple transactions until control is lost, for example, the terms, conditions and economic impact of each transaction that disposes of the equity investment in a subsidiary meet one or more of the following conditions, the Company accounts for multiple transactions as a single transaction:

- A. The transactions were entered into at the same time or having regard to the effects of each other;
- B. These transactions as a whole can achieve a complete business outcome;
- C. The occurrence of one transaction depends on the occurrence of at least one other transaction;
- D. A transaction is uneconomic in isolation, but economic when considered in conjunction with other transactions.

Where each transaction that disposes of an equity investment in a subsidiary until control is lost is a blanket transaction, the Company accounts for each transaction as a transaction that disposes of the subsidiary and loses control; However, the Company recognises the difference between each disposal price before the loss of control and the share of net assets of the subsidiary corresponding to the disposal of the investment as other comprehensive income in the consolidated financial statements and is transferred to profit or loss in the period in which control is lost when control is lost.

Where each transaction that disposes of an equity investment in a subsidiary until the loss of control is not a blanket transaction, the relevant policy for partial disposal of an equity investment in a subsidiary without loss of control is accounted for before the loss of control by the Company; When control is lost, accounting is performed in the same manner as would be done for a disposal subsidiary.

(3) Purchase of minority interests in subsidiaries

The difference between the Company's costs of newly acquired long-term equity investment resulting from the purchase of minority interests and the share of net assets attributable to the subsidiary calculated on an ongoing basis from the date of purchase (or the date of combination) based on the newly increased shareholding ratio, the equity premium in the capital reserve in the consolidated balance sheet is adjusted, and if the equity premium in the capital reserve is insufficient to offset, the retained earnings is adjusted.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The Company adjusts the equity premium in the capital reserve in the consolidated balance sheet for the difference between the disposal price obtained from the partial disposal of the long-term equity investment in the subsidiary without loss of control and the share of the net assets of the subsidiary that would continue to be calculated from the purchase date or the combination date corresponding to the disposal of the long-term equity investment, or adjust the retained earnings if the equity premium in the capital reserve is insufficient to offset.

7.Cash and cash equivalents

In preparing the statement of cash flows, the Company's cash on hand and deposits available for payment at any time are recognized as cash. An investment with a short maturity (generally maturing within three months from the date of purchase), strong liquidity, easy conversion into a known amount of cash, and little risk of change in value are identified as cash equivalents.

8.Foreign operations

The initial recognition of foreign currency operations is measured at Renminbi, the exchange rate of which is the adoption of spot exchange rate at the transaction date, which is determined in a rational method.

Except for the exchange balance on foreign currency borrowings, which are generated from the construction of the assets eligible for capitalization, being recognized in accordance with the principle of capitalization of borrowing costs, the differences arising from the translation exchange of foreign monetary items at the spot exchange rate of the dated of balance sheet are recognized as gain and loss of the current period of report. Non-monetary items denominated in foreign currency that are measured at historical cost are still measured at amount denominated in reporting currency exchanged at the prevailing exchange rate at the transaction date, the recording currency remains unchanged meanwhile.

Non-monetary items denominated in foreign currency that are measured at fair value are translated using the exchange rate at the date when fair value was determined and the difference between the translated functional currency amount and the prevailing exchange rate on initial recognition or on the previous balance sheet date are recognized as changes in fair value through profit or loss for the current period. Non-monetary items denominated in foreign currency items recognized as available for sale, the exchange of which recognized as other comprehensive income.

9.Financial instruments

The Company recognizes a financial asset or liability when it becomes a party to a financial

instrument contract.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and allocating interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or liability. All the provisions of the contract of the financial asset or liability (e.g. early payment, extension, call option or other similar options) shall be considered on the determination of the effective interest rate, with expected credit losses not included.

The amortized cost of a financial asset or financial liability is the amount which the financial asset is measured at initial recognition minus the principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

i. Classification, recognition and measurement of financial assets

The company's financial assets are classified into the following three categories based on the business model under which the financial asset is managed and its contractual cash flow characteristics:

- (1) Financial assets measured at amortized cost.
- (2) Financial assets measured at fair value through other comprehensive income (FVTOCI).
- (3) Financial assets measured at fair value through profit or loss of the current period (FVTPL).

A financial asset is initially recognized at fair value. However, if the accounts receivable or notes receivable arising from the sales of goods or the provision of services do not contain significant financing components or do not consider financing components less than one year, the initial measurement is based on the transaction price.

In the case of financial assets at fair value through profit or loss, the related transaction costs are directly recognized in profit or loss for the current period. For other financial assets, the transaction costs are included in their initially recognized costs.

Subsequent measurement of a financial asset is determined by its category, when and only when the company changes the business model used for managing financial assets, all affected financial assets are reclassified only when the company changes its business model for managing financial assets.

- (1) Financial assets measured at amortized cost

A financial asset is classified as a financial asset at amortized cost if both of the following conditions are satisfied: 1) the company's business model for managing the financial assets is aimed at collecting contractual cash flows; 2) the contractual term of the financial assets provide that the cash flow generated on specified dates shall solely be used in payments of principal and interest on the outstanding principal amount. Such financial assets are recognized for interest income using the effective interest method and measured at amortized cost subsequently. The gains or losses arising from the derecognition, modification or impairment are recognized in profit or loss for the current period. Such financial assets mainly include monetary funds, accounts receivable and notes receivable, other receivables and long-term receivables etc. Except the conditions listed below, interest income should be calculated by multiplying the book value of financial asset and effective interest rate:

1) For the purchased or originated credit impaired financial assets, interest revenue is recognized by applying the credit-adjusted effective interest rate to the amortized cost carrying amount since initial recognition'.

2) For the financial asset, the credit loss of which not accrued as purchased or generated otherwise accrued in the subsequent period, interest income is determined by amortized cost of the financial asset and effective interest rate in the subsequent period. Where there is no longer credit loss in the subsequent period for an improvement of its credit risk, interest income is determined by multiplying the effective interest rate and the book value of financial asset.

(2) Classified as financial assets measured at fair value through other comprehensive income

If a financial asset meets both of the following conditions, the company classifies it as a financial asset at fair value through other comprehensive income: 1) the contractual term of the financial assets provide that the cash flow generated on specified dates shall solely be used in payments of principal and interest on the outstanding principal amount; 2) the company's business model for managing the financial assets is aimed at collecting contractual cash flows and also aimed at selling the financial assets.

Such financial assets are recognized for interest income using the effective interest method. Except for interest income, impairment losses and exchange differences, which are recognized in profit or loss for the period, other changes in fair value are included in other comprehensive income. When the financial assets are derecognized, the accumulated gains or losses previously recognized in other comprehensive income is transferred from other comprehensive income and recognized in profit or loss.

Notes and accounts receivable measured at fair value and included in other comprehensive income with changes are listed as receivables financing, other such financial assets are listed as other debt

investments, among which: other debt investments that mature within one year from the balance sheet date are listed as non-current assets that mature within one year, and other debt investments whose original maturity date is within one year are listed as other current assets.

(3) Designated as financial assets measured at fair value through other comprehensive income

The company irrevocably choose to designate certain non-trading investment in equity instrument as financial assets at fair value through other comprehensive income based on a single financial asset for the initial recognition.

Subsequent changes in fair value are included in other comprehensive income, and no impairment provision is required. When the financial assets are derecognized, the accumulated gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and recognized in retained earnings. In the duration of holding the investment in equity instrument, when the right for collecting the dividend is determined, the relevant economic benefit probably inflow into the company and the amount of dividend can be reliably measured, the dividend income should recognize into profit or loss for the current period. Such financial assets are presented as other equity investments.

Equity instrument investment that meets any of the following conditions belongs to financial assets measured at fair value and whose changes are recorded into current profits or losses : 1) the financial asset is acquired for the purpose of selling in the short term; 2) the financial asset is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits; 3) the financial asset is a derivative, except for a derivative that is designated as an effective hedging instrument, or a financial guarantee contract.

(4) Classified as financial assets measured at fair value through profit or loss of the current period

The financial asset other than the aforesaid financial assets are classified as financial assets at amortized cost, financial assets at fair value through other comprehensive income are classified as the financial assets at fair value through profit or loss.

Such kind of financial assets are subsequently measured at fair value, gain or loss derives from the changes in fair value along with dividend and interest income related to these financial assets should be recognized into profit or loss for the current period.

This category of financial asset should be listed as trading financial assets or other non-current financial asset items according to its liquidity.

(5) Designated as financial assets measured at fair value through profit or loss of the current period

For eliminating or significantly reducing accounting mismatch, the company can designate single financial asset as financial assets at FVTPL.

For hybrid contracts which include one or multiple embedded derivative instruments, and its major contract does not belong to financial asset stated above, the company can designate the whole contract as the financial instrument as FVTPL, other than situations stated below:

- 1) Embedded derivative instruments will not impact significantly on the cash flow of the mixed contract;
- 2) Embedded derivative should not be split without analysis on the initial determination of whether the similar mixed contract need to be split. Such as the right of prepayment embedded in the loans, which permits prepayment at the amount close to the amortized cost, is no need to be split.

The company measure this kind of financial asset at fair value subsequently, gain or loss derive from the changes of fair value and the dividend and interest income related to this kind of financial asset are recognized into profit or loss of the current period.

The company lists this kind of financial asset as trading financial asset, other non-current financial asset according to its liquidity.

ii. Classification, recognition and measurement of financial liabilities

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument, not only by the legal form. The company's financial liabilities are, on initial recognition, classified into: financial liabilities at fair value through profit or loss, other liabilities and derivatives those are designated as effective hedging instruments.

Financial liabilities are measured at fair value at the first recognition. For financial liabilities at FVTPL, the relevant transaction costs recognized into profit or loss of the current period, for other kinds of financial liabilities, the relevant transaction costs are recognized into initially recognized amount.

The subsequent measurement of a financial liability depends on its classification:

- (1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading

(including derivatives classified as financial liability) and those designated upon initial recognition as financial liabilities at fair value through profit or loss.

A financial liability held for trading is the financial liability that meets one of the following criteria: 1) the financial liability is assumed for the purpose of repurchasing it in the short term; 2) the financial liability is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits; 3) the financial liability is a derivative, except for a derivative that is designated as effective hedging instrument, or a financial guarantee contract. The financial liabilities held for trading (including derivatives classified as financial liability) are subsequently measured at fair value, and all changes in fair value, except those related to hedging accounting, are recognized in profit or loss of the current period.

For providing more relevant accounting information, the company irrevocably designate the financial liabilities, satisfying the one of the following conditions, as FVTPL on the initial recognition:

- 1) Can eliminate or significantly decrease accounting mismatch;
- 2) The liability is part or a group of financial liabilities or financial assets and financial liabilities that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel.

The company measured this kind of financial liabilities at fair value subsequently, other than the fair value changes derive from the own credit risks recognized into other comprehensive income, other changes of fair value are recognized into profit or loss of the current period. The Company recognizes the full amount of change in the fair value in profit or loss only if the presentation of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

(2) Other financial liability

The company classifies the financial liabilities as financial liabilities at amortized cost, amortized cost is adopted for subsequent measurement at effective interest rate method, gain or loss from derecognition and amortization is recognized into profit or loss of the current period:

- 1) Financial liabilities at fair value through profit or loss.
- 2) Financial liabilities derive from the transfer of financial assets which are not satisfying the rules of derecognition nor continuing involvement.

3) Financial guarantee contracts, not included in the conditions stated above, and the loan commitment not included in condition a, which is below the market rate.

Financial guarantee contract refers to the contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contract, not included into the financial liabilities at FVTPL, is measured at the higher amount of the credit impairment amount and the balance of initially recognized amount after the deduction of cumulative amortization in the guarantee period since the initial recognition.

iii. Derecognition of financial assets and liabilities

(1) The company derecognizes a financial asset that is to be written off from the accounts and the balance sheet when the following criteria are met:

- 1) The rights to receive cash flows from the financial asset have expired, or
- 2) The financial asset has been transferred and the transfer satisfies the rules for derecognition of financial assets.

(2) Derecognition of financial liabilities

A financial liability should be removed from the balance sheet when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires.

If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different items, or if the terms of an existing financial liability are substantially revised such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulted difference is recognized in profit or loss of the current period.

Where the company repurchase part of the financial liability, book value of the whole financial liability should be distributed according to proportion for the fair value of the continuing recognition part and derecognition part to the whole fair value. The difference between the distributed book value of the derecognition part and the payment consideration, non-monetary asset or assumed liabilities included, is recognized into profit or loss of the current period.

iv. The recognition basis and measurement method of financial assets transfer

Where a transfer of financial asset occurs, the extent to risk and reward remained of the ownership of financial asset is evaluated and treated according to the situations listed below:

(1) The financial asset is derecognized if the company transfers substantially all the risks and rewards of ownerships of the financial asset, right and responsibility generated or retained from the transfer is individually recognized as asset or liability;

(2) The financial asset is not derecognized if the company retains substantially all the risks and rewards of ownerships of the financial asset;

(3) If the company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the transaction is accounted for as follows:

1) The company has not retained control; the financial asset is derecognized and any resulting assets or liabilities are recognized;

2) If the company has retained control, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset and an associated liability is recognized. The extent of continuing involvement refers to the extent the company assumed to shoulder of the risk or reward relevant to the changes of value of transferred financial assets.

Substance over form principle is adopted on judging whether the transferal of financial assets meets the conditions of derecognition above. Transfer of financial assets is distinguished as entire transfer and partial transfer.

(1) With the entire transfer of financial assets satisfying the condition of derecognition, the difference between the amounts of the two following items are recognized as profits and losses of the current period:

1) The book value of the transferred financial asset;

2) The aggregate consideration received from the transfer, and the accumulated amount of the changes in fair value (including the situation that the financial asset transferred is financial assets at FVTOCI), which are recognized as other comprehensive income previously.

(2) With the partial transfer of financial assets satisfying the condition of derecognition, the entire book value of the transferred financial assets is distributed to the portion whose recognition has been stopped and the portion whose recognition is not stopped, according to relative fair value respectively. Meanwhile, the difference between the amounts of the two following items are recognized as profits and losses of the current period:

1) The book value of the portion whose recognition has been stopped;

2) The aggregate consideration of the portion whose recognition has been stopped, and the accumulated amount of the changes in fair value portion directly recorded into shareholders' equity corresponded to the portion whose recognition has been stopped (including the situation

that the financial asset transferred is financial asset at FVTOCI).

With the transfer of the financial asset does not meet the derecognition condition, the Company continues to recognize the financial asset, and the consideration received of which is recognized as financial liability.

v. Determination of fair value of financial assets and liabilities

Where there is an active market for financial asset or financial liability, the fair value should be determined as the quoted prices in the active market, unless there is restricted period for the asset.

The determination of fair value of derivative financial assets or financial liabilities is based on the market truncation prices at the initial acquisition date.

If there is no active market for financial assets or financial liabilities, the Company establishes fair value by using a valuation technique that makes maximum use of market inputs and includes recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, giving priority to the relevant observable inputs. Unobservable inputs are adopted on the occasion that relevant observable inputs cannot be obtained, or it is not feasible for the Company to obtain.

vi. Impairment of financial instruments

Based on the expected credit losses, the company conducts impairment treatment on financial assets measured at amortized costs, financial assets at fair value through other comprehensive income and financial guarantee contracts for the financial liability formed by the transfer of the financial asset which does not meet the termination recognition conditions or continues to be involved in the transferred financial asset, and recognized loss provision.

Expected credit losses refers to the weighted average of credit losses with the respective risks of a default occurring as the weightings. Credit loss refers to the difference between all contractual cash flows receivable from the contract, discounted at the original effective interest rate and all cash flows expected to be received by the company, that is the present value of all cash shortages. Among them, credit-impaired financial assets purchased or owned by the company shall be discounted according to the actual interest rate of financial assets subject to credit adjustment.

