



FAW JIEFANG GROUP CO., LTD

Semi-annual Report 2025

August 2025

Section I Important Notes, Contents and Definitions

The Board of Directors and Board of Supervisors, as well as directors, supervisors and senior executives of the Company guarantee that the contents of the semi-annual report are true, accurate and complete, there is no false record, misleading statement or major omission, and shall bear individual and joint legal responsibilities.

Li Sheng, the person in charge of the Company, Yu Changxin, the person in charge of the work related to accounting, and Yang Li, the person in charge of the accounting organization (chief accountant) declare that they guarantee the authenticity, accuracy and completeness of the financial report in this semi-annual report.

Except for the following directors, others attended the board meeting to review the semi-annual report in person.

Names of Directors Not Present in Person	Positions of Directors Not Present in Person	Reasons for Not Present in Person	Name of the Trustee
Yu Changxin	Director	Work	Li Sheng

This semi-annual report involves prospective statements such as future plans, and does not constitute a substantial commitment of the Company to investors. Investors and relevant individuals should maintain sufficient risk awareness and understand the differences between plans, forecasts, and commitments.

The Company has described in detail the possible risks and countermeasures for its future development in the section of Management

Discussion and Analysis. Investors are kindly requested to pay attention to relevant contents. China Securities Journal, Securities Times and CNINFO (<http://www.cninfo.com.cn>) are the designated information disclosure media selected by the Company. All information of the Company is subject to that published in the above selected media. Investors are kindly requested to pay attention to investment risks.

The Company does not plan to pay cash dividends or bonus shares, or convert reserves into share capital.

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List of Documents for Future Reference

(I) Financial statements were signed and sealed by the person in charge of the Company, the person in charge of accounting and the person in charge of the accounting organization (chief accountant).

(II) Originals of all company documents and announcements publicly disclosed during the reporting period.

Interpretation

Item	Refers to	Definition
Company, the Company, FAW Jiefang	Refers to	FAW Jiefang Group Co., Ltd.
Jiefang Limited	Refers to	FAW Jiefang Automotive Co., Ltd.
Jiefang Group International	Refers to	FAW Jiefang Group International Automobile Co., Ltd.
FAW Africa	Refers to	FAW (Africa) Investment Co., Ltd.
Tanzania Ltd.	Refers to	Jiefang Motors Tanzania Ltd.
FAW Group	Refers to	China FAW Group Co., Ltd.
FAW	Refers to	China FAW Co., Ltd.
FAW Car	Refers to	FAW Car Co., Ltd.
FAW Bestune	Refers to	FAW Bestune Auto Co., Ltd.
Finance company	Refers to	First Automobile Finance Co., Ltd.
Board of Directors	Refers to	Board of Directors of FAW Jiefang Group Co., Ltd.
Shareholders' meeting	Refers to	Shareholders' Meeting of FAW Jiefang Group Co., Ltd.
Board of Supervisors	Refers to	Board of Supervisors of FAW Jiefang Group Co., Ltd.
Ministry of Finance	Refers to	Ministry of Finance of the People's Republic of China
China Securities Regulatory Commission	Refers to	China Securities Regulatory Commission (CSRC)
China Securities Depository and Clearing Corporation Limited (CSDC)	Refers to	Shenzhen Branch, China Securities Depository and Clearing Corporation Limited
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
Articles of Association	Refers to	Articles of Association of FAW Jiefang Group Co., Ltd.
Reporting Period	Refers to	January 1, 2025 - June 30, 2025
CNY, CNY 10,000, CNY 100 million	Refers to	CNY, CNY 10,000, CNY 100 million

Section II Company Profile and Main Financial Indicators

I. Company Profile

Stock abbreviation	FAW Jiefang	Stock code	000800
Stock exchanges on which shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	FAW Jiefang Group Co., Ltd.		
Chinese abbreviation of the Company	FAW Jiefang		
English name of the Company	FAW Jiefang Group Co., Ltd.		
English abbreviation of the Company	FAW Jiefang		
Legal representative of the Company	Li Sheng		

II. Contact Person and Contact Information

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Wang Jianxun	Yang Yuxin
Address	No.2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province	No.2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province
Tel.	0431-80918881 0431-80918882	0431-80918881 0431-80918882
Fax	0431-80918883	0431-80918883
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III. Other Information

1. Company Contact Information

Whether the registered address, office address and postal code, website and e-mail address of the Company have changed in the reporting period

☐Applicable ☒Not applicable

The registered address, office address and postal code, website and e-mail address of the Company have not changed in the reporting period, please refer to the Annual Report 2024 for details.

2. Information Disclosure and Preparation Location

Whether the information disclosure and preparation location has changed in the reporting period

☐Applicable ☒Not applicable

There are no changes in the name and website of the stock exchange and media where the Company discloses its semi-annual report, as well as the preparation location of the Company's semi-annual report during the reporting period. For details, please refer to the 2024 Annual Report.

3. Other Relevant Data

Whether other relevant data has changed in the reporting period

☐Applicable ☒Not applicable

IV. Main Accounting Data and Financial Indicators

Whether the Company needs to retroactively adjust or restate the accounting data of previous years

☒Yes ☐No

Reasons for the retroactive adjustment or restatement

Business combination under common control

	This reporting period	Same Period of Last Year		Increase/Decrease in This Reporting Period over the Same Period of Last Year
		Before adjustment	After adjustment	After adjustment
Operating income (CNY)	28,078,705,058.07	35,602,292,639.46	36,465,688,621.29	-23.00%
Net profit attributable to	19,655,810.39	478,251,870.50	506,807,530.06	-96.12%

shareholders of the listed company (CNY)				
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (CNY)	-376,637,639.18	283,875,823.95	283,875,823.95	-232.68%
Net cash flows from operating activities (CNY)	7,635,289,020.71	4,240,930,055.62	4,420,911,705.11	72.71%
Basic earnings per Share (CNY/share)	0.0040	0.1034	0.1096	-96.35%
Diluted earnings per Share (CNY/share)	0.0040	0.1034	0.1096	-96.35%
Weighted average return on equity	0.08%	1.93%	2.06%	Reduced by 1.89%
	At the End of This Reporting Period	At the End of Last Year		Increase/Decrease at the End of This Reporting Period over the End of Last Year
		Before adjustment	After adjustment	After adjustment
Total assets (CNY)	79,662,592,787.61	72,749,219,016.61	72,749,219,016.61	9.50%
Net assets attributable to	26,141,053,583.57	26,317,926,062.66	26,317,926,062.66	-0.67%

shareholders of the listed company (CNY)				
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V. Differences in Accounting Data under Domestic and Foreign Accounting Standards

1. Differences in net profits and net assets in the financial report are disclosed simultaneously according to the international accounting standards and China accounting standards

☐Applicable ☒Not applicable

In the reporting period of the Company, there is no difference in net profits and net assets in the financial report disclosed according to the international accounting standards and China accounting standards.

2. Differences in net profits and net assets in the financial report disclosed simultaneously according to foreign accounting standards and China accounting standards

☐Applicable ☒Not applicable

In the reporting period of the Company, there is no difference in net profits and net assets in the financial report disclosed according to foreign accounting standards and China accounting standards.

