Ningbo Shanshan Co., Ltd.

Announcement on Provision for Asset Impairment

I. Information on the Provision for Asset Impairment

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises and the accounting policies of Ningbo Shanshan Co., Ltd. (the "Company") on the provision for asset impairment and credit impairment, the Company conducted a comprehensive review of each asset at the end of 2023 and made provisions for asset impairment and credit impairment for the impairment in the value of each asset. The provision for asset impairment and provision for credit impairment are announced as follows:

Unit: RMB

Item	Breakdown	Amount of the provision for impairment in 2023	Amount of the provision for impairment collected or reversed in 2023	Total
Provision for asset impairment	Provision for decline in value of inventories	211,046,014.53		211,046,014.53
	Provision for impairment of fixed assets	11,595,336.14		11,595,336.14
	Provision for impairment			

II. The Impact on the Financial Condition of the Company

During the current period, the Company's consolidated statements made provisions for asset impairment and credit impairment of RMB1,134,236,881.07 and collected or reversed RMB692,631,568.47, which would in total reduce the Company's total profit for 2023 by RMB441,605,312.60.

5 Provision for impairment of goodwill

In accordance with the Accounting Standards for Business Enterprises No. 8 – Impairment of Assets, the Company's subsidiary Huzhou Shanshan New Energy Technology Co., Ltd. intends to initiate shutdown procedures. The management conducted an impairment testing on the asset group including goodwill, and recognized goodwill impairment losses for the difference between the recoverable amount and the book value. An impairment provision of RMB128,044,702.20 was made for the current period.

after accounting, the Company prepared the table for comparing the aging of accounts receivable and other receivables and lifetime expected credit loss rates with reference to historical credit loss experience and the current conditions and forecast of future economic conditions to calculate expected credit losses, and made a provision for bad debts of RMB746,104,754.32 for the current period, and collected or reversed RMB691,812,544.28, of which: provision for bad debts of accounts receivable was RMB716,118,162.55, with RMB685,289,832.79 collected or reversed, and provision for bad debts of other receivables was RMB29,986,591.77, with RMB6,522,711.49 reversed or recovered, which would reduce the Company's total profit under consolidated statement for 2023 by RMB54,292,210.04.

3. Provision for impairment of long-term receivables due within one year

The subsidiary Inner Mongolia Qingshan Automobile Co., Ltd.