For receivables that do not contain significant financing components, the Company uses a simplified measurement method to measure loss provision equivalent to the amount of expected credit losses throughout the duration period.

For the purchased or originated credit-impaired financial assets, the Company would recognize changes in lifetime expected losses since initial recognition as a loss allowance at the balance

sheet date. On each balance sheet date, any changes for the changes in lifetime expected losses would be recognized in profit or loss. Under the requirements, any favorable changes for such assets are an impairment gain even if the resulting expected cash flows of a financial asset exceed the estimated cash flows on initial recognition.

For financial assets other than those applying simplified measurement methods, the company assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date, impairment loss, expected credit loss and its changes are measured according to the following situations:

(1) If the credit risk has not increased significantly since the initial recognition, representing the first phase, the company measures loss provision equivalent to the amount of expected credit loss over the next 12 months, interest income is accrued on book value and effective interest.

(2) If the credit risk has increased significantly since the initial recognition, representing the second phase, the company measures loss provision equivalent to the amount of expected credit losses throughout the duration period, and calculates interest income based on book balance and effective interest rate.

(3) If the credit impairment has occurred since the initial recognition, representing the third phase, the company measures loss provision equivalent to the amount of expected credit losses throughout the duration period, and calculates interest income based on book balance and effective interest rate.

The accrual or reversal of credit loss allowance of financial instrument is recognized as credit loss or gain into profit or loss of the current period. Other than financial assets classified as financial assets at FVTOCI, credit loss is an allowance for the book value of financial asset. For financial assets classified as financial assets at FVTOCI, credit loss allowance is recognized into other comprehensive income with no deduction to the book value of the financial instrument.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month at the current reporting date, and recognizes a corresponding impairment gain or loss in profit or loss into the current period.

(1) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers both

quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is reasonable and supportable, including historical experience and forward-looking information. For a financial guarantee contract, when applying the financial instrument impairment rules, the initial recognition date should be the day the company becoming a party of the irrevocable commitment.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- 1) Existing or forecast adverse changes in business operating result or expectation;
- 2) Existing adverse change in the supervision, economic or technical environment of the debtor;
- 3) The value of collateral as pledge of debt or enhancement quality of guarantee or credit provided by the third party has changed significantly, and this change is expected to lower the economic motive for the debtor to repay on due or affect the probability of default;
- 4) There is significant change of the expected performance and repayment behavior of the debtor;
- 5) There is change for the method of managing the credit of financial instrument of the Company.etc.

Despite the foregoing, the company assumes that the credit risk on a financial instrument has not increased significantly since the initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the borrower has a strong capacity to meet its contractual cash flow obligation in the near term, and ii) 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.

(2) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- 1) Significant financial difficulty of the issuer or the borrower;
- 2) A breach of contract, such as a default or past due event;
- 3) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- 4) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- 5) The disappearance of active market for that financial asset because of financial difficulties; or

6) The purchase or origination of a financial assets at a deep discount that reflects incurred credit losses.

Credit impairment of financial assets may be a joint result of multiple events, rather than a single identifiable event.

(3) Determination of expected credit loss

The company assesses the expected credit losses of financial instruments based on individual items and groups. The company considers all reasonable and evidence-based information, including past events, current conditions and future economic forecasts, when assessing expected credit losses.

The company groups financial instruments on the basis of shared credit risk characteristics. Adopted shared credit characteristics includes: the instrument type; the aging combination.

ECL of relevant financial instrument is determined according to the following methods:

1) For a financial asset, credit loss refers to the difference between the present value of contractual cash flows and the present value of cash flows the Company expects to receive.

2) For lease receivables, the credit loss is the present value of the difference between the contract cash flow that the Company should collect and the cash flow that it expects to collect.

3) For a financial guarantee contract, credit loss refers to the difference between the expected payments to reimburse the holder for a credit loss that it incurs, less any amounts that management expects to receive from the holder, the debtor or any other party.

4) For a financial asset that is credit-impaired at the reporting date, but that is not a purchased or originated credit-impaired financial asset, credit loss is measured at the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Any measurement of expected credit losses shall reflect an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Company should consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses.

(4) Write-down policy

When the company no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the company directly writes down the carrying amount of the financial assets. The write-down means the derecognition of relevant financial assets.

vii. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented in balance sheet separately without offset. Net amount after offset is presented in balance sheet, for the following situations are met at the same time:

- (1) The Company is entitled to have the legal right, which is current executable, to offset the recognized amounts;
- (2) The company intends to settle on a net basis or realize the asset, or realize the asset and settle the liability simultaneously.

10. Notes receivable

The Company's method of determining and accounting for expected credit losses on notes receivable is detailed in this note III/9-vi. Impairment of financial instruments.

When sufficient evidence of expected credit loss cannot be assessed at a reasonable cost at the level of individual instruments, the Company divides notes receivable into several combinations based on credit risk characteristics by referring to historical credit loss experience, combining the current situation and the judgment of future economic conditions, and calculates expected credit loss on the basis of combination. The basis for determining the combination is as follows:

Combination	Determine the basis for the combination	Method of withdrawal
Bank acceptance portfolio	The drawer has a high credit rating, no bill default has occurred in the history, the risk of credit loss is very low, and the ability to fulfill the contract cash flow obligations in the short term is very strong	Reference to the historical credit loss experience, combined with the current situation and the future economic conditions of the expected measurement of bad debt reserve
Commercial acceptance portfolio	Combination of acceptor, endorser, drawer and other debtors credit risk determined	The allowance for bad debts is based on the difference between the present value of its future cash flow and its book value

11. Accounts receivable

The Company's method of determining and accounting for expected credit losses on accounts receivable is detailed in this note III/9-vi. Impairment of financial instruments.

The Company separately determines the credit loss of the accounts receivable for which the single amount is significant and the credit impairment has occurred after the initial recognition.

When sufficient evidence of expected credit loss cannot be assessed at a reasonable cost at the level of individual instruments, the Company divides accounts receivable into several combinations based on credit risk characteristics by referring to historical credit loss experience, combining the current situation and the judgment of future economic conditions, and calculates expected credit loss on the basis of combination. The basis for determining the combination is as

follows:

Combination	Determine the basis for the combination	Method of withdrawal
High risk portfolio	Credit rating risk is higher	If the impairment test is conducted separately and there is objective evidence that the impairment has occurred, the credit impairment loss shall be recognized and the bad debt reserve shall be set aside according to the difference between the present value of its future cash flow and its carrying value
Aging portfolio	Portfolio according to similar credit risk characteristics (aging), except for high-risk portfolios	Balance by age and expected credit loss rate over the entire duration

12.Financing receivables

Notes and accounts receivable classified as measured at fair value and whose changes are included in other comprehensive income are listed as receivables financing if the maturity period is within one year (including one year) from the initial recognition date; If the maturity period is more than one year from the initial confirmation date, it is listed as other creditor's rights investment. The relevant accounting policies refer to Note III/9.

13.Other receivables

The Company's method of determining and accounting for expected credit losses on other receivables is detailed in this note III/9-vi. Impairment of financial instruments.

The Company separately determines the credit loss of the other receivables for which the single amount is significant and the credit impairment has occurred after the initial recognition.

When sufficient evidence of expected credit loss cannot be assessed at a reasonable cost at the level of individual instruments, the Company divides other receivables into several combinations based on credit risk characteristics by referring to historical credit loss experience, combining the current situation and the judgment of future economic conditions, and calculates expected credit loss on the basis of combination. The basis for determining the combination is as follows:

Combination	Determine the basis for the combination	Method of withdrawal
High risk portfolio	Credit rating risk is higher	If the impairment test is conducted separately and there is objective evidence that the impairment has occurred, the credit impairment loss shall be recognized and the bad debt reserve shall be set aside according to the difference between the present value of its future cash flow and its carrying value
Aging portfolio	Portfolio according to similar credit risk characteristics (aging), except for high-risk portfolios	Balance by age and expected credit loss rate over the entire duration

14.Inventories

i. Inventory category, issue valuation method, inventory system, amortization method for

low-value consumables and packaging

(1) Inventory category

Inventory refers to finished products or commodities held by the Company in daily activities for sale, products in the process of production, materials and materials consumed in the process of production or provision of services, etc. It mainly includes raw materials, low-value consumable products, products in process, homemade semi-finished products, finished products (goods in stock), contract performance costs, etc.

(2) Method of valuation of inventory

Inventory is initially measured at cost when acquired, including purchase cost, processing cost and other costs. Raw materials shall be calculated according to the actual cost, and calculated according to the weighted average method at the time of delivery; Cost accounting of homemade semi-finished products according to plan, and adjust to actual cost by material cost difference at the end of the month; The finished products are priced at actual cost, and the individual pricing method is used at the time of shipment.

(3) Inventory system

Perpetual inventory system is adopted by the Company.

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

- (1) Low-value consumable products are amortized by one-time reselling method;
- (2) The packaging is amortized by one-time reselling method;
- (3) Other revolving materials shall be amortized by one-time reselling method.

ii. The recognition standard and accounting method of reserve for inventory decline

After a comprehensive inventory check at the end of the period, withdraw or adjust the inventory decline reserve according to the lower of the cost and net realizable value of the inventory. The net realizable value of commodity inventories directly used for sale, such as finished products, goods in stock and materials for sale, shall be determined in the normal course of production and operation by the estimated selling price of the inventory less estimated selling expenses and related taxes; For the inventory of materials to be processed, the net realizable value shall be determined in the normal course of production and operation by deducting the estimated selling price of finished products from the estimated cost, estimated selling expenses and related taxes to be incurred upon completion; The net realizable value of the inventory held for the purpose of executing the sales contract or service contract shall be calculated on the basis of the contract price. If the quantity of the inventory held is more than the quantity ordered under the sales contract, the

net realizable value of the excess inventory shall be calculated on the basis of the general sales price.

At the end of the period, reserve for inventory declines shall be set aside according to individual inventory items; However, for the inventory with a large quantity and a low unit price, the reserve for inventory decline price shall be set aside according to the inventory category; For inventory related to product series produced and sold in the same area, having the same or similar end use or purpose, and difficult to measure separately from other items, the reserve for inventory decline shall be consolidated.

If the factors affecting the previous write-down of inventory value have disappeared, the amount of write-down shall be restored and transferred back within the original amount of reserve for inventory declines, and the amount transferred back shall be recorded into current profit and loss.

15.Contract assets

Contract asset is the right of the Company to consideration in exchange for goods or services that the Company has transferred to a customer, when that right is conditioned on something other than the passage of time. The right of the Company to collect consideration from the customer unconditionally (i.e., depending only on the passage of time) is shown separately as receivables.

The Company's method of determining and accounting for expected credit losses on contract assets is detailed in this note III/9-vi. Impairment of financial instruments.

16.Long-term equity investments

i. Determination of initial cost

(1) For long-term equity investment acquired through a business combination, specific accounting policies refer to Note III/5- Accounting treatment for business combination under common control and not under common control.

(2) Long-term equity investment acquired through other ways

For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. Initial investment costs include expenses related to the acquisition of long-term investment directly, taxes and other necessary expenditures.

For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued. Transaction costs arising from the issuance or acquisition of the Company's own equity instruments, the proportion of which belongs to capital transaction directly, are deducted from the equity.

The non-monetary asset exchange for a commercial real income and assets or the fair value other assets can be reliably measured, the initial investment cost should be determined according to long-term equity investment exchanged through the non-monetary asset exchange, unless there is evidence showing that for the fair value of assets is more reliable; the non-monetary asset exchange which does not meet the above premises, the book value of the exchanged assets to and the relevant fees and taxes to be paid should be the initial investment cost of the long-term equity investment. The initial investment cost of the long-term equity investments obtained through debt restructuring should be determined in accordance with fair value.

ii. Subsequent measurement and recognition of profit or loss

(1) Cost method

For the long-term equity investment, through which the Company have control over the investee, cost method is adopted. The price is measured at initial investment cost, adding or withdrawing investment is adjusted to the cost of long-term equity investment.

Cash dividend or profit distributed to the Company is recognized as investment income of the current period, excluding the actual consideration paid for acquisition or the cash dividend or profit declared but no issued included in the consideration.

(2) Equity method

Equity method is adopted for the long-term equity investment of joint ventures and associate enterprises by the Company. For the partial equity investment of joint ventures indirectly held through venture capital institutions, mutual funds and other similar bodies including unit-linked insurance funds, the price of which is measured at fair value and changes are recognized to profit or loss.

For long-term equity investment which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair value of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Company's interest in the fair value of the investee's identifiable net assets, the difference is charged to profit or loss for the current period.

The Company recognizes its share of the investee's net profit or losses, as well as its share of the investee's other comprehensive income in proportion of shares of investee, as investment incomes or losses and other comprehensive income, and adjust the carrying amount of the investment accordingly subsequent to the acquisition of the long-term equity investment. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the Company. The Company's share 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, is recognized into shareholders' equity, and the carrying amount of the long-term equity investment is adjusted accordingly.

The Company recognizes its share of the investee's net profits or losses based on the fair value of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Company. The unrealized profit or loss from internal transactions entered into between the Company and its associate or joint venture is offset according to the shareholding percentage held by the Company and the remaining portion is recognized as investment income or loss.

The proportionate loss of the invested shared by the Company, is processed under the following sequences: First, offset the book value of the long-term equity investment. Then, if book value of the long-term equity investment is insufficient to offset, recognize investment loss to the ceiling of the book value of other long-term equity, which constitutes net investment of the investee in essence, offset the book value of the long-term receivables. Last, after conducting the above-mentioned steps, if the Company still has additional commitments according to the investment contract or agreement, estimated liabilities are recognized according to the obligation committed, investment loss is recognized into investment loss of the current period.

For the profit of the investee realized in the subsequent period, after deducting the proportionate unrealized losses, process is conducted in reverse order, that is the investment incomes are recovered after deducting book balances of the recognized estimated liabilities and recovering book values of other long-term equities constituting the net investments of the investee in essence and long-term equity investments.

iii. Transfer of accounting method of long-term equity investment

(1) Equity method transferred from fair value method

For the equity investments, held by the Company through which the Company has no control, common control or significant influence over the investee, recognized and measured as financial instruments, when the Company becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously-held equity investment and additional investment cost in accordance with <Accounting Standards for Business Enterprises No.22- Recognition and measurement of Financial Instruments>. The differences between the fair value and carrying amount of previously-held equity investment and the accumulated changes in fair value included in other comprehensive income are transferred to profit or loss for the current period upon

commencement of the equity method.

For the equity investments classified as AFS financial assets, the difference between fair value and book value of which, and the accumulated changes in fair value recognized into other comprehensive income previously are transferred to profit or loss of the current period of transferring to equity method. If the initial investment cost is less than the proportionate fair value of net identifiable assets of the investee in new proportion of shares, determined after additional investment, at the follow-up investment date, book value of the long-term equity investment is adjusted and the difference between the two items stated above is recognized into non-operating income of the current period.

(2) Cost method transferred from fair value method or equity method

Equity investment originally held by the Company which does not control, jointly control or have significant influence on the investee and is accounted for according to the recognition and measurement standards of financial instruments, or long-term equity investment originally held by the Company in joint venture or joint venture, which is able to control the investee not under the same control due to additional investment or other reasons, when preparing individual financial statements, The sum of the book value of the original equity investment plus the cost of the new investment shall be used as the initial investment cost calculated according to the cost method.

Other comprehensive income recognized by the equity method for the equity investment held before the purchase date shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the invested entity when disposing of the investment.

If the equity investment held before the purchase date is accounted for in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments, the accumulated fair value changes originally recorded in other comprehensive income are transferred to the current profit and loss when accounting according to the cost method.