VI. Items and Amounts of Non-recurring Profit and Loss

☒Applicable ☐Not applicable

Unit: CNY

Item	Amount	Description
Profits or losses on disposal of non-current assets (including the write-off part of the provision for impairment of assets made)	154,614,688.74	It refers to the net gain on disposal of non-current assets.
Government subsidies included in the current profit or loss (except those closely related to the Company's normal operations, conforming to the State policies and regulations and	311,937,333.71	

enjoyed in line with the specified standards, and having a continuous impact on the profit or loss of the Company)		
Reversal of impairment provision for receivables subject to separate impairment test	1,802,060.86	The reversal of impairment provision for receivables subject to separate impairment test.
Non-operating income and expenses other than the above	9,661,615.98	The net non-operating income and expenses.
Less: amount affected by income tax	81,725,953.01	
Amount affected by minority shareholder's equity (after-tax)	-3,703.29	
Total	396,293,449.57	

Specific conditions of other profit and loss items meeting the definition of non-recurring profit and loss:

☐Applicable ☒Not applicable

There are no specific conditions of profit and loss items meeting definition of non-recurring profit and loss for the Company.

Explanation on defining the non-recurring profit and loss items listed in the Explanatory Announcement No.1 on Information Disclosure by Companies Issuing Securities Publicly - Non-recurring Profit and Loss as recurring profit and loss items

☐Applicable ☒Not applicable

The Company does not define the non-recurring profit and loss items listed in the Explanatory Announcement No.1 on Information Disclosure by Companies Issuing Securities Publicly - Non-recurring Profit and Loss as recurring profit and loss items.

Section III Management Discussion and Analysis

I. Main Businesses of the Company in the Reporting Period

(I) Main business

The Company is a commercial vehicle manufacturer that produces heavy, medium and light trucks, and buses, as well as core components such as engines, transmissions and axles, and has a complete manufacturing system covering raw materials, core components, key large assemblies and complete vehicles. The products of the Company are mainly used in market segments such as traction, cargo carrying, dumping, special purposes, highway passenger transport, bus passenger transport, etc., and the Company also provides standardized and customized commercial vehicle products.

The Company is committed to becoming “China’s first and world-class” provider of green and intelligent transportation solutions, focusing on the main production lines, insisting on innovation-driven and reform-driven strategies, and creating a leading trend. Main business, products, and business model of the Company were not changed significantly in the reporting period.

(II) Industry Overview of the Company

In the first half of 2025, the market demand for medium and heavy trucks in China was about 599,000 units, with a year-on-year growth rate of 4.2%. The domestic traditional demand remained basically flat. The accessible market demand for light trucks was about 321,000 units, registering a year-on-year increase of 12.7%. Overseas demand witnessed its first decline in recent years, dropping by 8%. The demand for new energy vehicles reached about 160,000 units, achieving a substantial year-on-year growth of 136%. Overall, industry demand showed a structural divergence characterized by stability in the domestic market, a slight decline overseas, and rapid growth in new energy. Domestically, due to weak demand, price competition has become even more intense.

The commercial vehicle industry is experiencing moderate growth, but factors such as the competition in the saturated domestic market, the race for opportunities in fragmented markets, the strategic competition in overseas exports, the positioning in the transition to new energy, and

the value contest of technologies and solutions are overlapping and intertwining, indicating that the industry is undergoing a stage of deep adjustment and unprecedented turbulence.

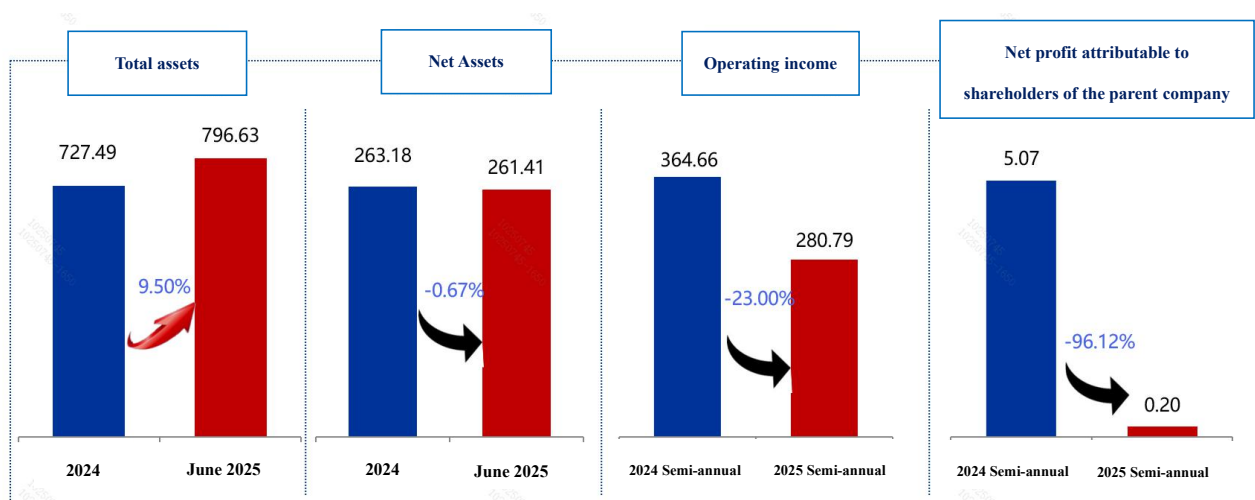
The Company's products are mainly medium and heavy trucks, and light trucks. Energy types cover diesel, natural gas, pure electric, fuel-electric, and hybrid; sales regions cover domestic and overseas markets. Products are developed on shared platforms to meet market and customer needs. Medium and heavy trucks include 12 main product series, such as J7, J6V, and Yingzhen.

(III) Operation

Since the beginning of this year, competition in the commercial vehicle market has intensified, with the industry overall entering a stage of stock-based competition. Meanwhile, the energy structure is transitioning rapidly, and products are showing structural differentiation, among other overlapping factors. Facing unprecedented challenges, the Company pressed forward under pressure and overcame difficulties, actively planning and optimizing business strategies. Following the annual work plan firmly, it fully implemented the “project-based system” and vigorously promoted the “Seven Spirits,” achieving positive results in business operations and reform and development. In the first half of 2025, the Company maintained the leading domestic market share for medium and heavy trucks, while overseas exports effectively expanded toward a more balanced market distribution.

As of June 30, 2025, the Company's total assets amounted to CNY 79.663 billion, representing a year-on-year increase of 9.50%, and the net assets attributable to shareholders of the listed company were CNY 26.141 billion, representing a year-on-year decrease of 0.67%. During the reporting period, operating revenue reached CNY 28.079 billion, a year-on-year decrease of 23.00%; the net profit attributable to the parent company was CNY 20 million, a year-on-year decrease of 96.12%.

Unit: CNY 100 million



Note: All data in the chart are in CNY 100 million.

In the second half of the year, the Company will firmly implement its strategy and annual work plan, adhere to a customer-centric approach, pursue excellence through innovation and quality, balance both volume and profitability, and focus on “quality-driven growth” in operations. The Company will reform work styles, maintain composure, boost morale, mobilize all employees for a full-scale effort, act with determination, accelerate the reversal of all adverse situations, strive to achieve the annual business targets, and secure even greater results in the final battle of the 14th Five-Year Plan.

II. Analysis of Core Competitiveness

The Company adheres to the corporate vision of “being the most proud commercial vehicle enterprise and the most trustworthy commercial vehicle brand”, the mission of “becoming China’s first and world-class provider of green and intelligent transportation solutions and building a more prosperous society”; the Company takes products and services as the main task, customers and employees as the foundation, innovation and reform as the driving force; the Company focuses on industry trends and customer needs, and rapidly enhances product competitiveness and service levels.

1. Product R&D: The Company possesses China’s most powerful independent R&D system for commercial vehicles. Guided by “leading technology, pioneering experience, integrated innovation, enhanced application, and collaborative efficiency,” the Company has built a comprehensive independent R&D system in China, covering forward-looking technologies, engines, transmissions, axles, and complete vehicles, and has formed an efficient and

collaborative R&D team of over 3,000 people. The Company has the Xianhu National Key Laboratory, an Academician Workstation, and the Wuxi Postdoctoral Workstation. It possesses five core capabilities: technological innovation, performance development, lean design, pilot testing, and experimental certification, and has established five technical platforms: energy-saving and environmental protection, safety and comfort, reliability and durability, electronic control and intelligence, and materials and processes. It is the only commercial vehicle enterprise in China that masters the core technologies of world-class complete vehicles and the three major powertrains, and has passed ISO9001 and IATF16949 quality system certifications. It also serves as a national-level independent automobile product R&D and test certification base. The Company has established Changchun as its global R&D headquarters, with R&D capabilities for light, medium, and heavy trucks in Qingdao; engine R&D bases in Wuxi and Dalian; and advanced technology R&D departments in Steyr, Austria and Munich, Germany, forming a global R&D layout of “four countries and nine locations.” In recent years, by accurately understanding the demand in segmented markets, the Company has successfully developed ten core product technology advantages, including fuel efficiency, extended oil change intervals, lightweight design, independent major components, autonomous electronic control, autonomous after-treatment, new energy, intelligent driving, long-term durability, and maintenance-free features. These achievements have enabled the Company to maintain a leading position in the highly competitive market.

2. Marketing and procurement: Adhering to customer value orientation, the Company has taken the lead in establishing a comprehensive marketing service system. The three sales companies - Changchun Medium and Heavy Truck, Qingdao Medium and Heavy Truck, and Light Truck - are supported by a nationwide marketing service network comprising nearly 1,000 dealers, over 1,800 service providers, more than 230 parts suppliers, and nearly 100 parts centers. This network covers over 260 prefecture-level cities, with a 99% coverage rate in cities with more than 1,000 vehicle capacity, and an average national service radius of 48.5 kilometers, representing an industry-leading level and providing customers with 24-hour all-weather efficient and high-quality services. The Company is committed to integrating global high-quality resources to provide a strong guarantee for the high reliability of Jiefang trucks. In recent years, the Company has become strategic partners with top enterprises at home and abroad, including

Huawei, Knorr-Bremse, ZF, Shell, Bosch, CATL, VOSS, China Unicom, CATARC, and Xiamen C&D.

3. Production and manufacturing: The Company has the most complete manufacturing system in China from raw materials to core components, from key assemblies to complete vehicles, and its processing and manufacturing depth ranks the top in the industry. The Company operates five major vehicle manufacturing bases in Changchun, Qingdao, Guanghan, Liuzhou, and Foshan, with a production capacity of about 418,000 units. It also maintains three major powertrain component manufacturing bases in Changchun, Wuxi, and Dalian, independently controlling the core competitiveness and production capabilities of engines, transmissions, and axles within the smart powertrain domain. The product competitiveness is at an advanced level. Among these facilities, the Wuxi Diesel Engine Factory features three major product series - Aowei, Bowei, and Jinwei - achieving world-class manufacturing standards. Besides, the Company has been deeply engaged in four major fields: intelligent vehicles, new energy, Internet of Vehicles, and the aftermarket, and has established six new business bases in Suzhou, Nanjing, Tianjin, Wuxi, Shijiazhuang, and Foshan.

4. Overseas: The Company is implementing its internationalization strategy and making every effort to expand overseas markets. At present, its exports cover 100 countries and regions worldwide, forming a multi-level layout with Southeast Asia, Africa, Latin America, the Middle East, Eastern Europe and Central Asia as the foundation, while gradually penetrating Japan, South Korea, and the high-end European markets. The Company has continued to accelerate its global expansion, establishing FAW Jiefang International in 2024, completing the acquisitions of FAW South Africa Investment and Tanzania Company, and in December 2024, launching the “SPRINT2030” internationalization strategy at the Global Partners Conference. This strategy comprehensively sets out six international initiatives: global presence, multi-brand operations, technology leadership, business innovation, win-win cooperation, and people-oriented development. At present, the Company has more than 120 primary distributors and nearly 300 service outlets worldwide. The Company has established overseas subsidiaries in countries such as South Africa and Tanzania, and exports models including J7, J6, JH6, and Tiger V. Meanwhile, the Company is continuously accelerating localized overseas operations. In 2025, it will initiate the establishment of subsidiaries in eight countries, including Uzbekistan, Indonesia, Vietnam, and Saudi Arabia, to fully support the implementation of its internationalization strategy.

5. New energy: Its product portfolio covers five major lines: tractors, dump trucks, cargo trucks, SPVs and buses. These product lines encompass three major technological routes: EVs, FCVs and hybrid vehicles, achieving full coverage of key segment markets for new energy commercial vehicles, such as steel mills, coal and slag. Product development adheres to a user-oriented approach, aiming to meet market demand and address user pain points. It focuses on the “three-low and one-high” core competitiveness - low cost, low self-weight, low energy consumption, and high reliability - as well as differentiated competitiveness characterized by long endurance, low-temperature resistance, high intelligence, and high comfort, continuously iterating and upgrading its products and technologies. In terms of core technology, the Company has achieved integration across three critical areas: vehicle architecture, vehicle control software, and assembly interface. This integration significantly improves development efficiency. The Company harnesses technologies such as efficient energy recovery and scenario-based calibration to significantly reduce energy consumption. Moreover, the application of assembly technology incorporates a dual-wheel drive system that combines independent core assemblies with external high-quality social resources, enabling complementary advantages. By continuously exploring and applying new products, technologies and processes, the Company aims to maintain a leading position in both new energy technology and new energy products in the market. By continuously exploring and applying new products, technologies, and processes, the Company continuously maintains FAW Jiefang’s new energy products at a leading technical and product position in the market.

III. Analysis of Main Business

General

See relevant contents of “I. Main Businesses of the Company in the Reporting Period”.