(3) Equity method accounting to fair value measurement

If the Company loses its joint control or significant influence on the invested entity due to the disposal of part of the equity investment or other reasons, the remaining equity after disposal shall be accounted for in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, and the difference between its fair value and carrying amount on the date of loss of joint control or significant influence shall be included in the current profit and loss.

Other comprehensive income of the original equity investment recognized by the equity method of

accounting shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the invested entity when the equity method of accounting is terminated.

(4) Equity method transferred from cost method

When the Company can no longer exercise control over an investee due to partial disposal of equity investment or other reasons and the remaining equity investment after disposal can exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for under equity method and re-measured by equity method as if it has been acquired since date of acquisition.

(5) Fair value method transferred from cost method

If the company loses control of the invested entity due to the disposal of part of the equity investment or other reasons, when preparing individual financial statements, Where the remaining equity investment can no longer exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of control is charged to profit or loss for the current period.

iv. Disposal of long-term equity investment

The difference between the book value and actual price obtained is recorded into profit or loss of the current period at disposal of long-term equity investments. For the long-term equity investment measured by employing equity method, the part of recorded as other comprehensive incomes is accounted in corresponding proportion, on the same basis of the relevant assets or liabilities directly disposed by the invested party at disposal.

Multiple transactions are treated as package of deal, if the terms, conditions and economic influence of the disposal of equity investment of subsidiaries meet one or more of the following situations:

- (1) These transactions are made at same time or after considering each other's influence;
- (2) These transactions can only achieve a complete business result only as a whole;
- (3) The occurrence of one transaction depends on the occurrence of at least one other transaction;
- (4) One single transaction is not considered to be economical; it is economical however when considering other transactions.

When the Company can no longer exercise control over an investee due to partial disposal of

equity investment or other reasons and the resulting transactions cannot be treated as package of deal, the relevant accounting treatments are conducted separately to the individual and consolidated financial statements:

(1) For individual financial statements, the difference between book value and the price actually obtained of the equity disposed are recorded into profit and loss of the current period. Where the remaining equity investment after disposal can exercise joint control of or significant influence over an investee the remaining equity investment is accounted for under equity method and re-measured by equity method as if it has been acquired since date of acquisition. Where the remaining equity investment can no longer exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for in accordance with the Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of control is charged to profit or loss for the current period.

(2) For consolidated financial statements, transactions prior to the loss of control of subsidiaries, of which the difference between the disposal price and the proportionate accumulated net assets of the subsidiaries since the acquisition or combination date is adjusted to capital reserve (share premium), if the capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. When the Company loses control of subsidiaries, the remaining equity is remeasured at fair value of the date of losing control. The balance of the sum of consideration obtained from disposal of equity and fair value of the remaining equity, after deduction of accumulated net assets distributable to the company in proportion to the original shareholding percentage since the acquisition date is recognized into investment income of the current period of the loss of control, and offset goodwill at the same time. Other comprehensive income related with the original long-term equity investment, is transferred to the investment income of the current period of the loss of control.

When the Company can no longer exercise control over an investee due to partial disposal of equity investment or other reasons and the resulting transactions can be treated as package of deal, the multiple transactions are treated as one transaction of disposing equity investment and losing control of a subsidiary, other relevant accounting treatments are conducted separately to the individual and consolidated financial statements:

(1) For individual financial statements, each difference between the disposal price and the book value of the long-term equity in proportion of the disposed equity is recognized as other comprehensive income before loss of control, and transferred to profit or loss of the current period of the date of loss of control along with others.

(2) For consolidated financial statements, each difference between the disposal price and the net assets in proportion to the disposed equity before loss of control is recognized as other comprehensive income before loss of control, and transferred to profit or loss of the current period of the date of loss of control along with others.

v. Criteria of judgement of joint control and significant influence

If the company collectively controls an arrangement with other participants in accordance with relevant provisions, and the activity decision-making with significant influence on the arrangement exists after unanimous consent of the parties sharing control, then the company is regarded to have joint control over the arrangement long with other participants, the arrangement is joint venture arrangement.

If the joint venture arrangement is reached through a separate entity, when judging the company's rights to the net assets of the separate entity according to relevant provisions, the separate entity shall be regarded as a joint venture and the equity method shall be adopted for accounting. If it is judged that the Company does not enjoy the right to the net assets of the separate entity according to the relevant provisions, the separate entity shall be regarded as a joint operation, and the Company shall confirm the items related to the share of the joint operation interests and conduct accounting treatment in accordance with the relevant accounting standards for enterprises.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or join control of those policies. Significant influence is considered to have over investee through one or more of the following situations and under comprehensive consideration of all the facts and conditions:(1) Send one or more representatives in the board of directors or equivalent authorities of the investee;(2) Participate in the decision-making process of financial and operation policies;(3) There is major transaction occurred with the investee;(4) Dispatch managers to the investee;(5) Provide key technical data with the investee.

17.Fixed assets

i. Recognition

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives more than one accounting year. Fixed assets are recognized when both of the following conditions are satisfied:

- (1) It is probable that the future economic benefits associated with the asset will flow to the entity;
- (2) The cost of the asset can be measured reliably.

ii. Initial measurement

Fixed assets are initially measured at cost.

(1) The cost of purchased asset includes purchase price, import duty and relevant tax, and other necessary expenses for making the asset to the hoped condition for use that can be attributed to the asset directly.

(2) The cost of self-built asset is composed of necessary expenses for building the asset to the hoped condition for use.

(3) The entry value of asset of an investor is the value stipulated in the investment contract or agreement except the unfair value stipulated in the contract or agreement.

(4) The cost of the assets is measured on the basis of present value of the purchase price, when its payment is deferred beyond normal credit terms and belongs to financial lease in actual. The difference with the actual payment, except the proportion that should be capitalized, and the present value of the purchase price is recorded into current profit or loss of the credit period.

iii. Subsequent measurement and disposal

(1) Depreciation

Fixed assets are depreciated according to the book value after deduction of estimated net residual value within the estimated using life. For those fixed assets being provided for impairment loss, the related depreciation charge is determined based on the carrying amounts less impairment over their remaining useful lives. Fixed assets that have been fully depreciated but are still in use shall not be depreciated.

For fixed assets formed by special reserve expenditures, the special reserve shall be written down according to the cost of forming the fixed assets, and the accumulated depreciation of the same amount shall be recognized, and the fixed assets shall not be depreciated in future periods.

The useful lives and estimated residual value of the asset are determined according to the nature and use. The useful life, estimated residual value and the depreciation method of an asset shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, relevant adjustments should be made.

The depreciation method, depreciation life and annual depreciation rate of all types of fixed assets are as follows:

Category	Depreciation method	Depreciation period(Year)	Residual rate(%)	Annual depreciation rate(%)
Buildings	Double diminishing balance method	20-40	3	2.43-4.85
Vehicles	Double diminishing balance method	4-5	3	19.40-24.25
Other equipments	Double diminishing balance method	3-5	3	19.40-32.33

(2) Subsequent expenditure

If the subsequent expenses related to a fixed asset meet the recognition conditions of fixed assets, they are included in the cost; if the subsequent expenses fail to meet the recognition conditions, they are recorded into profit or loss on the occurrence.

(3) Impairment of fixed assets

The impairment test method for fixed assets and the provision for impairment provisions are detailed in this note III/19- Impairment of long-term assets.

(4) Disposal

An asset is derecognized on disposal or when it is withdrawn from use and no future economic benefits are expected from disposal. The balance of disposal price of selling, transfer, abandonment or damage after deduction of the book value and relevant tax is recognized as profit or loss of the current period.

18. Construction in progress

The self-built construction in progress is measured at actual cost, which is composed of necessary expenses for building the asset to the hoped condition for use, including structural material costs, labor costs, relevant paid taxes, borrowing costs, which should be capitalized, and indirect apportionment and so on.

All expenditures for building the asset to the hoped condition for use of the construction in progress are entry value of the asset. Where the construction in progress has reached the expected conditions for use with no final accounts of completed project conducted, it is transferred to fixed assets at the estimated value, which is made according to the project budget, construction cost or actual cost of the program and so on, and depreciated in accordance with the depreciation method of the Company. After the final accounts of completed project has been made, the original estimated value is adjusted according to the actual cost, and no adjustment is made to the accumulated depreciation.

The impairment test method for construction in progress and the provision method for impairment are detailed in this note III/19- Impairment of long-term assets.

19. Impairment of long-term assets

At each balance sheet date, the Company checks whether there are signs of possible impairment in long-term equity investments, fixed assets, projects under construction, intangible assets with defined useful life and assets with right of use. If there are signs of impairment of long-term assets,

the recoverable amount is estimated on the basis of individual assets; If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined on the basis of the asset group to which the asset belongs.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow.

When the measurement of the recoverable amount indicates that, the recoverable amount is lower than its carrying amount, the Company reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized. An impairment loss once recognized is not reversed in subsequent period.

The depreciation or amortization of the impaired asset is adjusted correspondingly in the future period after the impairment loss being recognized, so that the adjusted book value (deducting the residual value) of the asset can be systematically allocated in the residual useful life.

Impairment test of goodwill acquired in a business combination and intangible assets with indefinite useful lives should be performed annually, whether or not there is any indication that it may be impaired.

The book value of goodwill is allocated to the asset group or combination of asset group, which is estimated to benefit from the synergies of business combination, in the impairment test. For impairment test performed for the relevant asset group or combination of asset group, which contain goodwill, if there is any indication of impairment: First, the impairment test is conducted for the asset group or combination of assets group excluding goodwill, the recoverable amount is compared with the relevant book value and corresponding impairment loss is recognized; Then the impairment test is conducted for the asset group or combination of asset group with goodwill, the impairment loss of the goodwill is recognized when the recoverable amount of the asset group or combination of asset group is less than the book value (including the allocated book value of the goodwill).

20. Long-term deferred expenses

i. Amortization

Long-term deferred expenses are the expense occurred but should be attributable to the current period and subsequent for more than one year. Long-term deferred expenses are amortized by use of the straight-line method over the benefit period.

ii. Amortization period

Category	Amortization period	Remarks
Right of authentication	3 years	Overseas market product certification fees

21.Contractual liabilities

Contractual liabilities presents the obligation to transfer goods or services to the customer for the consideration received or receivable from the customer

22.Payroll and employee benefits payable

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employee or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

i. Short-term employee benefits

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee service are rendered, but do not include post-employee and termination benefits. The accrued short-term employee benefit is recognized as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

ii. Post-employment benefits

Post-employment benefits are any remuneration and benefits (other than short-term employee benefits and termination benefits) in exchange for service rendered by employees that are payable after the retirement of the employees or termination of employment relationship.

The company classifies post-employment benefit plans as either defined contribution plans.

Defined contribution plans are mainly composed of social endowment insurance, unemployment insurance and so on implemented by labor and social security of various regions. The contribution payable to a defined contribution plan in exchange for service rendered by employees is recognized as a liability in the accounting period in which the employees are in service, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

After regular payment in compliance with the state specified standard, the Company has no further obligation.

iii. Termination benefits

Dismissal benefits refer to the termination of the labor relationship with the employee before the expiration of the employee's labor contract, or the compensation given to the employee to encourage the employee to accept the reduction voluntarily. When the Company cannot unilaterally withdraw the termination plan or reduction proposal, or when the costs related to the restructuring related to the payment of dismissal benefits are confirmed as early as possible. Recognize liabilities arising from compensation for termination of labor relations with employees and record them into current profits and losses.

The company provides internal retirement benefits to employees who accept internal retirement arrangements. Retirement benefits refer to the wages and social insurance premiums paid to employees who have not reached the retirement age stipulated by the state and who voluntarily quit their jobs with the approval of the company's management. The company shall pay internal retirement benefits to the retired employees from the date when the internal retirement arrangement begins until the employees reach the normal retirement age. For the retirement benefits, the company will conduct accounting treatment according to the dismissal benefits. When meeting the confirmation conditions related to the dismissal benefits, the wages and social insurance premiums to be paid by the retired employees from the date when the employees stop providing services to the normal retirement date will be recognized as liabilities and recorded into the current profit and loss in a lump sum. Differences caused by changes in actuarial assumptions and adjustments to benefit standards are recorded in current profits and losses when they occur.

iv. Other long-term employee benefits

Other long-term benefits are employee benefits other than short-term benefits, post-employment benefits and termination benefits.

23.Provisions

i. Recognition

When an obligation related to a contingent matter such as product quality assurance is a current obligation undertaken by the Company, the fulfilment of the obligation is likely to result in an outflow of economic benefits, and the amount of the obligation can be reliably measured, it is recognized as a projected liability.

ii. Measurement

Provisions are initially measured at the best estimate of the payment to settle the associated present obligation.

In reaching its best estimate, the Company takes into account the risks, uncertainties, time value of money and so on. If the impact of time value of money is significant, the best estimate is determined as its present value of future cash flow.

A best estimate is conducted as follows:

If there is a continuous range (or interval) for the expenditures and the possibilities for different results are the same within the range, the best estimate is measured as median within the range, namely the average of upper limit and lower limit of amount.

If there is not a continuous range (or interval) for the expenditures, or there is a continuous range but the possibilities for different results are not same within the range: The best estimate is determined as the most likely amount, where there is a single item related to the contingency; the best estimated is determined in accordance with all possible outcomes and the relevant probabilities, where there are multiple items concerned with the contingency.

If all or part of the expenses necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amounts not exceed the carrying value of the provision.

24.Revenue

i. General revenue recognition

The Company has fulfilled its performance obligation under the contract, that is, when the customer obtains control of the relevant commodity or service, it recognizes revenue according to the transaction price apportioned to the performance obligation. Performance obligation refers to the commitment of the company to transfer clearly distinguishable goods or services to the customer in the contract. To acquire the control right of relevant goods refers to to be able to dominate the use of the goods and obtain almost all the economic benefits from them.

At the beginning date of a contract, the Company should assess the contract to identify the individual contract obligations in the contract, and to confirm whether the individual contract obligations are to be satisfied over time or at a point in time and then recognize the revenue respectively when the individual contract obligations are satisfied. The Company recognizes revenue over time if one of the following criteria is met: 1) the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; 2) the Company's performance creates or enhances an asset that the customer controls as the asset is created; 3) the Company's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. Otherwise, revenue is

recognized at a point in time when the customer obtains control of the relevant assets or service.

For the performance obligation over time, the appropriate performance progress is determined by the method of input method according to the nature of goods and service. The input method is to determine the performance progress according to the Company's input to fulfill the performance obligation. When the performance progress cannot be determined reasonably and the cost incurred is expected to be compensated, revenue is recognized as the cost incurred until the performance progress can be reasonably determined.

ii. Specific revenue recognition

The Company has fulfilled its performance obligation under the contract, which is to recognize revenue when the customer acquires control of the relevant goods or services. If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, apportion the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the commodity or service committed under each individual performance obligation, and measure the income according to the transaction price apportioned to each individual performance obligation. However, if there is conclusive evidence that the contract discount or variable consideration is only related to one or more (but not all) of the performance obligations under the contract, the contract discount or variable consideration shall be apportioned to one or more of the relevant performance obligations. The transaction price is the amount of consideration that the Company expects to be entitled to collect as a result of the transfer of goods or services to the customer, excluding payments received on behalf of third parties. Amounts expected to be refunded to customers are treated as return liabilities and are not included in the transaction price. If there is a significant financing component in the contract, the Company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration is amortized over the contract period using the effective interest rate method.