Year-on-Year Changes of Main Financial Data

Unit: CNY

	This reporting period	Same Period of Last Year	Year-on-year increase and decrease	Reason for Change
Operating income	28,078,705,058.07	36,465,688,621.29	-23.00%	
Operating Costs	26,840,562,485.53	34,355,216,264.53	-21.87%	

Sales expenses	472,042,436.11	520,770,818.03	-9.36%	
Administrative expenses	605,966,739.38	749,958,633.22	-19.20%	
Financial expenses	-252,849,223.59	-410,085,699.92	38.34%	Mainly due to the decrease in interest income and the increase in foreign exchange losses in the current period.
Income tax expenses	-175,154,040.98	-148,541,602.52	-17.92%	
R&D investment	1,001,811,547.24	1,249,527,872.33	-19.82%	
Net cash flows from operating activities	7,635,289,020.71	4,420,911,705.11	72.71%	Mainly due to the increase in cash received from sales of goods and rendering of services in the current period.
Net cash flows from investment activities	-162,885,381.88	-779,697,145.28	79.11%	Mainly due to an increase in cash received from investment gains and a decrease in cash paid for investments during the period.
Net cash flows from financing activities	-248,323,979.67	-705,678,116.75	64.81%	Mainly due to a decrease in cash dividends distributed during the current period.
Net increase in cash and cash equivalents	7,231,688,786.55	2,942,820,578.09	145.74%	Mainly due to the increase in cash received from sales of goods and rendering of services in the current period.
Monetary capital	27,226,459,877.13	19,852,961,021.66	37.14%	Mainly due to the increase in cash and cash equivalents in the current period.
Financial assets held for trading	5,102,739.73	0.00	N/A	Mainly due to interest income

				accrued from structured deposits.
Notes receivable	300,000.00	2,641,582.80	-88.64%	Mainly due to the decrease in bank acceptance bills held at the end of the period.
Accounts receivable financing	6,250,344,325.45	10,019,816,248.98	-37.62%	Mainly due to the decrease in bank acceptance bills held at the end of the period.
Notes payable	21,803,140,258.04	15,370,906,363.16	41.85%	Mainly due to the increase in notes payable in the current period.
Employee compensation payable	421,898,208.98	1,043,554,896.06	-59.57%	Mainly due to the decrease in employee compensation payable in the current period.
Current portion of non-current liabilities	12,714,703.34	29,941,701.02	-57.54%	Mainly due to the decrease in the current portion of non-current liabilities.
Lease liabilities	7,387,319.62	27,431,600.64	-73.07%	Mainly due to the decrease in lease payments in the current period.
Treasury shares	0.00	6,246,851.73	-100.00%	Mainly due to the repurchase and cancellation under the restricted stock incentive plan in the current period.
Other comprehensive incomes	-43,400,118.30	-96,912,346.71	55.22%	Mainly due to the increase in other comprehensive income in the current period.
Taxes and surcharges	138,903,052.31	105,812,766.58	31.27%	Mainly due to the increase in taxes and

				surcharges in the current period.
Other income	524,635,067.40	353,779,659.32	48.29%	Mainly due to the increase in government grants and additional VAT deductions recognized in the current period.
Investment income	-30,115,859.77	101,886,844.66	-129.56%	Mainly due to the decrease in investment income in the current period.
Credit impairment loss	-30,655,705.99	-8,593,082.48	256.75%	Mainly due to the increase in impairment provision of receivables in the current period.
Impairment loss on assets	-151,608,226.07	-108,034,774.17	40.33%	Mainly due to the increase in impairment provision for inventories in the current period.
Income from assets disposal	154,614,688.74	746,088.82	20,623.36%	Mainly due to the increase in gains from assets disposal in the current period.
Non-operating income	11,324,153.35	28,106,223.95	-59.71%	Mainly due to the decrease in non-operating income in the current period.
Non-operating expenses	1,662,537.37	3,783,791.81	-56.06%	Mainly due to the decrease in non-operating expenses in the current period.
Net after-tax amount of other comprehensive income	61,192,422.39	134,961.61	45,240.61%	Mainly due to the increase in fair value of investments in other equity instruments in the current period.

Significant changes in the Company's profit composition or source during the reporting period

☐Applicable ☒Not applicable

No significant changes in the Company's profit composition or source during the reporting period.

Composition of operating income

Unit: CNY

	This reporting period		Same Period of Last Year		Year-on-year increase and decrease
	Amount	Proportion in Operating Income	Amount	Proportion in Operating Income	
Total operating income	28,078,705,058.07	100%	36,465,688,621.29	100%	-23.00%
By industries					
Automobile industry	28,078,705,058.07	100.00%	36,465,688,621.29	100.00%	-23.00%
By products					
Commercial vehicles	26,082,500,525.92	92.89%	34,560,180,525.91	94.77%	-24.53%
Spare parts and others	1,996,204,532.15	7.11%	1,905,508,095.38	5.23%	4.76%

Information on industries, products or regions accounting for more than 10% of the Company's operating income or operating profit

☒Applicable ☐Not applicable

Unit: CNY

	Operating income	Operating Costs	Gross Profit Rate	Increase/Decrease of Operating Income over the Same Period of Last Year	Increase/Decrease of Operating Cost over the Same Period of Last Year	Increase/Decrease of Gross Profit Rate over the Same Period of Last Year
By industries						
Autom	27,347,477,621.24	26,277,912,207.22	3.91%	-23.28%	-22.04%	-1.53%

obile industr y						
By products						
Comme rcial vehicle s	26,082,500,525.92	25,172,475,133.81	3.49%	-22.27%	-20.00%	-2.74%
Spare parts and others	1,264,977,095.32	1,105,437,073.41	12.61%	-39.44%	-50.59%	19.73%

The main business data of the Company is adjusted at the end of the latest reporting period if the statistical caliber of the Company's main business data is adjusted in the reporting period

☐Applicable ☒Not applicable

IV. Analysis of Non-main Business

☐Applicable ☒Not applicable

V. Analysis of Assets and Liabilities

1. Major changes in asset composition

Unit: CNY

	At the End of This Reporting Period		End of Last Year		Increas e/Decre ase in Proport ion	Desc ription of Maj or Cha nges
	Amount	Proportio n in Total Assets	Amount	Proportio n in Total Assets		
Monetary capital	27,226,459,877.13	34.18%	19,852,961,021.66	27.29%	6.89%	
Accounts receivable	8,413,701,687.51	10.56%	7,067,296,142.54	9.71%	0.85%	
Contract assets	14,535,632.85	0.02%	14,455,542.05	0.02%	0.00%	
Inventories	12,268,923,565.48	15.40%	10,117,213,109.97	13.91%	1.49%	
Investment properties	47,178,054.55	0.06%	52,835,976.31	0.07%	-0.01%	

Long-term equity investments	1,161,550,784.02	1.46%	1,176,288,461.09	1.62%	-0.16%	
Fixed assets	10,608,424,359.95	13.32%	11,198,300,572.20	15.39%	-2.07%	
Project under construction	762,817,790.85	0.96%	688,181,815.22	0.95%	0.01%	
Right-of-use assets	86,146,431.81	0.11%	104,360,320.57	0.14%	-0.03%	
Contract liabilities	2,489,872,513.67	3.13%	2,430,554,164.50	3.34%	-0.21%	
Lease liabilities	7,387,319.62	0.01%	27,431,600.64	0.04%	-0.03%	

2. Main overseas assets

☐Applicable ☒Not applicable

3. Assets and liabilities measured at fair value

☒Applicable ☐Not applicable

Unit: CNY

Item	Beginning balance	Profits and losses from changes in fair value for the current period	Accumulated changes in fair value through equity	Provision for impairment in the current period	Purchase amount in the current period	Sale amount in the current period	Other changes	Closing balance
Financial assets								
1. Investment in other equity instruments	540,066,528.00		49,563,864.00					589,630,392.00
Total	540,066,528.00		49,563,864.00					589,630,392.00
Financial liabilities	0.00							0.00

Content of other changes

Whether the measurement attribution of the Company's main assets within the Reporting Period was significantly changed or not

☐Yes ☒No

4. Restrictions on asset rights as of the end of the reporting period

For details, please refer to Note 24 "Assets with restricted ownership or use right" in Part VII "Notes to Items in Consolidated Financial Statements" of Section VIII - Financial Report.