For performance obligations performed within a certain period of time, the Company recognizes revenue in accordance with the progress of performance during that period. If the performance progress cannot be reasonably determined and the company is expected to be compensated for the costs already incurred, the revenue shall be recognized according to the amount of costs already incurred until the performance progress can be reasonably determined. For performance obligations performed at a certain point, the Company recognizes revenue at the point when the customer acquires control of the relevant goods. In determining whether the customer has acquired control of the goods or services, the Company will consider the following indications: ① The

Company has a current right to collect money in respect of the goods or services; ② The Company has transferred the physical goods to the customer; ③ The Company has transferred the legal ownership of the goods or the major risks and rewards of ownership to the Customer; ④ The customer has accepted the product.

The right of the Company to receive consideration for goods or services transferred to the customer (and subject to factors other than the passage of time) is set out as a contractual asset. The right of the Company to collect consideration from the customer unconditionally (subject only to the passage of time) is shown as receivables. The company's obligation to transfer goods or services to customers for which consideration has been received or receivable is shown as a contractual liability.

25.Contractual cost

i. Contract performance costs

The company recognizes the cost of contract performance as an asset if it does not fall within the scope of accounting standards for enterprises other than revenue standards and meets the following conditions at the same time:

- (1)The cost is directly related to a contract currently obtained or expected to be obtained, including direct labor cost, direct material cost and manufacturing expense (or similar expense), the cost assumed by the customer and other costs incurred only due to the contract are specified;
- (2)The cost increases the resources of the enterprise for further performance of obligations;
- (3)The cost is expected to be recovered.

The asset is reported in inventory or other non-current assets according to whether the amortization period exceeds one normal operating cycle at the time of its initial recognition.

ii. Contract acquisition costs

The Company will recognize the incremental costs incurred in obtaining the contracts as contract acquisition costs. Incremental costs refers to the costs will not incur without the achieving of a contract, such as sales commission. Where the amortization period not exceeding one year, the cost is recognized into current period as profit/loss at the time of occurrence.

iii. Amortization of contract costs

The assets related to the contract costs mentioned above shall be amortized at the point of performance of the performance obligation or in accordance with the progress of performance of the performance obligation on the same basis as the income recognition of goods or services

related to the asset, and shall be recorded into the current profit and loss.

iv. Impairment of contract costs

If the carrying value of the above assets related to the contract cost is higher than the difference between the remaining consideration that the company is expected to obtain due to the transfer of the commodities related to the asset and the estimated cost to be incurred for the transfer of the commodities related to the asset, the excess part shall be set aside for impairment and recognized as the asset impairment loss.

After the provision for impairment is made, if the factors of impairment in previous periods change so that the difference between the above two items is higher than the carrying value of the asset, the original provision for impairment of the asset shall be reversed and recorded into the profit and loss of the current period, provided that the carrying value of the asset after the reversal shall not exceed the carrying value of the asset on the reversal date under the assumption that no provision for impairment is made.

26. Government grants

i. Categories

Government grants are transfers of monetary and non-monetary assets from the government to the Company. Government grants are classified into grants related to assets and grants related to income according to the assistance object stipulated by the relevant government document.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

ii. Recognition

A government grant is not recognized until there is a reasonable assurance that the entity will comply with the conditions attaching to it, and that grant will be received. Otherwise, government grants are recognized at the actual receipt.

For a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable, the grant is measured at nominal amount (RMB 1yuan). The government grant measured at nominal amount is recognized into profit or loss of the current period directly.

iii. Accounting treatment

According to the essence of economic business, the company determines whether a certain type of government subsidy business should adopt the gross method or the net method for accounting treatment. Under normal circumstances, the Company chooses only one method for the same or similar government subsidy business and consistently applies this method for that business.

Items	Content of accounting
Categories of government subsidies calculated using the aggregate method	All government subsidies except discount interest on loans
Categories of government subsidies accounted for using the netting method	Government subsidies related to loan discount interest

Government grants related to assets will be recorded as deferred income and recognized evenly in profit or loss over the useful lives of the related assets by the use of a rational and systematic method;

Government grants related to income will be recorded as deferred income and recognized in profit or loss in the period in which the related expenses are recognized if the grants are intended to compensate for future expenses or losses, and otherwise recognized in profit or loss for the current period if the grants are used to compensate for expenses or losses that have been incurred.

Government grants related to daily activities of the Company are recorded into other income; grants unrelated to daily activities are recorded into non-operating income or expenses.

Government grants related with discount of policy-related concessional loans are deducted in the relevant borrowing costs. For the loan offered by the lending bank in a policy-related prime rate, the loan is measured at the actual amount received and the relevant borrowing costs are calculated by the loan principal and the policy-related prime rate.

If a grant becomes repayable, where there is a balance of the related deferred income, the book value of the deferred income is offset and the excess comes to the profit or loss of the current period; where there is no related deferred income, the repayment is recorded into profit or loss of the current period.

27. Deferred income tax assets / deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be measured according to the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are paid off.

i. Recognition criteria of deferred tax assets

A deferred tax asset is recognized for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized. The deferred tax asset arises from the initial recognition of an asset or liability is not recognized in a transaction that:(1) It is not a business combination;(2) At the time of the transaction, it affects neither accounting profit nor taxable profit (tax loss).

For the deductible temporary difference associated with investments in associates, to the extent that, and only to the extent that:(1) The temporary difference will reverse in the foreseeable future;(2) The taxable profit will be available against which the temporary difference can be utilized.

ii. Recognition criteria of deferred tax liabilities

A deferred tax liability is recognized for all taxable temporary differences payable of the current and previous period, excluding:

- (1) Temporary differences arising from the initial recognition of goodwill;
- (2) Temporary differences arising from the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit (tax loss);
- (3) Taxable temporary differences associated with investment in subsidiaries or associated, but only to the extent that the entity is able to control the timing of reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

28. Leases

On the commencement date of the contract, the Company assesses whether the contract is, or contains, a lease. The contract is a lease or contains a lease if a party in the contract conveys the right to use one or more identified assets for a period of time in exchange for consideration.

i. Separating components of a lease contract

When the contract contains a number of separate leases, the company will divide the contract and each separate lease will be accounted for separately.

If the contract contains both the leased part and the non-leased part, the Company will divide the leased part and the non-leased part into two parts. The leased part shall be treated in accordance with the leasing standards, while the non-leased part shall be treated in accordance with other applicable accounting standards.

ii. Consolidation of lease contracts

Two or more contracts including leases concluded by the Company and the same transaction party or its affiliates at the same time or at similar time shall be combined into one contract for accounting treatment if one of the following conditions is met:

- (1) The two or more contracts are entered into and constitute a package deal for an overall commercial purpose which cannot be understood without being considered as a whole.
- (2) The amount of consideration for one of the two or more contracts depends on the pricing or performance of the other contracts.
- (3) The right to use the assets transferred by the two or more contracts together constitute a separate lease.

iii. The Company as Lessee

On the commencement date of the lease term, except for the short-term lease and the lease of low-value assets with simplified treatment, the Company recognises the right-of-use assets and lease liabilities.

- (1) The short-term lease and the lease of low-value assets

Short-term leases refer to leases with a lease term of less than 12 months from the commencement date, except for those with a purchase option. Low-value asset lease refers to the lease with a lower value when the single leased asset is a brand new asset.

The Company does not recognize the use right assets and lease liabilities for short-term leases and low-value asset leases, and the relevant lease payments are included in the cost of the relevant assets or current profit or loss in accordance with the straight-line method during each period of the lease term.

- (2) Right-of-use asset

On the start date of the lease term, the right-of-use assets is initially measured at cost. The cost includes:

- 1) the initial measurement amount of lease liabilities;
- 2) The lease payment amount issued on or before the start date of the lease term, where if there is a lease incentive, the amount related to the entitled lease incentive shall be deducted;
- 3) The initial direct expenses incurred by the Company as the lessee;
- 4) The cost expected to be incurred by the Company as the lessee to dismantle and remove the

leased assets, restore the site where the leased assets are located or restore the leased assets to the state agreed in the lease terms(Excludes costs incurred to produce inventory).

After the commencement of the lease term, the company shall use the cost model to make subsequent measurement of the right-of-use assets.

If the Company, as the lessee, can reasonably determine that the ownership of the leased assets is acquired at the expiration of the lease term, depreciation shall be accrued within the remaining service life of the leased assets. If it cannot be reasonably determined that the ownership of the leased assets can be obtained at the expiration of the lease term, depreciation shall be accrued during the lease term or the remaining service life of the leased assets, whichever is shorter. For the right-of-use assets for which provision has been made for impairment,the company shall depreciate in future periods at book value after deduction of impairment provisions with reference to the above principles.

The Company shall, in accordance with the provisions of Accounting Standards for Business Enterprises No. 8 - Asset Impairment, determine whether the assets of the right of use have been impaired and conduct accounting treatment for the identified impairment losses. For details in this note III/19- Impairment of long-term assets.

(3) Lease liabilities

At the commencement date of the lease, the Company measures the lease liabilities at the present value of the lease payments that are not paid at that date. When calculating the present value of the lease payments, the Company adopts the interest rate implicit in the lease as the discount rate.If the interest rate implicit in the lease cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.The lease payments comprise the following payments:

- 1) Fixed payment amount and substantial fixed payment amount after deducting the relevant amount of lease incentive;
- 2) Variable lease payments that depend on an index or a rate;
- 3) The exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- 4) Payments for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease;
- 5) Amounts expected to be payable by the Company under residual value guarantees.

The Company calculates the interest on the lease liabilities in each period during the lease term by a fixed interest rate and records it into the current profit or loss, or the cost of relevant assets.

Variable lease payments not included in the measurement of the lease liabilities, are recorded in

profit or loss, or in the cost of relevant assets, in the period of those payments.

iv. The Company as lessor

(1) Classification of leases

The Company divides the lease into finance lease and operating lease on the commencement date of the lease term. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership. Ownership of the leased asset may or may not eventually be transferred. All other leases are classified as operating leases.

The Company generally classifies a lease as a finance lease if one or more of the following conditions exist:

- 1) At the end of the lease term, ownership of the leased asset is transferred to the lessee.
- 2) The lessee has an option to purchase the leased asset and the purchase price established is sufficiently low compared to the fair value of the leased asset at the time the option is expected to be exercised. The lessee can therefore be reasonably certain that the option will be exercised on the commencement date of the lease.
- 3) Although the ownership of the asset is not transferred, the lease term accounts for the majority of the service life of the leased asset.
- 4) On the commencement date of the lease, the present value of the lease receipts is almost equal to the fair value of the leased asset.
- 5) The leased assets are special in nature and can only be used by the lessee if major alterations are not made.

The Company may also classify a lease as a finance lease if it has one or more of the following indications:

- 1) If the lessee cancels the lease, the lessee shall bear any loss caused to the lessor.
- 2) Gains or losses arising from changes in the fair value of the balance of assets belong to the lessee.
- 3) The lessee has the ability to continue the lease for the next period at rents well below the market level.

(2) Accounting treatment of financial leases

On the commencement date of the lease, the Company recognizes the finance lease receivables and terminates the recognition of finance lease assets.

When the financial lease receivables are initially measured, the sum of the unguaranteed residual value and the amount of lease receipts not received on the commencement date of the lease shall

be taken as the recorded value of the financial lease receivables according to the present value of the discounted interest rate of the lease. Lease receipts include:

- 1) Fixed payment and substantial fixed payment after deducting the relevant amount of lease incentive;
- 2) Variable rental payments depending on an index or ratio;
- 3) Where it is reasonably certain that the lessee will exercise the purchase option, the lease receipts include the exercise price of the purchase option;
- 4) In the case that the lease term reflects the exercise of the lessee's option to terminate the lease, the lease receipts include the amount payable by the lessee to exercise the option to terminate the lease;
- 5) The residual value of the security provided to the lessor by the lessee and the party related to the lessee or an independent third party financially capable of fulfilling the security obligations;

The Company calculates and recognizes the interest income of each period of the lease term according to the fixed embedded interest rate of the lease and the variable lease payments obtained which are not included in the net lease investment measurement are included in the current profit and loss when actually incurred.

(3) Accounting treatment of operating leases

During each period of the lease term, the Company shall adopt the straight line method or other systematic and reasonable methods to recognize the rental receipts from the operating lease as rental income. The capitalization of the initial direct expenses incurred in connection with the operating lease shall be apportioned on the same basis as the recognition of rental income during the lease term and recorded into the current profit or loss by stages. Variable lease payments obtained in relation to operating leases and not included in lease receipts shall be included in current profits or losses when actually incurred.

29. Accounting for hedge

According to the hedging relationship, the company divides hedging into fair value hedging, cash flow hedging and net overseas investment hedging.

i. For hedging instruments that simultaneously meet the following conditions, the hedge accounting method shall be used to deal with them

- (1) The hedging relationship only consists of qualified hedging instruments and hedged items.

(2) At the commencement of the hedging, the Company formally designated the hedging instrument and the hedged item, and prepared written documents on the hedging relationship and the risk management strategy and risk management objectives engaged in the hedging.

(3) The hedging relationship meets the requirements of hedging effectiveness.

If the hedging simultaneously satisfies the following conditions, the hedging relationship shall be determined to meet the requirements of hedging effectiveness:

1) There is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes the value of the hedging instrument and the hedged item to change in opposite directions because they face the same hedged risk.

2) In the value changes generated by the economic relationship between the hedged item and the hedging instrument, the influence of credit risk does not dominate.

3) The hedge ratio of the hedging relationship, which is equal to the ratio of the number of the hedged items actually hedged by the Company to the actual number of the hedging instruments that hedge them, but does not reflect the imbalance in the relative weights of the hedged items and the hedging instruments, which will lead to ineffective hedging and may produce accounting results inconsistent with the hedging accounting objectives.

ii. Fair value hedge accounting treatment

(1) Gains or losses arising from hedging instruments are included in current profits and losses. If the hedging instrument is used to hedge a non-tradable equity instrument investment (or a component thereof) that is selected to be measured at fair value and whose change is included in other comprehensive income, the gain or loss arising from the hedging instrument is included in other comprehensive income.

(2) The gain or loss of the hedged item due to the hedged risk exposure is recorded into the current profit and loss, and the book value of the recognized hedged item not measured at fair value is adjusted at the same time. If the hedged item is a financial asset (or its component) measured at fair value and its change is included in other comprehensive income, the gain or loss caused by the hedged risk exposure is included in the current profit and loss, and its book value has been measured at fair value and does not need to be adjusted; If the hedged item is a non-tradable equity instrument investment (or its component) that the company chooses to measure at fair value and its change is included in other comprehensive income, the gain or loss caused by the hedged risk exposure is included in other comprehensive income, and its book value has been measured at fair value and does not need to be adjusted.

If the hedged item is a firm commitment (or part thereof) that has not yet been recognized, the accumulated change in fair value caused by the hedged risk after the hedging relationship is designated shall be recognized as an asset or liability, and the related gains or losses shall be recorded into the profits and losses of each relevant period. When an asset is acquired or a liability is assumed as a result of the performance of a firm commitment, the initial recognition amount of the asset or liability is adjusted to include the cumulative change in the fair value of the hedged item that has been recognized.

(3) If the hedged item is a financial instrument (or a component thereof) measured at amortized cost, any adjustment made to the carrying amount of the hedged item is amortized at the effective interest rate recalculated on the date of commencement of amortization and included in the current profit or loss. Such amortization may commence on the adjustment date, but no later than the point at which the adjustment of hedging gains and losses is made for the termination of the hedged item. If the hedged item is a financial asset (or its components) measured at fair value and its change is included in other comprehensive income, the accumulated recognized hedging gain or loss shall be amortized in the same way and recorded into the current profit and loss, but the carrying value of the financial asset (or its components) shall not be adjusted.

iii. Cash flow hedge accounting treatment

(1) The part of the gain or loss generated by the hedging instrument that is the effective hedging shall be regarded as the cash flow hedging reserve and recorded into other comprehensive income. The amount of the cash flow hedging reserve shall be determined according to the lower of the following two absolute amounts:

- 1) Accumulated gains or losses on the hedging instrument since the commencement of the hedging;
- 2) The cumulative change in the present value of the estimated future cash flows of the hedged item since the beginning of the hedging. The amount of cash flow hedge reserve included in other comprehensive income in each period is the change in cash flow hedge reserve in the current period.