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

☒Applicable ☐Not applicable

Investment Amount in the Reporting Period (CNY)	Investment Amount in the Same Period of Previous Year (CNY)	Variation range
0.00	4,900,000.00	-100.00%

2. Major equity investments acquired in the reporting period

☐Applicable ☒Not applicable

3. Major non-equity investments in progress in the reporting period

☐Applicable ☒Not applicable

4. Financial assets investment**(1) Securities investment**

☐Applicable ☒Not applicable

The Company has no securities investment in the reporting period.

(2) Derivatives investment

☐Applicable ☒Not applicable

The Company has no derivative investment in the reporting period.

5. Use of proceeds

☒Applicable ☐Not applicable

(1) Use of proceeds

☑Applicable ☐Not applicable

Unit: CNY 10,000

Fundraising year	Fundraising method	Securities listing date	Gross of proceeds	Net of proceeds (1)	Gross of proceeds utilized during current reporting period	Cumulative utilized proceeds (2)	Utilization rate as of the end of reporting period (3) = (2)/(1)	Gross of proceeds repurchased during reporting period	Cumulative gross of proceeds repurchased	Percentage of cumulative gross of proceeds repurchased	Total unused gross of proceeds	Allocation and intended use of unused proceeds	Amount of proceeds unutilized for over two years
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2024	Private placement of shares	October 21, 2024	200,000	199,781.34	11,762.14	197,323.69	98.77%	0	0	0.00%	2,648.92	The funds are held in a dedicated fundraising account, with a segment currently allocated for cash management.	0
Total	--	--	200,000	199,781.34	11,762.14	197,323.69	98.77%	0	0	0.00%	2,648.92	--	0
Description on use of proceeds													
As approved by the China Securities Regulatory Commission in its “Reply on Approving FAW Jiefang Group Co., Ltd.’s Private Placement of Shares Registration” (CSRC Permit [2024] No.972) and with consent from the Shenzhen Stock Exchange, the Company issued 298,507,462 ordinary shares (A shares) to specific investors through the Shenzhen Stock Exchange system via the lead underwriter China International Capital Corporation Limited (hereinafter “CICC”), at an issue price of CNY 6.7 per share. The gross proceeds totaled CNY 1,999,999,995.40,													

and after deducting issuance expenses of CNY 2,186,599.36 (excluding VAT), the net proceeds amounted to CNY 1,997,813,396.04. The above net proceeds have been verified by Grant Thornton Certified Public Accountants (Special General Partnership) in their “Verification Report.”

As of June 30, 2025, the Company has cumulatively invested CNY 1,973,236,858.68 of the proceeds into the fundraising projects, with a remaining balance of CNY 26,489,160.94 (including pending payment of issuance expenses and interest income). Of this balance, CNY 20,000,000.00 has been allocated for temporary cash management, while CNY 6,489,160.94 remains unused in the dedicated proceeds accounts.

On April 29, 2025, the Company held the 25th meeting of the 10th Board of Directors and the 21st meeting of the 10th Board of Supervisors, during which the “Proposal on the Postponement of Certain Fundraising Investment Projects” was reviewed and approved. In light of the actual construction progress of the fundraising investment projects, and with no change to the implementing entities, locations, investment purposes, or total committed fundraising investment amounts, it was agreed to postpone the completion date of the fundraising project “FAW Jiefang Wuxi R&D Base Construction Project” to June 30, 2026, and to postpone the completion date of the fundraising project “FAW Jiefang Transmission Division Axle Base Construction Project and Heavy-Duty Replacement Axle Technology Upgrade (Phase I)” to April 30, 2025.

As of June 30, 2025, the following projects have been completed with no surplus funds: FAW Jiefang Commercial Vehicle 2022 New Energy Intelligent Connected R&D Capability Enhancement Project; FAW Jiefang Qingdao Base R&D Capability Enhancement Project; FAW Jiefang Qingdao Vehicle Division Light Vehicle Frame Business Integration and Technology Upgrade Project; FAW Jiefang Qingdao Vehicle Division Jimo Factory Sheet Metal Stamping Capacity Expansion Project; FAW Jiefang Qingdao Vehicle Division Cab Painting Line Environmental Protection Technology Upgrade Project; FAW Jiefang Transmission Division Integrated Heavy-duty AMT Transmission Technology Transformation Project; New 13L and M Series Engine Shared Production Line Technology Transformation Project; and FAW Jiefang Transmission Division Axle Base Construction Project and Heavy-Duty Replacement Axle Technology Upgrade (Phase I) Project.

(2) Proceeds allocation to committed projects

☐Applicable ☒Not applicable

(3) Changes to proceeds-funded projects

☐Applicable ☒Not applicable

The Company had no changes to proceeds-funded projects during the reporting period.

VII. Sales of Major Assets and Equity

1. Sale of major assets

☒Applicable ☐Not applicable

Counterparty	Assets Sold	Date of Sale	Transaction Price (CNY 10,000)	Net Profit Contributed by the Asset to the Listed Company from the Beginning of the Current Period to the Date of Sale (CNY 10,000)	Effect of Sale on the Company	Proportion of Net Profit Contributed by Asset Sales to the Listed Company in the Total Net Profit	Pr ic in g Pr in ci pl e of A ss et S al e	R el at ed P ar ty Tr an sa ct io n or N ot	Relat ion sh ip with the Coun terpar ty (Appl icabl e to Relat ed Party Trans action)	Whet her All Prope rty Right s of the Asset s Invol ved Have been Trans ferre d	Whet her All Credi ts and Debts Invol ved Have been Trans ferre d	Whether Impleme nted as Schedule d. If Not, Provide the Reasons and the Measure s Taken by the Compan y	Date of Disclos ure	Disclosure Index
Sanhe Sub-district Office, Xindu District People's Government, Chengdu	Relevant buildings, land, and ancillary facilities of FAW Jiefang Automotive	March 31, 2025	21,506.21	15,646.77	This expropriation is part of government planning. The land and buildings were expropriated to meet the construction needs of the Chengdu Ring Ecological Zone. As a passive	382.87%	Asset appraisal pricing	No	N/A	Yes	Yes	Yes	March 08, 2025	https://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=gssz0000800&stockCode=000800&announcementId=1222743269&announcementTime=2025-03-

	Co., Ltd., located in Xindu District , Cheng du				transaction, the Company has actively responded to the government's ecological protection planning and cooperated with the implementation of this work. It is expected that this will not affect the normal production and operations of the Company and FAW Jiefang Co., Ltd.									08
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2. Sale of major equity

☐Applicable ☒Not applicable

VIII. Analysis on Principal Holding and Joint-stock Companies

☒Applicable ☐Not applicable

Major subsidiaries and joint-stock companies affecting over 10% net profit of the Company

Unit: CNY 100 million

Company Name	Company Type	Main business	Registered Capital	Total Assets	Net Assets	Operating income	Operating Profit	Net Profit
FAW Jiefang	Subsidiaries	Development,	108.03	594.48	183.63	179.12	1.30	3.60

Automotive Co., Ltd.		manufacturing and sales of vehicles and parts						
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Acquisition and disposal of subsidiaries in the reporting period

☐Applicable ☒Not applicable

Description of main holding and joint-stock companies: none

IX. Structured Entities Controlled by the Company

☐Applicable ☒Not applicable

X. Risks Faced by the Company and Countermeasures

(1) Market competition risk

The domestic commercial vehicle market, particularly in the heavy-duty truck segment, is highly competitive. Leading enterprises leverage strong brand equity, robust R&D capabilities, and extensive sales channels to continuously consolidate their advantages. They not only optimize product performance but also meet diversified market demands by launching new energy vehicles and intelligent connected products. Meanwhile, numerous capable companies and cross-industry competitors are actively competing in niche markets to capture market share. In this context, the Company faces challenges of product homogeneity and intense price competition. If differentiated products are not launched in a timely manner, the Company may be at a disadvantage in market competition. The likelihood of engaging in price wars increases, market share may be eroded, and the current advantages in the market are challenged.

(2) New Energy Market Risk

The new energy commercial vehicle market is rapidly developing, with penetration continuously increasing. The R&D of new energy commercial vehicles requires significant investment of capital and human resources, and technologies are rapidly evolving. If the Company cannot keep pace with industry technological developments, it may face deficiencies in areas such as battery range, charging infrastructure, and intelligent applications, making it difficult to meet consumers' performance expectations for new energy commercial vehicles. Additionally, market promotion and after-sales services for new energy commercial vehicles also present challenges. Insufficient preparation in these areas may result in low consumer recognition of the Company's new energy products, adversely affecting product sales and market share, and causing the Company to miss opportunities in the new energy market.

(3) Policy change risk

Policies at both the national and local levels for the commercial vehicle industry are frequently adjusted. In terms of environmental regulations, the gradual implementation of the National VII emission standards imposes higher requirements on vehicle exhaust emissions,

necessitating significant investment in technological upgrades to meet the new standards. Regarding traffic rights, some cities provide greater access privileges to new energy commercial vehicles while restricting the operating areas and times for traditional fuel commercial vehicles. Failure to respond effectively to policy changes may result in product compliance risks, making it impossible to sell or operate products in certain regions. Meanwhile, changes in policy subsidies can affect the market price of new energy commercial vehicles and consumers' purchasing intentions, posing challenges to the Company's sales strategies and funding costs.

(4) Overseas Market Risk

The overseas market is becoming increasingly important for commercial vehicle enterprises, and the Company may face various obstacles in expanding abroad. First, sluggish global economic growth and declining market demand in certain countries and regions make commercial vehicle exports more difficult. Second, the rise of trade protectionism, with some countries imposing trade barriers or raising tariffs, restricts the import of foreign commercial vehicles, impacting the Company's overseas market deployment. Third, differences in regulatory standards, cultural habits, and market demands across countries and regions pose challenges. If the Company fails to understand and adapt to these differences, it may struggle to meet local market requirements in product development, marketing, and after-sales service, thereby affecting its competitiveness in overseas markets.

To address the above risks, the Company has formulated the following measures:

1. Strengthen R&D innovation and differentiation strategy. Increase R&D investment and reinforce specialized R&D teams, focusing on cutting-edge technologies such as new energy and intelligent systems to develop products with unique advantages. Conduct in-depth market research and, targeting different market segments, launch differentiated products to meet customers' personalized needs, enhance product added value, and improve market competitiveness.

2. Accelerate the new energy transformation and deployment. Continuously improve new energy business, clarifying technological routes and development goals. Establish strategic partnerships with key collaborators, optimize the supply chain system, and reduce the cost of new energy products. Strengthen market promotion and after-sales services for new energy products, establish a comprehensive after-sales network, promptly address issues encountered by customers, and enhance customer satisfaction and brand reputation.

3. Strengthen policy monitoring and response research. Continuously track national and local policy developments, thoroughly interpret regulations, and proactively anticipate their impact on the Company's business. Adjust company strategies and product planning in a timely manner according to policy changes to ensure products comply with regulations and to actively seek policy support.

4. Optimize overseas market expansion strategies. Conduct overseas market research to gain a thorough understanding of the target markets' economic conditions, regulatory standards, cultural habits, and market demands, and formulate targeted strategies. Strengthen cooperation with local dealers and partners, fully utilize local resources, and establish localized production, sales, and after-sales service systems to improve product adaptability and market responsiveness. Actively address trade barriers and enhance communication and coordination with industry associations and government authorities to safeguard the Company's legitimate rights and interests in overseas markets.

5. Enhance internal management efficiency. Strengthen internal collaboration within the Company to improve work efficiency, establish a scientific management and control system, and motivate employees' initiative and innovation. Strengthen cost management, optimize production processes, reduce production and operating costs, and improve the Company's profitability and risk resistance.

XI. Implementation Status of Market Capitalization Management System and Valuation Enhancement Plan

Whether the Company established a market capitalization management system.

☒Yes ☐No

Whether the Company disclosed a valuation enhancement plan.

☐Yes ☒No

In accordance with Article 8 of the "Regulatory Guidelines for Listed Companies No.10 - Market Capitalization Management" issued by the China Securities Regulatory Commission, which stipulates that "Companies included in major indices shall establish a market capitalization management system..." As a constituent of the CSI 300 Index, the Company has formulated a "Market Capitalization Management System" in accordance with relevant regulations. The main contents include: General Provisions, Market Capitalization Management Organizations and Personnel, Principal Methods of Market Capitalization Management, Monitoring and Early

Warning Mechanisms and Emergency Measures, and Supplementary Provisions. On December 26, 2024, the company's 21st meeting of the 10th Board of Directors reviewed and approved the "Proposal on Establishing the 'Market Capitalization Management System'".

XII. Implementation of the "Improvement of Both Quality and Return" Action Plan

Whether the Company disclosed the "Improvement of Both Quality and Return" action plan.

☒Yes ☐No

The "Improvement of Both Quality and Return" action plan is prepared in order to implement the guiding ideologies of "activating the capital market and boosting investors' confidence" as proposed at the meeting of the Political Bureau of the Central Committee of the CPC and of "vigorously improving the quality and investment value of listed companies, taking more powerful and effective measures, and focusing on market stability and confidence stability" as proposed in the executive meeting of the State Council, safeguard the interests of all shareholders, enhance the investors' confidence and promote the long-term sound and sustainable development of the Company. For details, please refer to the Announcement on the "Improvement of Both Quality and Return" Action Plan published by the Company in the Securities Times, China Securities Journal and CNINFO (<http://www.cninfo.com.cn>) on March 2, 2024.

The Company consistently prioritizes high-quality development as its core theme. It is committed to advancing its main business and aspires to establish itself as a leading brand. The Company places a strong emphasis on product leadership, continuously innovating and driving reforms. It actively pursues the mastery of key core technologies, constantly striving to conquer new frontiers. It is accelerating towards its goal of becoming "China's first and world-class" green and intelligent transportation solution provider, as well as a century-old national automobile brand. The Company constantly consolidates its corporate governance structure, improves its internal control system, promotes the standardized and efficient operation of the "shareholders' meeting, Board of Directors and Board of Supervisors", and gives full play to the role of various governance subjects, thus ensuring scientific and effective decision-making. The Company strictly abides by laws, regulations and regulatory agency provisions, continuously improves the information disclosure quality, highlights the importance and pertinence of information disclosure,

fully demonstrates the intrinsic value of the Company, and provides investors with an objective decision-making basis.

The Company actively responds to national policies to strengthen capital market development and enhance investor returns. Taking into account the Company's actual situation, the 2024 annual profit distribution plan is formulated as follows: Based on 4,921,280,975 shares of the Company, a cash dividend of CNY 0.50 (tax inclusive) will be distributed to all shareholders for every 10 shares held, totaling CNY 246,064,048.75 (tax inclusive). The remaining undistributed profits will be carried forward to the next accounting year. The Company does not convert its capital reserves into share capital. The ex-dividend date for this distribution is set for June 17, 2025.