(2) The part of the gain or loss generated by the hedging instrument that is invalid for the hedging (i.e., other gains or losses after deducting other comprehensive income) shall be included in the current profit and loss.

(3) The amount of cash flow hedging reserve shall be handled in accordance with the following provisions:

- 1) If the hedged item is an anticipated transaction and the anticipated transaction results in the subsequent recognition of a non-financial asset or non-financial liability by the Company, or the

anticipated transaction of a non-financial asset or non-financial liability forms a firm commitment applicable to fair value hedge accounting, the amount of cash flow hedge reserve originally recognized in other comprehensive income shall be transferred out, The initial recognition amount included in the asset or liability.

2) For cash flow hedges not covered in the previous article, during the same period in which the expected cash flow hedged affects the profit and loss, the amount of cash flow hedge reserve originally recognized in other comprehensive income shall be transferred out and recorded into the profit and loss of the current period.

3) If the amount of cash flow hedge reserve recognized in other comprehensive income is a loss and the loss is not expected to be made up in whole or in part in future accounting periods, when the loss is not expected to be made up, the part that is not expected to be made up is transferred from other comprehensive income and included in the profit or loss of the current period.

iv. Net investment hedging of overseas operations

Hedging of net investment in overseas operations, including hedging of monetary items that are accounted for as part of the net investment, is treated by the Company in accordance with provisions similar to cash flow hedge accounting:

(1) The part of the gain or loss arising from the hedging instrument that is the effective hedging shall be included in other comprehensive income.

When disposing the overseas operation in whole or in part, the above gains or losses on hedging instruments included in other comprehensive income shall be transferred out accordingly and included in current profits and losses.

(2) The portion of the gain or loss arising from the hedging instrument that is invalid shall be included in the current profit and loss.

v. Terminate the use of hedge accounting

Under any of the following circumstances, the use of hedge accounting shall be terminated:

(1) Due to the change of risk management objectives, the hedging relationship no longer meets the risk management objectives.

(2) The hedging instrument has expired, been sold, the contract has been terminated or exercised.

(3) There is no longer an economic relationship between the hedged item and the hedging instrument, or in the value change generated by the economic relationship between the hedged item and the hedging instrument, the influence of credit risk begins to dominate.

(4) The hedging relationship no longer meets other conditions for the application of hedge accounting methods stipulated in these Standards. If the hedging relationship rebalancing is

applicable, the enterprise shall first consider the hedging relationship rebalancing and then evaluate whether the hedging relationship meets the conditions for applying the hedge accounting method stipulated in the Standards.

Termination of hedge accounting may affect the whole or part of the hedging relationship. When only part of the hedging relationship is affected, the remaining part that is not affected is still subject to hedge accounting.

vi. Fair value selection of credit risk exposure

When a credit derivative instrument measured at fair value and whose change is recorded in current profit and loss is used to manage the credit risk exposure of a financial instrument (or its components), it may be designated as a financial instrument measured at fair value and whose change is recorded in current profit and loss when the financial instrument (or its components) is initially recognized, in subsequent measurement or when it is not yet recognized. And make a written record at the same time, provided that the following conditions are met:

- (1) The subjects of credit risk exposure of financial instruments (such as borrowers or loan commitment holders) are consistent with the subjects involved in credit derivatives;
- (2) The solvency level of the financial instrument is consistent with the solvency level of the instrument to be delivered under the terms of the credit derivative instrument.

30.Changes in significant accounting policies and estimates

i. Changes in accounting policies

Contents and reasons for changes in accounting policies	Remarks
The Company has implemented the Ministry of Finance's "Enterprise Accounting Standards Interpretation No. 18" issued in 2024, effective from January 1, 2024.	(1)

(1) The impact of the implementation of accounting Standards for Business Enterprises interpretation No. 18 on the Company

On December 6, 2024, the Ministry of Finance issued the "Enterprise Accounting Standards Interpretation No. 18" (Caihui [2024] No. 24, hereinafter referred to as "Interpretation No. 18"). The Company has implemented Interpretation No. 18 from January 1, 2024.

In accordance with the provisions of Interpretation No. 18, the Company has made the following adjustments to the relevant items of the income statement and cash flow statement:

Income Statement and Cash Flow Statement Items	Year 2023		
	Before change	Cumulative impact amount	After the change

Income Statement and Cash Flow Statement Items	Year 2023		
	Before change	Cumulative impact amount	After the change
Operating costs	8,438,228,377.81	115,335,547.58	8,553,563,925.39
Selling expenses	212,207,531.66	-115,335,547.58	96,871,984.08
Cash paid for goods and services	8,432,943,580.03	66,325,094.23	8,499,268,674.26
Other cash payments related to operating activities	1,116,674,960.81	-66,325,094.23	1,050,349,866.58

ii. Changes in accounting estimates

The content and reasons for changes in accounting estimates	Approval Procedures	The point at which changes in accounting estimates begin to apply	Remarks
In recent years, the external macro environment has been complex and changing. In order to more robustly reflect the financial condition and operating results of the company, and referring to the expected credit loss rate of accounts receivable of listed companies in the same industry, the accounting estimate of the expected credit impairment loss of accounts receivable of the company has been changed in accordance with the relevant provisions of the Accounting Standards for Enterprises No. 28 Accounting Policies, Changes in Accounting Estimates and Error Correction.	Approved by the 5th meeting of the 11th board of directors of the parent company	Implemented from January 1, 2024	

Explanation of changes in accounting estimates:

Accounts receivable with expected credit losses accrued based on aging combinations, with the expected credit loss rates before and after changes as follows:

Aging	Before change	After the change
Within 1 year	5%	5%
1—2 years	10%	10%
2—3 years	20%	30%
3—4 years	40%	50%
4—5 years	60%	80%
More than 5 years	100%	100%

According to the provisions of Accounting Standards for Enterprises No. 28- Accounting Estimates, Changes in Accounting Estimates, and Correction of Errors, the future application method is adopted for accounting estimate changes. Therefore, there is no need to retrospectively adjust the disclosed financial reports for this accounting estimate change. Our company will implement the revised accounting estimates starting from January 1, 2024. The impact of the accounting estimate changes on the main projects for the current period is as follows:

Item	Before change	Number of impacts	After the change
Other receivables	700,881,150.74	-1,213.59	700,879,937.15
Credit impairment losses		-1,213.59	-1,213.59

IV.Taxation

Explanation of income tax rates of different taxpayers:

Serial number	Name of taxpayer	Income tax rate
1	Yutong Hongkong Limited	16.50%
2	CATHAYA INTERNATIONAL LIMITED	0.00%

V.Notes to consolidated financial statements

(The following units of amounts are all RMB yuan unless otherwise specified, and the end of the period refers to December 31, 2024, the beginning of the period refers to January 1, 2024, and the end of the previous period refers to December 31, 2023)

1.Cash and Cash equivalents

Item	Closing balance	Opening balance
Cash on hand		207,423.17
Bank deposits	1,121,911,880.17	1,305,376,475.31
Other cash balances	203,576,986.72	69,884,104.29
Total	1,325,488,866.89	1,375,468,002.77
Including: Total amount deposited in foreign countries	334,789.44	53,795,513.49

As of 31 December 2024,details of restricted funds:

Item	Closing balance	Opening balance
Funds in transit	203,576,986.72	69,884,104.29
Total	203,576,986.72	69,884,104.29

2.Financial assets held for trading

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss	55,030,683.10	
Forward foreign exchange contract	55,030,683.10	
Total	55,030,683.10	

3.Accounts receivable

i. Accounts receivable disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year	1,366,910,147.51	550,704,337.99
1—2 years	27,562,391.32	13,892,738.27
2—3 years	14,037,232.71	36,854,821.90
3—4 years	30,038,467.64	505,570.20
4—5 years	14,111,130.58	7,725,015.60
More than 5 years	34,500,740.48	15,101,312.83
Subtotal	1,487,160,110.24	624,783,796.79
Less: bad debt provision	97,877,756.90	53,691,755.45
Total	1,389,282,353.34	571,092,041.34

ii. Accounts receivable disclosed by provision of bad debts

Category	Closing balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually	49,886,148.26	3.35	36,670,212.43	73.51	13,215,935.83
Bad debt provision assessed by groups	1,437,273,961.98	96.65	61,207,544.47	4.26	1,376,066,417.51
Including:Aging portfolio	1,087,724,061.11	73.15	54,454,942.17	5.01	1,033,269,118.94
High risk portfolio	6,752,602.30	0.45	6,752,602.30	100.00	
Related parties portfolio	342,797,298.57	23.05			342,797,298.57
Total	1,487,160,110.24	100.00	97,877,756.90	6.58	1,389,282,353.34

Continued:

Category	Opening balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually	50,429,451.81	8.07	25,163,248.91	49.90	25,266,202.90
Bad debt provision assessed by groups	574,354,344.98	91.93	28,528,506.54	4.97	545,825,838.44
Including:Aging portfolio	453,279,897.26	72.55	22,677,663.32	5.00	430,602,233.94
High risk portfolio	10,460,734.10	1.67	5,850,843.22	55.93	4,609,890.88
Related parties portfolio	110,613,713.62	17.71			110,613,713.62
Total	624,783,796.79	100.00	53,691,755.45	8.59	571,092,041.34

Bad debt provision assessed individually

Company name	Closing balance			
	Book balance	Bad debt provision	Proportion (%)	Reason

Company name	Closing balance			
	Book balance	Bad debt provision	Proportion (%)	Reason
KGL Passenger Transport Services	18,261,524.37	5,045,588.54	27.63	Expected unrecoverable
JAC LINER INC	16,078,962.18	16,078,962.18	100.00	Expected unrecoverable
Ecuayutong S.A.	10,368,524.56	10,368,524.56	100.00	Expected unrecoverable
KIGALI BUS SERVICES LTD	5,177,137.15	5,177,137.15	100.00	Expected unrecoverable
Total	49,886,148.26	36,670,212.43		

Bad debt provision assessed by groups

(1) Aging portfolio

Aging portfolio	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Within 1 year	1,087,449,104.81	54,372,455.28	5.00
2—3 years	274,956.30	82,486.89	30.00
Total	1,087,724,061.11	54,454,942.17	

(2) High risk portfolio

High risk portfolio	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
4—5 years	80,425.19	80,425.19	100.00
More than 5 years	6,672,177.11	6,672,177.11	100.00
Total	6,752,602.30	6,752,602.30	

(3) Related parties portfolio

Related parties portfolio	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Related parties within the scope of consolidation	342,797,298.57		
Total	342,797,298.57		

iii. Provision, recovery or reversal of bad debt provision during the year

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other changes	
Bad debt provision assessed individually	25,163,248.91	12,600,496.48	1,093,532.96			36,670,212.43
Bad debt provision assessed by groups	28,528,506.54	33,953,954.94	35,051.98	1,121,098.48	118,766.55	61,207,544.47
Including: Aging portfolio	22,677,663.32	31,896,045.40			118,766.55	54,454,942.17
High risk portfolio	5,850,843.22	2,057,909.54	35,051.98	1,121,098.48		6,752,602.30
Total	53,691,755.45	46,554,451.42	1,128,584.94	1,121,098.48	118,766.55	97,877,756.90

iv. Accounts receivable written off as at the end of the reporting period

Item	Amount of write-off
Actual write-off of accounts receivable	1,121,098.48

v. Top five accounts receivable based on debtors

Company name	Accounts receivable Closing balance	Contract assets Closing balance	Accounts receivable and Contract assets Closing balance	Proportion of total balance(%)	Bad debt provision
Pelican-Engineering Co (Sales) Ltd	296,553,500.00		296,553,500.00	19.94	14,827,675.00
SAPTCO	243,250,611.02		243,250,611.02	16.36	12,162,530.55
YUTONG RUSSIA LIMITED	177,523,850.11		177,523,850.11	11.94	
Powerbus srl	145,811,638.60		145,811,638.60	9.80	7,290,581.93
Khaled Juffali Automotive Company	129,004,521.59		129,004,521.59	8.67	6,450,226.08
Total	992,144,121.32		992,144,121.32	66.71	40,731,013.56

4.Prepayments

i. Aging analysis of prepayments

Aging	Closing balance		Opening balance	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	6,557,911.10	74.79	68,449,679.27	99.00
1-2 years	2,210,641.38	25.21	692,025.95	1.00
Total	8,768,552.48	100.00	69,141,705.22	100.00

ii. Top five prepayments based on the payers

Company name	Closing balance	Proportion of total balance (%)	Time of advance payment	Reasons for non-settlement
INTERNATIONAL CONSULTING NEGOCE SERVICES	4,221,229.96	48.14	Within 2 year	Not delivered
NATIONALE DES ETUDES ET TRAVAUX -SARL	1,988,483.96	22.68	Within 1 year	Not delivered
HONGKONG FULLMORE SUPPLY CHAIN CO LTD	930,302.04	10.61	Within 1 year	Not delivered
Cao Yijun	450,000.00	5.13	Within 1 year	Not delivered
SINO OCEAN, S.A. DE C.V.	287,708.00	3.28	Within 1 year	Not delivered
Total	7,877,723.96	89.84		

5.Other receivables

Item	Closing balance	Opening balance
Interest receivable	21,969,821.36	

Item	Closing balance	Opening balance
Other receivables	795,599,981.51	700,881,150.74
Total	817,569,802.87	700,881,150.74

Note: Other receivables listed in the form listed above refers to other receivables excluding interests receivable and dividends receivable.

i. interest receivable

Item	Closing balance	Opening balance
Capital occupation fee	21,969,821.36	
Total	21,969,821.36	

ii. Other receivables

(1) Aging analysis

Aging	Closing balance	Opening balance
Within 1 year	198,353,979.43	686,981,428.55
1—2 years	566,948,864.71	10,370,047.65
2—3 years	11,968,547.38	3,145,033.71
3—4 years	3,854,531.95	12,135.88
4—5 years	3,357,536.97	
More than 5 years	11,348,370.35	449,926.21
Subtotal	795,831,830.79	700,958,572.00
Less: bad debt provision	231,849.28	77,421.26
Total	795,599,981.51	700,881,150.74

(2) Details of classification by nature

Nature	Closing balance	Opening balance
Security deposit	373,098.10	425,205.69
Payment in advance	795,458,732.69	700,533,366.31
Subtotal	795,831,830.79	700,958,572.00
Less: bad debt provision	231,849.28	77,421.26
Total	795,599,981.51	700,881,150.74

(3) Disclosed by bad debt provision methods

Category	Closing balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually					

Category	Closing balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed by groups	795,831,830.79	100.00	231,849.28	0.03	795,599,981.51
Including: Aging portfolio	3,355,472.99	0.42	231,849.28	6.91	3,123,623.71
Related parties portfolio	792,476,357.80	99.58			792,476,357.80
Total	795,831,830.79	100.00	231,849.28	0.03	795,599,981.51

Continued:

Category	Opening balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually					
Bad debt provision assessed by groups	700,958,572.00	100.00	77,421.26	0.01	700,881,150.74
Including: Aging portfolio	1,202,454.08	0.17	77,421.26	6.44	1,125,032.82
Related parties portfolio	699,756,117.92	99.83			699,756,117.92
Total	700,958,572.00	100.00	77,421.26	0.01	700,881,150.74

Bad debt provision assessed by groups

1) Aging portfolio

Aging portfolio	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Within 1 year	3,128,361.61	156,418.08	5.00
1—2 years	12,135.88	1,213.59	10.00
2—3 years	166,350.70	49,905.21	30.00
3—4 years	48,624.80	24,312.40	50.00
Total	3,355,472.99	231,849.28	

2) Related parties portfolio

Related parties portfolio	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Related parties within the scope of consolidation	792,476,357.80		
Total	792,476,357.80		

Provision for bad debts is based on the general model of expected credit losses

Bad debt provision	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	

Bad debt provision	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	
Opening balance	77,421.26			77,421.26
Opening balance in the current period	—	—	—	—
—Transfer to Stage II				
—Transfer to Stage III				
—Reverse to Stage II				
—Reverse to Stage I				
Provision	1,054,122.38			1,054,122.38
Reversal				
Elimination				
Write-off				
Other changes	899,694.36			899,694.36
Closing balance	231,849.28			231,849.28

(4) Provision, recovery or reversal of bad debt provision during the year

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other changes	
Bad debt provision assessed individually						
Bad debt provision assessed by groups	77,421.26	1,054,122.38			899,694.36	231,849.28
Including: Aging portfolio	77,421.26	1,054,122.38			899,694.36	231,849.28
Total	77,421.26	1,054,122.38			899,694.36	231,849.28

(5) Other receivables that have not been written off in this period.