Besides, the Company attaches great importance to investor relations management. Through multiple channels such as public announcements, broker strategy meetings, investor communications, interactive platforms, telephone, and email, the Company ensures effective communication with investors and establishes a transparent and efficient communication platform. On March 31, 2025, the Company held the 2024 annual performance communication meeting in Beijing; on April 14, it held the 2024 annual performance briefing; and on May 27, it participated in the "2025 Jilin Region Listed Companies Online Investor Reception Day" event. The Company's management addressed investors' concerns comprehensively and showcased the Company's image and potential from multiple dimensions.

Section IV Corporate Governance, Environment, and Social Responsibility

I. Changes in Directors, Supervisors and Senior Management of the Company

☒Applicable ☐Not applicable

Name	Position	Type	Date	Reason
Yu Changxin	Director	Elected	March 06, 2025	
Xu Haigen	Employee Supervisor	Departure from office	March 17, 2025	Statutory retirement
Li Risheng	Employee Supervisor	Elected	March 26, 2025	
Qiao Xiaobing	Employee Supervisor	Elected	March 26, 2025	
Wang Zhiyu	Deputy General Manager	Appointed	May 26, 2025	

Note:

1. On February 19, 2025, the Company disclosed the “Announcement on the Election of Non-independent Directors,” nominating Mr. Chang Xin as a candidate for non-independent director of the Company. This matter was approved at the first extraordinary shareholders’ meeting of 2025 held on March 6, 2025.

2. On March 18, 2025, the Company disclosed the “Announcement on Resignation of Supervisors,” stating that Mr. Xu Haigen resigned from his position as Company Supervisor upon reaching the statutory retirement age.

3. On March 27, 2025, the Company disclosed the “Announcement on the By-election of Employee Supervisors of the Board of Supervisors,” electing Mr. Li Risheng and Mr. Qiao Xiaobing as Employee Supervisors of the Company’s Board of Supervisors.

4. At the 26th meeting of the 10th Board of Directors held on May 26, 2025, the proposal on the appointment of the Company’s Deputy General Manager was reviewed and approved, appointing Mr. Wang Zhiyu as Deputy General Manager of the Company.

For details, please refer to the announcements by the Company in the Securities Times, China Securities Journal and CNINFO (<http://www.cninfo.com.cn>).

II. Profit Distribution and Transfer from Capital Reserve to Share Capital in the Reporting Period

☐Applicable ☒Not applicable

The Company does not plan to pay cash dividends or bonus shares, or convert reserves into share capital in the first half of the year.

III. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

☒Applicable ☐Not applicable

1. Equity incentive

On March 28, 2025, the Company held the 24th Meeting of the 10th Board of Directors and the 20th Meeting of the 10th Board of Supervisors respectively, which reviewed and approved the “Proposal on Unfulfilling Conditions for Releasing Restricted Share for the Third Release Period of Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares and Adjustment of Repurchase Price,” agreeing to repurchase and cancel the restricted stocks of 30 incentive participants who did not satisfy the release conditions, totaling 1,090,201 shares. On April 18, 2025, the proposal was reviewed and approved at the Company's 2024 Annual Shareholders' Meeting. The Company has completed the above-mentioned repurchase and cancellation of shares, and disclosed the “Announcement on the Completion of Repurchase and Cancellation of Some Restricted Shares” on June 10, 2025.

For details of the above proposals, please refer to the relevant announcements published by the Company in Securities Times, China Securities Journal and CNINFO (<http://www.cninfo.com.cn>).

2. Implementation of employee stock ownership plan

☐Applicable ☒Not applicable

3. Other employee incentives

☐Applicable ☒Not applicable

IV. Environmental Information Disclosure

Whether the listed company and its major subsidiaries are included in the list of enterprises required by law to disclose environmental information

☒Yes ☐No

Number of enterprises included in the list of companies required by law to disclose environmental information		11
S/N	Name of the Enterprise	Index for Querying Environmental Information Disclosure Reports
1	FAW Jiefang Automotive Co., Ltd. (Truck Factory)	http://36.135.7.198:9015/index
2	FAW Jiefang Automotive Co., Ltd. Transmission Branch	http://36.135.7.198:9015/index
3	FAW Jiefang Automotive Co., Ltd. Transmission Branch (Old Axle Workshop Area)	http://36.135.7.198:9015/index
4	FAW Jiefang Automotive Co., Ltd. Engine Branch	http://36.135.7.198:9015/index
5	FAW Jiefang Automotive Co., Ltd. Changchun Intelligent Bus Branch	http://36.135.7.198:9015/index
6	FAW Jiefang (Qingdao) Automotive Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370200163567343M
7	Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2F%2Fspsarchive-webapp%2Fweb%2Fsps%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&year=2024&ticket=afb38e3df4574504854e00c9791d4ce4&versionId=DF7D0088C75C4C6C904C47CAA1415FD1&spCode=3202000200003045
8	Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2F%2Fspsarchive-webapp%2Fweb%2Fsps%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&year=2024&ticket=5eced a49250740bdb947c7917c006a64&versionId=E4F8C5FCD30846819DFE

		434B9F89B016&spCode=3202060200040894
9	FAW Jiefang Automotive Co., Ltd. Sichuan Branch	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510681MABQ7AKG4Y&uniqueCode=ef29d76e7549427c&date=2024&type=true&isSearch=true
10	FAW Jiefang Automotive Co., Ltd. Chengdu Branch	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510114746407720B&uniqueCode=d17812444b6e628b&date=2024&type=true&isSearch=true
11	FAW Jiefang Dalian Diesel Engine Co., Ltd.	https://sthj.deing.cn:8180/Public/Enter/682078508085253

V. Social Responsibility

In the first half of 2025, FAW Jiefang actively responded to the national Rural Revitalization Strategy, thoroughly implemented designated assistance work, leveraged its resource advantages, and focused on supporting the counterpart county - Zhenlai County in Jilin Province. Through dispatching personnel, consumption-based assistance, talent empowerment, and other forms, the Company promoted economic development in the assisted areas according to local conditions and circumstances, advancing rural revitalization and creating a new rhythm of rural prosperity.

Section V Important Matters

I. Commitments Made by the Company's Actual Controllers, Shareholders, Related Parties, Purchasers and the Company to Interested Parties that will be Fulfilled in the Reporting Period, and Commitments not Fulfilled by the End of the Reporting Period