(6) Top five other receivables based on debtors

Company name	Nature	Closing balance	Aging	Proportion to the total closing balance of other receivables (%)	Closing balance of bad debt provision
SINOYUTONG INTERNATIONAL LTD	Payment in advance	573,419,781.16	Within 1 year 1—2 years 2—3 years	72.05	
Yutong Bus CO.,LTD.	Payment in advance	121,183,753.75	Within 1 year 1—2 years	15.23	
YUTONG DE MEXICO S.A. DE C.V.	Payment in advance	40,663,481.10	Within 1 year	5.11	
AUTOBUSES YUTONG DE VENEZUELA, S.A.	Payment in advance	26,304,517.21	Within 5 year	3.31	
YUTONG SPAIN HOLDCO, S.L.	Payment in advance	6,034,322.08	Within 1 year 1—2 years	0.76	

Company name	Nature	Closing balance	Aging	Proportion to the total closing balance of other receivables (%)	Closing balance of bad debt provision
Total		767,605,855.30		96.46	

6. Inventories

i. Categories

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Raw materials	13,773,427.35	6,052,837.82	7,720,589.53	29,301,659.89	13,197,344.79	16,104,315.10
Homemade semi-finished products	333,747.80	144,724.64	189,023.16	1,077,604.02	468,153.73	609,450.29
Contract performance costs	12,040,968.77		12,040,968.77	64,972,844.36		64,972,844.36
Total	26,148,143.92	6,197,562.46	19,950,581.46	95,352,108.27	13,665,498.52	81,686,609.75

ii. Provision for inventory depreciation and provision for contract performance cost impairment

Item	Opening balance	Increase in the current period		Decrease in the current period			Closing balance
		Provision	Others	Reversal	Elimination	Others	
Raw materials	13,197,344.79	4,816,209.52			1,783,610.11	10,177,106.38	6,052,837.82
Homemade semi-finished products	468,153.73	70,965.88				394,394.97	144,724.64
Total	13,665,498.52	4,887,175.40			1,783,610.11	10,571,501.35	6,197,562.46

7. Other current assets

Item	Closing balance	Opening balance
VAT retained		26,828,316.73
The hedged item		6,924,976.54
Total		33,753,293.27

8. Other equity instruments investments

i. Details of other equity instruments investments

Item	Opening balance	Changes for the current period					Closing balance
		Additional investment	Decrease in investment	Gains recognized as other comprehensive income in the current period	Loss recognized in other comprehensive income in the current period	Others	

Item	Opening balance	Changes for the current period				Closing balance
		Additional investment	Decrease in investment	Gains recognized as other comprehensive income in the current period	Loss recognized in other comprehensive income in the current period	
Harvest Pioneer Fund L.P.	58,773,000.00		13,104,648.73		14,276,651.27	31,391,700.00
Millennium New Horizons I, L.P.	21,474,100.00	2,360,444.55			11,086,534.55	12,748,010.00
Yutong Venezuela passenger train plant						
Total	80,247,100.00	2,360,444.55	13,104,648.73		25,363,185.82	44,139,710.00

Continued:

Item	Dividends income recognized in the current period	Accumulated income	Accumulated loss	Reason for designation as at FVTOCI
Harvest Pioneer Fund L.P.			109,490,853.81	Non-tradable
Millennium New Horizons I, L.P.			20,336,566.11	Non-tradable
Yutong Venezuela passenger train plant			2,612,400.00	Non-tradable
Total			132,439,819.92	

9.Fixed assets

Item	Buildings	Vehicles	Other equipments	Total
I. Cost:				
1. Opening balance	3,594,451.32	489,417.96	32,911.63	4,116,780.91
2. Increase in the current period				
3. Decrease in the current period	3,594,451.32	489,417.96	32,911.63	4,116,780.91
Disposal of subsidiaries	3,594,451.32	489,417.96	32,911.63	4,116,780.91
4. Closing balance				
II. Accumulated depreciation				
1. Opening balance	1,525,026.32	474,735.96	22,090.63	2,021,852.91
2. Increase in the current period	174,352.00			174,352.00
Charge for the current period	174,352.00			174,352.00
3. Decrease in the current period	1,699,378.32	474,735.96	22,090.63	2,196,204.91
Disposal of subsidiaries	1,699,378.32	474,735.96	22,090.63	2,196,204.91
4. Closing balance				
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
3. Decrease in the current period				
4. Closing balance				

Item	Buildings	Vehicles	Other equipments	Total
IV. Carrying amount				
1. Carrying amount at the end of the reporting period				
2. Carrying amount at the beginning of the period	2,069,425.00	14,682.00	10,821.00	2,094,928.00

10. Construction in progress

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Sporadic works				9,699.86		9,699.86
Total				9,699.86		9,699.86

11. Long-term deferred expenses

Item	Opening balance	Increase in the current period	Amortization for the current period	Other reductions	Closing balance
Right of authentication	16,530.19		16,530.19		
Total	16,530.19		16,530.19		

12. Deferred tax assets/deferred tax liabilities

i. Deferred tax assets before offset

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Receivables - provision for bad debts			12,730.79	2,546.16
Inventory Provision for impairment			4,410,432.57	882,086.51
Provisions - after-sales service fees			176,819,353.73	35,363,870.75
Total			181,242,517.09	36,248,503.42

13. Financial liabilities held for trading

Item	Opening balance	Closing balance
Financial liabilities at fair value through profit or loss		14,058,582.52
Including: Forward foreign exchange contract		14,058,582.52
Total		14,058,582.52

14. Accounts payable

Item	Closing balance	Opening balance
Material payable	2,879,351,243.93	1,852,957,786.70

Item	Closing balance	Opening balance
Total	2,879,351,243.93	1,852,957,786.70

15.Contract liabilities

Item	Closing balance	Opening balance
Extended warranty for products and services	41,665,437.97	19,673,548.56
Contract liabilities	488,504,983.71	756,528,797.46
Total	530,170,421.68	776,202,346.02

16.Payroll and employee benefits payable

i. Payroll and employee benefits payable

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Short-term benefits		225,541.17	225,541.17	
Total		225,541.17	225,541.17	

ii. Short-term benefits

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Wages or salaries, bonuses, allowances and subsidies		225,541.17	225,541.17	
Total		225,541.17	225,541.17	

17.Taxes payable

Item	Closing balance	Opening balance
Individual income tax		0.07
Withholding taxes and fees		1,313,966.47
Total		1,313,966.54

18.Other payables

Item	Closing balance	Opening balance
Employee reimbursement		213,572.58
Accrued expenses	230,589,963.20	333,457,234.23
Other transactions	124,110,755.29	12,913,623.14
Total	354,700,718.49	346,584,429.95

19.Other current liabilities

Item	Closing balance	Opening balance
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Item	Closing balance	Opening balance
Tax on items to be transferred		35,664,406.93
The hedged item	28,518,320.04	
Total	28,518,320.04	35,664,406.93

20.Provisions

Item	Closing balance	Opening balance	Reasons of the existence
Products quality warranty	54,520,986.11	280,833,584.46	Withholding on income
Total	54,520,986.11	280,833,584.46	

21.Paid-in capital

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Ratio %
Yutong Bus CO.,LTD.	10,355.00			10,355.00	100.00
Total	10,355.00			10,355.00	100.00

22. Other comprehensive income

Item	Opening balance	Amount incurred in the current period								Closing balance	
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the current period	Less: Financial assets that are included in other comprehensive income and transferred to amortized cost in the current period	Less: Hedging reserves are transferred to related assets or liabilities	Less: Income tax expenses	Attributable to the Company after tax	Attributable to minority interests after tax	Less: Carry forward and re-measure changes in defined benefit plans		Less: Amount included in other comprehensive income in the prior periods that is transferred to retained earnings for the current period
I. Other comprehensive income that cannot be reclassified to profit or loss	-101,975,315.07	-25,363,185.82					-25,363,185.82				-127,338,500.89
1. Remeasurement of changes in defined benefit plan											
2. Other comprehensive income that cannot be transferred to profit or loss under equity method											
3. Changes in fair value of investments in other equity instruments	-101,975,315.07	-25,363,185.82					-25,363,185.82				-127,338,500.89
4. Changes in fair value of the Company's own credit risk											
II. Other comprehensive income to be reclassified to profit or loss											
1. Other comprehensive income that may be transferred to profit or loss under equity method											
2. Changes in fair value of other debt investments											
3. Amount of financial assets reclassified to other comprehensive income											

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Item	Opening balance	Amount incurred in the current period								Closing balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the current period	Less: Financial assets that are included in other comprehensive income and transferred to amortized cost in the current period	Less: Hedging reserves are transferred to related assets or liabilities	Less: Income tax expenses	Attributable to the Company after tax	Attributable to minority interests after tax	Less: Carry forward and re-measure changes in defined benefit plans	
4.Provision for credit impairment of other debt investments										
5.Effective portion of gains or losses on cash flow hedging										
6.Translation differences of financial statements denominated in foreign currencies										
7.Package disposal proceeds generated by the disposal of a subsidiary prior to loss of control										
8.Other assets are converted into investment real estate measured by the fair value model										
Total other comprehensive income	-101,975,315.07	-25,363,185.82					-25,363,185.82			-127,338,500.89

23.Surplus reserve

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	3,993,687.62			3,993,687.62
Total	3,993,687.62			3,993,687.62

24.Unappropriated profit

Item	Current period	Prior period
Before adjustment: retained earnings of the prior period	-253,279,648.09	-24,865,534.50
Adjustment: Total retained earnings at the beginning of the reporting period (increase "+", decrease "-")		
After adjustment: retained earnings at the beginning of the reporting period	-253,279,648.09	-24,865,534.50
Add: Net profit attributable to owners of the Company for the current period	189,582,966.25	-233,263,099.60
Add: Other comprehensive income transferred to retained earnings		4,848,986.01
Unappropriated profit at the end of the reporting period	-63,696,681.84	-253,279,648.09

25.Operating revenue and costs of sales

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	11,125,414,746.86	11,194,840,585.81	8,251,416,769.37	8,402,482,804.90
Others	474,720,774.88	301,108,867.62	270,536,031.53	151,081,120.49
Total	11,600,135,521.74	11,495,949,453.43	8,521,952,800.90	8,553,563,925.39

26.Taxes and surcharges

Item	Amount incurred in the current period	Amount incurred in the prior period
Municipal tax	102,668.13	69,850.80
Environmental protection tax	4,919.46	8,708.15
Pension Security Tax	414.85	
Science and Technology Contribution Fund	45,597.26	5,662.75
Total	153,599.70	84,221.70

27.Selling expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Compensation for employees	2,315,114.37	3,024,082.00
Travel expenses	2,882,775.29	1,353,123.63
Advertising and publicity expenses	3,424,940.73	575,163.65
Consulting and agency fees	21,707,919.16	83,223,381.28
Business entertainment expenses	153,029.68	93,842.81

Item	Amount incurred in the current period	Amount incurred in the prior period
Office expenses	103,962.36	160,428.96
Rental expenses	3,823,755.29	4,475,224.76
Consumption of materials	38,690.36	119,066.86
Others	2,210,117.78	3,847,670.13
Total	36,660,305.02	96,871,984.08

28. Research and development expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Others		3,479.10
Total		3,479.10

29. Finance expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expenses		
Less: Interest income	11,251,664.35	7,766,986.46
Add: Exchanges gains or losses	6,865,020.44	104,639,281.11
Add: hedging instrument	-2,617,831.12	-11,942,498.60
Add: Other fees	1,586,064.17	1,103,692.30
Total	-5,418,410.86	86,033,488.35

30. Income from investments

Item	Amount incurred in the current period	Amount incurred in the prior period
Investment income on disposal of long-term equity investments	206,667,925.27	8,408,856.37
Others	-41,033,059.53	-27,391,481.96
Total	165,634,865.74	-18,982,625.59

31. Credit impairment losses

Item	Amount incurred in the current period	Amount incurred in the prior period
Losses on bad debts	-46,479,988.86	-5,345,238.46
Total	-46,479,988.86	-5,345,238.46

In the above table, losses are indicated with "-".

32. Assets impairment losses

Item	Amount incurred in the current period	Amount incurred in the prior period
Inventory price decline loss and contract performance cost impairment loss	-4,887,175.40	-4,636,974.96

Item	Amount incurred in the current period	Amount incurred in the prior period
Total	-4,887,175.40	-4,636,974.96

In the above table, losses are indicated with "-".

33.Non-operating income

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss in the current period
Income from claims	71,000.00		71,000.00
Others	5,023,958.53	16,722.45	5,023,958.53
Total	5,094,958.53	16,722.45	5,094,958.53

34.Non-operating expenses

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss for the current period
Others	2,143,322.67		2,143,322.67
Total	2,143,322.67		2,143,322.67

35.Income tax expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Current tax expenses	791,647.79	26,137,735.49
Deferred tax expenses		-36,248,503.42
Total	791,647.79	-10,110,767.93

36.Items of the cash flow statement

i. Cash related to operating activities

(1)Other cash receipts related to operating activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest income	11,251,664.35	8,285,234.95
Non-operating income		134,542.89
Other transactions	131,867,751.97	336,943,425.41
Total	143,119,416.32	345,363,203.25

(2)Other cash payments related to operating activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Selling expenses shall be paid in cash	40,360,202.24	77,619,011.49
Research and development expenses shall be paid in cash		3,479.10

Item	Amount incurred in the current period	Amount incurred in the prior period
Finance expenses be paid in cash	1,478,579.58	1,103,050.28
Non-operating expenses be paid in cash	2,143,322.67	
Other transactions	215,146,602.20	971,624,325.71
Total	259,128,706.69	1,050,349,866.58

ii. Cash related to investment activities

(1) Other cash payments related to investing activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Cash held by the company on the day of loss of control	573,685,825.42	2,983,612.78
Total	573,685,825.42	2,983,612.78

37. Supplementary information to the cash flow statement

i. Supplementary information to the cash flow statement

Item	Current period	Prior period
1. Reconciliation of net profit to cash flow from operating activities		
Net profit	189,218,264.00	-233,441,646.35
Add: Credit impairment losses	46,479,988.86	5,345,238.46
Assets impairment losses	4,887,175.40	4,636,974.96
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	174,352.00	233,155.00
Amortization of right-of-use assets		
Amortization of intangible assets		
Amortization of long-term prepaid expenses	16,530.19	168,284.15
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "—")		
Losses on retirement of fixed assets (gains are indicated by "—")		
Losses on changes in fair values (gains are indicated by "—")		
Financial expenses (income is indicated by "—")	-40,544,414.89	20,997,907.34
Losses arising from investments (gains are indicated by "—")	-206,667,925.27	-8,408,856.37
Decrease in deferred tax assets (increase is indicated by "—")		-36,248,503.42
Increase in deferred tax liabilities (decrease is indicated by "—")		
Decrease in inventories (increase is indicated by "—")	39,069,210.10	-70,894,931.50
Decrease in receivables from operating activities (increase is indicated by "—")	-1,033,102,597.69	-861,618,240.18
Increase in payables from operating activities (decrease is indicated by "—")	1,336,210,090.44	1,087,346,715.55
Others		
Net cash flow from operating activities	335,740,673.14	-91,883,902.36

Item	Current period	Prior period
2. Significant investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible bonds due within one year		
New right-of-use assets in the current period		
3. Net changes in cash and cash equivalents		
Closing balance of cash	1,121,911,880.17	1,305,583,898.48
Less: Opening balance of cash	1,305,583,898.48	1,416,254,877.78
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-183,672,018.31	-110,670,979.30

ii. Composition of cash and cash equivalents

Item	Closing balance	Opening balance
I. Cash	1,121,911,880.17	1,305,583,898.48
Including: Cash on hand		207,423.17
Bank deposits	1,121,911,880.17	1,305,376,475.31
II. Cash equivalents		
III. Closing balance of cash and cash equivalents	1,121,911,880.17	1,305,583,898.48
Including: Restricted cash and cash equivalents of the Company and subsidiaries within the Group		

iii. Monetary funds other than cash and cash equivalents

Item	Closing balance	Opening balance	Reason
Funds in transit	203,576,986.72	69,884,104.29	Funds in transit
Total	203,576,986.72	69,884,104.29	

VI.Changes of the scope of consolidation

1.Changes of consolidation scope for other reasons

Subsidiary	Reasons for change
YUTONG RUSSIA LIMITED	Disposal of subsidiaries
AUTOBUSES YUTONG DE VENEZUELA, S.A.	

VII.Equity in other entities

1.Equity in subsidiaries

i. Composition of the Group

Serial number	Subsidiary	Main place of business	Place of registration	Business nature	Shareholding ratio(%)		Acquisition method
					Directly	Indirectly	
1	CATHAYA INTERNATIONAL LIMITED	British Virgin Islands (BVI)	British Virgin Islands (BVI)	Import and export trade	100.00		Set up by investment

VIII.Related parties and related party transactions

1.The company's parent company

Parent company	Place of registration	Business nature	Registered capital (ten thousand yuan)	Shareholding ratio of parent company to the company(%)	Proportion of voting rights of parent company to the company(%)
Yutong Bus CO.,LTD.	Zhengzhou	Bus manufacturing, etc	221,393.92	100.00	100.00

The ultimate controlling party of the company is Tang Yuxiang.

2.Please refer to the notes VII-1 for details of the company's subsidiaries.

3.Other related parties

Name of other related parties	Relationship with the company
SAILING INTERNATIONAL LEASING LIMITED	Same actual controller
SAILING INTERNATIONAL (UZBEKISTAN) LIMITED	Same actual controller
SAILING INTERNATIONAL (RUSSIA) LIMITED	Same actual controller
Zhengzhou Huizhongzhicheng Education Technology Co.,Ltd.	Same actual controller
Yutong International Holdings Limited	Same actual controller
YUTONG CHILE SPA	Controlled by the same company
YUTONG FRANCE SAS	Controlled by the same company
YUTONG LUXENBOURG S.A.R.L.	Controlled by the same company
YUTONG HOLDCO PTE.LTD.	Controlled by the same company
SINOYUTONG INTERNATIONAL LTD	Controlled by the same company
YUTONG (HK) INTERNATIONAL LIMITED	Controlled by the same company
YUTONG INTERNATIONAL TRADE PTE.LTD.	Controlled by the same company
YUTONG COLOMBIA SAS	Controlled by the same company
YUTONG PANAMA S.A.	Controlled by the same company
YUTONG KAZAKHSTAN LIMITED	Controlled by the same company
YUTONG DE MEXICO S.A. DE C.V.	Controlled by the same company
YUTONG CHILE IQUIQUE SPA	Controlled by the same company
YUTONG SPAIN HOLDCO S.L.	Controlled by the same company

Name of other related parties	Relationship with the company
YUTONG MIDDLE EAST FZE	Controlled by the same company
YUTONG PHILIPPINES CORPORATION	Controlled by the same company
YUTONG TANZANIA	Controlled by the same company
INSTANT ACCESS LIMITED	Controlled by the same company
YUTONG WORLDWIDE FZE	Controlled by the same company
YUTONG RUSSIA LIMITED	Controlled by the same company
AUTOBUSES YUTONG DE VENEZUELA, S.A.	Controlled by the same company
YUTONG HOLDCO CA	Controlled by the same company
YUTONG-ECUADOR S.A.	Controlled by the same company
YUTONG PERU S.A.C.	Controlled by the same company
Zhengzhou Kelin Motor Vehicle Air Conditioning Co.,Ltd.	Controlled by the same company
TOO "QazTehna"	Joint ventures of affiliated companies controlled by the same company

4.Related party transaction

i. For subsidiaries that have a controlling relationship and have been included in the scope of the Company's consolidated financial statements, their mutual transactions and parent-subsidiary transactions have been offset.

ii. Purchase of goods and receiving of service

Related party	Nature of related party transactions	Amount in the current period	Amount in the prior period
Yutong Bus CO.,LTD	Purchase of finished vehicles	10,260,984,925.51	7,207,960,499.23
Yutong Bus CO.,LTD	Purchase of spare parts	274,854,241.19	160,702,315.44
Yutong Bus CO.,LTD	Labor services	22,005,595.50	68,971,974.31
Zhengzhou Kelin Motor Vehicle Air Conditioning Co.,Ltd.	Purchase of spare parts	31,643,424.88	
SAILING INTERNATIONAL LEASING LIMITED	Financing services	37,702,517.93	25,418,427.65
Zhengzhou Huizhongzhicheng Education Technology Co.,Ltd.	Labor services	203,539.83	
Yutong International Holdings Limited	Purchasing goods	37,382,842.14	
YUTONG PANAMA S.A.	Purchase of materials		15,633.71
YUTONG FRANCE SAS	Purchase of materials		1,361,126.02
YUTONG COLOMBIA SAS	Labor services		2,236.66
YUTONG KAZAKHSTAN LIMITED	Purchase of materials		227,903.09
YUTONG DE MEXICO S.A. DE C.V.	Purchase of materials		625,427.08
YUTONG CHILE IQUIQUE SPA	Purchase of materials		1,958.57

Related party	Nature of related party transactions	Amount in the current period	Amount in the prior period
YUTONG MIDDLE EAST FZE	Purchase of materials		83,268.34
Total		10,664,777,086.98	7,465,370,770.10

iii. Sales of goods and rendering of service

Related party	Nature of related party transactions	Amount in the current period	Amount in the prior period
Yutong Bus CO.,LTD	Three packages of services,materials	10,586,974.53	
YUTONG CHILE SPA	Sales of goods	470,903,224.26	46,957,789.21
YUTONG FRANCE SAS	Sales of goods	37,680,342.88	12,634,612.92
YUTONG PANAMA S.A.	Sales of goods	1,174,739.67	968,340.29
YUTONG DE MEXICO S.A. DE C.V.	Sales of goods	619,208,165.17	579,203,553.42
YUTONG COLOMBIA SAS	Sales of goods	1,358,758.46	1,263,976.20
YUTONG (HK) INTERNATIONAL LIMITED	Sales of goods	45,042.15	
YUTONG CHILE IQUIQUE SPA	Sales of goods	3,997,345.74	1,189,374.01
YUTONG KAZAKHSTAN LIMITED	Sales of goods	13,216,776.34	13,433,534.84
YUTONG PHILIPPINES CORPORATION	Sales of goods	11,496,011.90	8,937,934.10
YUTONG MIDDLE EAST FZE	Sales of goods	9,618,515.42	120,089,981.01
INSTANT ACCESS LIMITED	Sales of goods	4,343,715.79	3,739,892.00
YUTONG TANZANIA	Sales of goods	12,763,805.28	3,812,183.09
YUTONG RUSSIA LIMITED	Sales of goods	519,826,726.24	
AUTOBUSES YUTONG DE VENEZUELA, S.A.	Sales of goods	582,589.27	
SAILING INTERNATIONAL (UZBEKISTAN) LIMITED	Sales of goods	51,125,752.30	
SAILING INTERNATIONAL (RUSSIA) LIMITED	Sales of goods	7,013,333.33	
SAILING INTERNATIONAL (RUSSIA) LIMITED	Leasing services	4,563.94	9,130.72
TOO "QazTehna"	Sales of goods	1,361,960,456.43	1,415,272,505.00
Total		3,136,906,839.10	2,207,512,806.81

iv. Related party lending funds

(1) Lending funds to related parties

Related party	Amount in the current period		Amount in the prior period	
	Dismantling	Take back	Dismantling	Take back
Yutong Bus CO.,LTD	92,892,240.46	15,923,092.90	310,816,266.20	300,000,000.00
SINOYUTONG INTERNATIONAL LTD	45,993,126.92		525,880,295.22	
YUTONG DE MEXICO S.A. DE C.V.	252,271,262.05	268,425,272.00	75,803,897.35	19,255,292.00
YUTONG LUXENBOURG S.A.R.L.	231,747.00		155,790.00	

Related party	Amount in the current period		Amount in the prior period	
	Dismantling	Take back	Dismantling	Take back
YUTONG CHILE SPA	2,487,848.23	51,070,522.00	49,163,381.00	
YUTONG (HK) INTERNATIONAL LIMITED	77,787.34	438,233.10	2,013,565.29	21,295,355.38
YUTONG INTERNATIONAL TRADE PTE.LTD.			116,493.93	
YUTONG FRANCE SAS	1,209,257.10			
YUTONG COLOMBIA SAS		668,758.50	695,190.00	
YUTONG KAZAKHSTAN LIMITED	3,134,583.00	712,010.00	2,106,240.00	430,716.00
YUTONG SPAIN HOLDCO S.L.	389,875.00			
YUTONG TANZANIA	1,072,185.00		720,980.00	
YUTONG WORLDWIDE FZE	3,698.35		215,925.42	
YUTONG HOLDCO PTE.LTD.			11,973,378.00	20,681,751.00
YUTONG HOLDCO CA	1,218,496.27			
YUTONG-ECUADOR S.A.	568,737.00			
YUTONG PERU S.A.C.	927,672.00			
YUTONG PHILIPPINES CORPORATION	353,005.44			
AUTOBUSES YUTONG DE VENEZUELA, S.A.	3,379,161.13	1,662,518.58		
YUTONG RUSSIA LIMITED	160,812.36			
Total	406,371,494.65	338,900,407.08	979,661,402.41	361,663,114.38

(2) Capital occupation fee

Related party	Amount in the current period	Amount in the prior period
Yutong Bus CO.,LTD		9,246,666.67
SINOYUTONG INTERNATIONAL LTD	20,080,011.90	23,002,401.22
YUTONG DE MEXICO S.A. DE C.V.	3,582,167.39	31,558.34
YUTONG LUXENBOURG S.A.R.L.	82,971.07	70,965.48
YUTONG CHILE SPA	899,647.07	346,314.24
YUTONG (HK) INTERNATIONAL LIMITED		210,814.99
YUTONG INTERNATIONAL TRADE PTE.LTD.	119,154.71	116,493.93
YUTONG FRANCE SAS		20,529.13
YUTONG COLOMBIA SAS	27,709.92	35,843.30
YUTONG KAZAKHSTAN LIMITED	113,535.45	59,612.41
YUTONG SPAIN HOLDCO S.L.	45,149.60	
AUTOBUSES YUTONG DE VENEZUELA, S.A.	819,477.60	
YUTONG-ECUADOR S.A.	23,141.69	
YUTONG PERU S.A.C.	28,021.75	
YUTONG TANZANIA	81,187.81	

Related party	Amount in the current period	Amount in the prior period
YUTONG HOLDCO CA	4,661.63	
Total	25,906,837.59	33,141,199.71

v. Receivables and payables of related parties

(1) Receivables from related parties

Item	Related party	Closing balance		Opening balance	
		Carrying value	Bad debts	Carrying value	Bad debts
Accounts receivable					
	Yutong Bus CO.,LTD	1,982,660.07		684,022.32	
	YUTONG CHILE SPA	33,586,153.32		48,812,845.98	
	YUTONG FRANCE SAS			13,762,517.40	
	YUTONG PANAMA S.A.	8,042,591.22		6,245,586.48	
	YUTONG COLOMBIA SAS	5,310,035.89		3,858,635.98	
	YUTONG CHILE IQUIQUE SPA	6,215,235.70		1,778,588.36	
	YUTONG KAZAKHSTAN LIMITED	31,417,783.44		16,233,682.91	
	YUTONG MIDDLE EAST FZE	3,071,793.56		3,769,356.91	
	INSTANT ACCESS LIMITED			2,512,706.39	
	YUTONG TANZANIA	17,483,595.60		3,797,898.85	
	YUTONG PHILIPPINES CORPORATION	20,608,439.01		9,157,872.04	
	YUTONG RUSSIA LIMITED	177,523,850.11			
	AUTOBUSES YUTONG DE VENEZUELA, S.A.	37,555,160.65			
	SAILING INTERNATIONAL (UZBEKISTAN) LIMITED	7,510,080.00	375,504.00		
	TOO "QazTehna"	40,469,375.00	2,023,468.75		
Prepayments					
	Yutong Bus CO.,LTD			690,000.00	
interest receivable					
	YUTONG LUXENBOURG S.A.R.L.	318,753.84			
	YUTONG DE MEXICO S.A. DE C.V.	824,170.04			
	SINOYUTONG INTERNATIONAL LTD	20,103,565.76			
	YUTONG COLOMBIA SAS	63,553.22			
	YUTONG INTERNATIONAL TRADE PTE.LTD.	306,566.32			
	YUTONG SPAIN HOLDCO S.L.	45,149.60			
	YUTONG-ECUADOR S.A.	23,141.69			
	YUTONG PERU S.A.C.	28,021.75			
	YUTONG KAZAKHSTAN LIMITED	171,049.70			

Item	Related party	Closing balance		Opening balance	
		Carrying value	Bad debts	Carrying value	Bad debts
	YUTONG TANZANIA	81,187.81			
	YUTONG HOLDCO CA	4,661.63			
Other receivables					
	Yutong Bus CO.,LTD	121,183,753.75		44,059,698.36	
	YUTONG HOLDCO PTE.LTD.	2,773,080.48		2,983,138.10	
	SINOYUTONG INTERNATIONAL LTD	573,419,781.16		526,264,778.94	
	YUTONG (HK) INTERNATIONAL LIMITED	108,685.61		29,264.13	
	YUTONG COLOMBIA SAS	2,444,056.00		2,972,081.98	
	YUTONG LUXENBOURG S.A.R.L.	2,423,275.40		2,530,669.17	
	YUTONG INTERNATIONAL TRADE PTE.LTD.	2,356,045.46		2,526,015.51	
	YUTONG (HK) INTERNATIONAL LIMITED			723,876.09	
	YUTONG SPAIN HOLDCO S.L.	7,235,061.08		6,802,338.92	
	YUTONG DE MEXICO S.A. DE C.V.	40,663,481.10		57,434,789.20	
	YUTONG CHILE SPA	2,497,113.94		50,326,534.03	
	YUTONG KAZAKHSTAN LIMITED	4,600,576.00		2,182,182.49	
	YUTONG WORLDWIDE FZE	218,695.44		212,481.00	
	YUTONG TANZANIA	1,797,100.00		708,270.00	
	AUTOBUSES YUTONG DE VENEZUELA, S.A.	26,304,517.21			
	YUTONG RUSSIA LIMITED	160,812.36			
	YUTONG FRANCE SAS	1,209,257.10			
	YUTONG PHILIPPINES CORPORATION	353,005.44			
	YUTONG-ECUADOR S.A.	575,072.00			
	YUTONG PERU S.A.C.	934,492.00			
	YUTONG HOLDCO CA	1,218,496.27			

(2) Payables to related parties

Item	Related party	Closing balance	Opening balance
Accounts payable			
	Yutong Bus CO.,LTD	2,854,056,226.32	1,848,103,180.87
	SAILING INTERNATIONAL LEASING LIMITED		644,362.80
	YUTONG PANAMA S.A.	304,674.23	15,633.71
	YUTONG DE MEXICO S.A. DE C.V.	1,510,312.61	
	YUTONG FRANCE SAS	2,921,485.55	1,980,094.08
	YUTONG COLOMBIA SAS	23,887.99	2,455.93
	YUTONG TANZANIA	848,958.32	37,430.47

Item	Related party	Closing balance	Opening balance
	YUTONG KAZAKHSTAN LIMITED	2,583,367.69	227,903.09
	YUTONG MIDDLE EAST FZE	929,269.28	4,055.27
	AUTOBUSES YUTONG DE VENEZUELA, S.A.	142,252.04	
	YUTONG RUSSIA LIMITED	30,096.38	
	YUTONG CHILE SPA	799,550.99	
	YUTONG PHILIPPINES CORPORATION	135,115.32	
	YUTONG-ECUADOR S.A.	14,817.09	
	YUTONG PERU S.A.C.	9,964.56	
	INSTANT ACCESS LIMITED	169,495.28	
	Zhengzhou Huizhongzhicheng Education Technology Co.,Ltd.	230,000.00	
	Yutong International Holdings Limited	14,345,977.00	
Contract liabilities			
	YUTONG DE MEXICO S.A. DE C.V.	2,301,008.37	
	YUTONG CHILE SPA	209,314,759.20	
	YUTONG (HK) INTERNATIONAL LIMITED	2,235,862.16	
	INSTANT ACCESS LIMITED	8,870,927.99	
Other payables			
	Yutong Bus CO.,LTD	46,800,590.40	1,395,723.27
	YUTONG CHILE SPA	536,037.52	1,942.78
	AUTOBUSES YUTONG DE VENEZUELA, S.A.	48,536.29	
	YUTONG RUSSIA LIMITED	71,067,526.01	
	YUTONG COLOMBIA SAS	218,779.81	
	YUTONG CHILE IQUIQUE SPA	1,971.78	

IX. Commitments and contingencies

1. Significant commitments

The Company has no material commitments that need to be disclosed.

2. Important contingent event on the balance sheet date

As of December 31, 2024, the Company has no material contingencies that should be disclosed and not disclosed.

X. Subsequent events

As of the approval date of the financial report, the Company has no major post-balance sheet events that should be disclosed and not disclosed.

XI. Notes to major account of the company's financial statements

1. Accounts receivable

i. Accounts receivable disclosed by aging

Aging	Closing balance	Opening balance
Within 1 year	1,366,910,147.51	553,381,364.27
1—2 years	27,562,391.32	17,027,800.62
2—3 years	14,037,232.71	42,247,444.53
3—4 years	30,038,467.64	13,353,931.32
4—5 years	14,111,130.58	14,548,934.56
More than 5 years	34,500,740.48	15,101,312.83
Subtotal	1,487,160,110.24	655,660,788.13
Less: bad debt provision	97,877,756.90	53,683,654.25
Total	1,389,282,353.34	601,977,133.88

ii. Accounts receivable disclosed by provision of bad debts

Category	Closing balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually	49,886,148.26	3.35	36,670,212.43	73.51	13,215,935.83
Bad debt provision assessed by groups	1,437,273,961.98	96.65	61,207,544.47	4.26	1,376,066,417.51
Including: Aging portfolio	1,087,724,061.11	73.15	54,454,942.17	5.01	1,033,269,118.94
High risk portfolio	6,752,602.30	0.45	6,752,602.30	100.00	
Related parties portfolio	342,797,298.57	23.05			342,797,298.57
Total	1,487,160,110.24	100.00	97,877,756.90	6.58	1,389,282,353.34

Continued:

Category	Opening balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually	50,429,451.81	7.69	25,163,248.91	49.90	25,266,202.90
Bad debt provision assessed by groups	605,231,336.32	92.31	28,520,405.34	4.71	576,710,930.98

Category	Opening balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Including:Aging portfolio	453,117,873.34	69.11	22,669,562.12	5.00	430,448,311.22
High risk portfolio	10,460,734.10	1.60	5,850,843.22	55.93	4,609,890.88
Related parties portfolio	141,652,728.88	21.60			141,652,728.88
Total	655,660,788.13	100.00	53,683,654.25	8.19	601,977,133.88

Bad debt provision assessed individually

Company name	Closing balance			
	Book balance	Bad debt provision	Proportion (%)	Reason
KGL Passenger Transport Services	18,261,524.37	5,045,588.54	27.63	Expected unrecoverable
JAC LINER INC	16,078,962.18	16,078,962.18	100.00	Expected unrecoverable
Ecuayutong S.A.	10,368,524.56	10,368,524.56	100.00	Expected unrecoverable
KIGALI BUS SERVICES LTD	5,177,137.15	5,177,137.15	100.00	Expected unrecoverable
Total	49,886,148.26	36,670,212.43		

Bad debt provision assessed by groups

(1) Aging portfolio

Aging portfolio	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Within 1 year	1,087,449,104.81	54,372,455.28	5.00
2—3 years	274,956.30	82,486.89	30.00
Total	1,087,724,061.11	54,454,942.17	

(2) High risk portfolio

High risk portfolio	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
4—5 years	80,425.19	80,425.19	100.00
More than 5 years	6,672,177.11	6,672,177.11	100.00
Total	6,752,602.30	6,752,602.30	

(3) Related parties portfolio

Item	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Related parties within the scope of consolidation	342,797,298.57		

Item	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Total	342,797,298.57		

iii. Provision, recovery or reversal of bad debt provision during the year

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other changes	
Bad debt provision assessed individually	25,163,248.91	12,600,496.48	1,093,532.96			36,670,212.43
Bad debt provision assessed by groups	28,528,506.54	33,843,289.59	35,051.98	1,121,098.48	8,101.20	61,207,544.47
Including: Aging portfolio	22,677,663.32	31,785,380.05			8,101.20	54,454,942.17
High risk portfolio	5,850,843.22	2,057,909.54	35,051.98	1,121,098.48		6,752,602.30
Total	53,691,755.45	46,443,786.07	1,128,584.94	1,121,098.48	8,101.20	97,877,756.90

vi. Accounts receivable written off as at the end of the reporting period

Item	Amount of write-off
Actual write-off of accounts receivable	1,121,098.48

iv. Top five accounts receivable based on debtors

Company name	Accounts receivable Closing balance	Contract assets Closing balance	Accounts receivable and Contract assets Closing balance	Proportion of total balance(%)	Bad debt provision
Pelican-Engineering Co (Sales) Ltd	296,553,500.00		296,553,500.00	19.94	14,827,675.00
SAPTCO	243,250,611.02		243,250,611.02	16.36	12,162,530.55
YUTONG RUSSIA LIMITED	177,523,850.11		177,523,850.11	11.94	
Powerbus srl	145,811,638.60		145,811,638.60	9.80	7,290,581.93
Khaled Juffali Automotive Company	129,004,521.59		129,004,521.59	8.67	6,450,226.08
Total	992,144,121.32		992,144,121.32	66.71	40,731,013.56

2. Other receivables

Item	Closing balance	Opening balance
Interest receivable	21,969,821.36	
Other receivables	825,985,056.75	752,567,893.94
Total	847,954,878.11	752,567,893.94

Note: Other receivables listed in the form listed above refers to other receivables excluding interests receivable and dividends receivable.

i. Interest receivable

Item	Closing balance	Opening balance
Capital occupation fee	21,969,821.36	
Total	21,969,821.36	

i. Other receivables

(1) Aging analysis

Aging	Closing balance	Opening balance
Within 1 year	201,145,142.74	694,613,077.80
1—2 years	573,368,213.22	40,276,497.03
2—3 years	33,143,110.80	3,830,047.86
3—4 years	3,854,531.95	3,369,672.85
4—5 years	3,357,536.97	1,342,852.76
More than 5 years	11,348,370.35	9,200,436.11
Subtotal	826,216,906.03	752,632,584.41
Less: bad debt provision	231,849.28	64,690.47
Total	825,985,056.75	752,567,893.94

(2) Details of classification by nature

Nature	Closing balance	Opening balance
Security deposit	373,098.10	408,550.00
Payment in advance	825,843,807.93	752,224,034.41
Subtotal	826,216,906.03	752,632,584.41
Less: bad debt provision	231,849.28	64,690.47
Total	825,985,056.75	752,567,893.94

(3) Disclosed by bad debt provision methods

Category	Closing balance				Carrying amount
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually					
Bad debt provision assessed by groups	826,216,906.03	100.00	231,849.28	0.03	825,985,056.75
Including: Aging portfolio	3,355,472.99	0.41	231,849.28	6.91	3,123,623.71
Related parties portfolio	822,861,433.04	99.59			822,861,433.04
Total	826,216,906.03	100.00	231,849.28	0.03	825,985,056.75

Continued:

Category	Opening balance		
	Book balance	Bad debt provision	Carrying amount

	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually					
Bad debt provision assessed by groups	752,632,584.41	100.00	64,690.47	0.01	752,567,893.94
Including: Aging portfolio	960,279.82	0.13	64,690.47	6.74	895,589.35
Related parties portfolio	751,672,304.59	99.87			751,672,304.59
Total	752,632,584.41	100.00	64,690.47	0.01	752,567,893.94

Bad debt provision assessed by groups

1) Aging portfolio

Aging portfolio	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Within 1 year	3,128,361.61	156,418.08	5.00
1—2 years	12,135.88	1,213.59	10.00
2—3 years	166,350.70	49,905.21	30.00
3—4 years	48,624.80	24,312.40	50.00
Total	3,355,472.99	231,849.28	

2) Related parties portfolio

Item	Closing balance		
	Book balance	Bad debt provision	Proportion (%)
Related parties within the scope of merger	822,861,433.04		
Total	822,861,433.04		

Provision for bad debts is based on the general model of expected credit losses

Bad debt provision	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	
Opening balance	64,690.47			64,690.47
Opening balance in the current period	—	—	—	—
— Transfer to Stage II				
— Transfer to Stage III				
— Reverse to Stage II				
— Reverse to Stage I				
Provision	167,158.81			167,158.81
Reversal				
Elimination				
Write-off				

Bad debt provision	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	
Other changes				
Closing balance	231,849.28			231,849.28

(4) Provision, recovery or reversal of bad debt provision during the year

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other changes	
Bad debt provision assessed individually						
Bad debt provision assessed by groups	64,690.47	167,158.81				231,849.28
Including: Aging portfolio	64,690.47	167,158.81				231,849.28
Total	64,690.47	167,158.81				231,849.28

(5) Other receivables that have not been written off in this period.

(6) Top five other receivables based on debtors

Company name	Nature	Closing balance	Aging	Proportion to the total closing balance of other receivables (%)	Closing balance of bad debt provision
SINOYUTONG INTERNATIONAL LTD	Payment in advance	573,419,781.16	Within 1 year 1—2 years 2—3 years	69.40	
Yutong Bus CO.,LTD	Payment in advance	121,183,753.75	Within 1 year 1—2 years	14.67	
YUTONG DE MEXICO S.A. DE C.V.	Payment in advance	40,663,481.10	Within 1 year	4.92	
CATHAYA INTERNATIONAL LIMITED	Payment in advance	30,385,075.24	Within 1 year 1—2 years 2—3 years	3.68	
AUTOBUSES YUTONG DE VENEZUELA, S.A.	Payment in advance	26,304,517.21	Within 5 year	3.18	
Total		791,956,608.46		95.85	

3. Long-term equity investments

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries				217,864.22	110,691.00	107,173.22
Total				217,864.22	110,691.00	107,173.22

1. Investment in subsidiaries

Investee	Initial investment cost	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Provision for impairment in the current period	Closing balance of provisions for impairment
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Investee	Initial investment cost	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Provision for impairment in the current period	Closing balance of provisions for impairment
YUTONG RUSSIA LIMITED	76,971.92	76,971.92		76,971.92			
AUTOBUSES YUTONG DE VENEZUELA, S.A.	140,892.30	140,892.30		140,892.30			
Total	217,864.22	217,864.22		217,864.22			

4. Operating revenue and costs of sales

i. Operating revenue and costs of sales

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	10,709,289,149.81	10,794,902,823.98	7,793,885,194.66	7,955,814,230.08
Others	474,104,589.24	309,832,775.22	268,827,175.52	153,975,406.99
Total	11,183,393,739.05	11,104,735,599.20	8,062,712,370.18	8,109,789,637.07

5. Income from investments

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments under cost method		51,009,430.43
Investment income on disposal of long-term equity investments	-26,502.95	-1,609,920.00
Others	-41,033,059.53	-27,391,481.96
合计	-41,059,562.48	22,008,028.47



29 March 2025



河南省企业信用信息公示系统
依法参加企业年度报告



营业执照

(副本)



统一社会信用代码 91410100MA4045WJ94
(1-1)

名称	大华会计师事务所(特殊普通合伙)河南分所
类型	非公司私营企业
营业场所	郑州市管城回族区港湾路1号院金色港湾49号楼2单元16层
负责人	温秋菊
成立日期	2013年01月21日
营业期限	长期
经营范围	审查企业会计报表、出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。 (依法须经批准的项目，经相关部门批准后方可开展经营活动)



登记机关



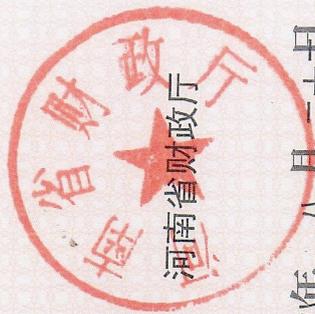
2017年 02月 08日

证书序号: 5003295

说明

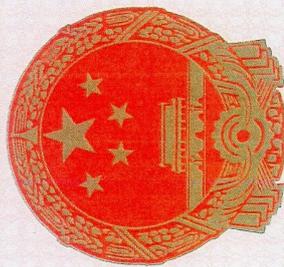
- 1、《会计师事务所分所执业证书》是证明会计师事务所经财政部门依法审批，准予持证分所执行行业的凭证。
- 2、《会计师事务所分所执业证书》记载事项发生变动的，应当向财政部门申请换发。
- 3、《会计师事务所分所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所分所终止或执业许可注销的，应当向财政部门交回《会计师事务所分所执业证书》。

发证机关:



二〇一八年 八月 二十日

中华人民共和国财政部制



会计师事务所分所 执业证书



名称: 大华会计师事务所(特殊普通合伙)河南分所

负责人: 温秋菊

经营场所: 郑州市管城回族区港湾路1号院金色港湾49号楼2单元16层

分所执业证书编号: 110101484101

批准执业文号: 豫财会[2012]55号

批准执业日期: 2012年12月21日



姓名 Full name 李斌
 性别 Sex 男
 出生日期 Date of birth 1981-09-24
 工作单位 Working unit 大华会计师事务所(特殊普通合伙)河南分所
 身份证号码 Identify card No. 411302198109241338



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李斌 110001640070

年 月 日
 /m /d



姓名 赵新琴
 Full name
 性别 女
 Sex
 出生日期 1999-11-19
 Date of birth
 工作单位 大华会计师事务所(特殊普
 Working unit
 通合伙)河南分所
 身份证号码
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