☒Applicable ☐Not applicable

Reasons for Commitment	Committed by	Commitment Type	Commitments	Date	Commitment Period	Performance
Commitments made during asset restructuring	Relevant directors, supervisors and senior officers of listed companies (Wu Bilei, Li Sheng, Wang Hao, Liu Yanchang, Deng Weigong, Chen Hua, Han Fangming, Mao Zhihong, Dong Zhonglang, Li Ying, Xu Haigen, Wang Lijun, Duan Yinghui, Yu Changxin, Ji Yizhi, Wang Jianyu, Wang Jianxun)	Other commitments	If I hold shares in FAW Jiefang prior to this restructuring, I will not reduce my FAW Jiefang shareholdings through direct or indirect means from the date of the first disclosure of this transaction by FAW Jiefang until its completion, nor do I have any plans to reduce FAW Jiefang shares. During this period, if I receive additional shares due to FAW Jiefang's issuance of bonus shares, conversion of capital reserves into share capital, or other such events, I will also abide by the aforementioned arrangements. If the China Securities Regulatory Commission and the Shenzhen Stock Exchange implement new regulations regarding share reduction, I will also strictly comply with such relevant regulations.	October 22, 2024	To the completion of implementation	The transfer procedures for the target assets involved in this transaction have been fully completed. On April 28, 2025, the Company disclosed the "Announcement on the Completion of Transfer of Target Assets in Major Asset Disposal and Related Party Transaction." The Company no longer holds equity in FAW Finance Co., Ltd.
Commitment	China FAW Co.,	Other	From the date of the first	October	To the	

s made during asset restructuring	Ltd.	commitments	disclosure of FAW Jiefang's restructuring until its completion, the Company will not reduce its FAW Jiefang shareholdings, nor does it have any plans to reduce FAW Jiefang shares. During this period, if the Company receive additional shares due to FAW Jiefang's issuance of bonus shares, conversion of capital reserves into share capital, or other such events, I will also abide by the aforementioned arrangements. If the China Securities Regulatory Commission and the Shenzhen Stock Exchange implement new regulations regarding share reduction, the Company will also strictly comply with such relevant regulations.	r 22, 2024	completion of implementation	
Commitments made during asset restructuring	China FAW Co., Ltd.	Other commitments	1. The Company shall exercise shareholder rights in accordance with relevant laws, regulations, and the Articles of Association of the listed company, without exceeding its authority to interfere in the operation and management of the listed company, and without infringing upon the interests of the listed company; 2. From the date of this commitment until the completion of the listed	October 29, 2024	To the completion of implementation	

			company's current restructuring, if the Shenzhen Stock Exchange issues new regulatory provisions regarding supplementary return measures and their commitments, and the above commitments cannot satisfy such provisions, the Company undertakes to issue supplementary commitments in accordance with the latest provisions of the Exchange; 3. If the Company violates or refuses to fulfill the above commitments resulting in losses to the listed company, the Company will bear legal responsibility for compensation, and agrees to accept relevant penalties or management measures in accordance with regulations and rules established or issued by the China Securities Regulatory Commission, the Shenzhen Stock Exchange, and other securities regulatory authorities.			
Commitments made during asset restructuring	FAW Bestune Auto Co., Ltd.	Other commitments	From the date of the first disclosure of FAW Jiefang's restructuring until its completion, the Company will not reduce its FAW Jiefang shareholdings, nor does it have any plans to reduce FAW Jiefang shares.	October 22, 2024	To the completion of implementation	

			During this period, if the Company receive additional shares due to FAW Jiefang's issuance of bonus shares, conversion of capital reserves into share capital, or other such events, I will also abide by the aforementioned arrangements. If the China Securities Regulatory Commission and the Shenzhen Stock Exchange implement new regulations regarding share reduction, the Company will also strictly comply with such relevant regulations.			
Whether the commitment is fulfilled on time	Yes					
If the commitment is not fulfilled within the time limit, the specific reasons for the failure and the next work plan shall be explained in detail	N/A					

II. Non-operating Occupation of Funds by Controlling Shareholders and Other Related Parties to the Listed Company

☐Applicable ☒Not applicable

During the reporting period, there was no non-operating occupation of funds by controlling shareholders and other related parties.

III. Illegal External Guarantee

☐Applicable ☒Not applicable

The Company has no illegal external guarantee in the reporting period.

IV. Appointment and Dismissal of Accounting Firm

Has the semi-annual financial report been audited

☐Yes ☒No

The semi-annual report of the Company is not audited.

V. Description of the Board of Directors and the Board of Supervisors on the “Non-standard Audit Report” of the Accounting Firm in the Reporting Period

☐Applicable ☒Not applicable

VI. Description of the Board of Directors on the “Non-standard Audit Report” of the Last Year

☐Applicable ☒Not applicable

VII. Matters Related to Bankruptcy Reorganization

☐Applicable ☒Not applicable

The Company has no matters related to bankruptcy reorganization in the reporting period.

VIII. Litigation Matters

Major litigation and arbitration matters

☐Applicable ☒Not applicable

The Company has no major litigation or arbitration matter in the reporting period.

Other litigation matters

☒Applicable ☐Not applicable

Basic Information about Litigation (Arbitration)	Amount Involved (CNY 10,000)	Estimated liabilities formed or not	Progress of Litigation (Arbitration)	Litigation (Arbitration) Results and Impact	Implementation of Litigation (Arbitration) Judgment	Date of Disclosure	Disclosure Index
Summary of other	7,944.71	Including estimated	Case not closed	No significant	The case was not		

litigation not reaching the major disclosure standard		liabilities of CNY 35,026,900		t impact	closed by the end of the reporting period		
	501.46	No	Case closed	No significant impact	Judgment has been made or the execution has been completed		

IX. Punishment and Rectification

☐Applicable ☒Not applicable

The Company has no punishment or rectification in the reporting period.

X. Integrity of the Company and Its Controlling Shareholders and Actual Controllers

☐Applicable ☒Not applicable

XI. Major Related Transactions

1. Related transactions related to daily operations

☐Applicable ☒Not applicable

No related-party transactions related to daily operations occurred during the reporting period.

2. Related transactions arising from the acquisition and sale of assets or equity

☐Applicable ☒Not applicable

The Company has no related transactions arising from the acquisition and sale of assets or equity in the reporting period.

3. Related transactions of joint foreign investment

☐Applicable ☒Not applicable

The Company has no related transactions of joint foreign investment in the reporting period.

4. Related credit and debt transactions☒Applicable ☐Not applicable

Whether there are non-operating related credit and debt transactions

☐Yes ☒No

The Company has no non-operating related credit and debt transactions in the reporting period.

5. Transaction with related finance companies☒Applicable ☐Not applicable**Deposit Business**

Related Parties	Correlation	Maximum Daily Deposit Limit (CNY 10,000)	Deposit Interest Rate Range	Opening Balance (CNY 10,000)	Amount Incurred in Current Period		Ending Balance (CNY 10,000)
					Total Deposit Amount in the Current Period (CNY 10,000)	Total Withdrawal Amount in the Current Period (CNY 10,000)	
First Automobile Finance Co., Ltd.	The same ultimate controlling party	3,000,000	0.03%-2%	887,137.51	21,083,150.88	21,093,050.85	877,237.54

Credit Granting or Other Financial Businesses

Related Parties	Correlation	Business Type	Total Amount (CNY 10,000)	Actual Amount Incurred (CNY 10,000)
First Automobile Finance Co., Ltd.	The same ultimate controlling party	Other financial businesses	1,530,000	85,761.16

6. Transactions between finance companies controlled by the Company and related parties☐Applicable ☒Not applicable

There is no deposit, loan, credit granting or other financial businesses between the finance companies controlled by the Company and related parties.

7. Other major related transactions☒Applicable ☐Not applicable

On February 18, 2025, the 22nd meeting of the 10th Board of Directors of the Company reviewed and approved the “Proposal on the Estimated Amount of Daily Related Transactions for 2025,” the “Proposal on the Estimated Amount of Financial Business with FAW Finance Co., Ltd. for 2025,” and the “Proposal on Signing the Financial Services Framework Agreement with FAW Finance Co., Ltd.,” which were subsequently reviewed and approved by the first extraordinary shareholders’ meeting of the Company in 2025.

Relevant Inquiries on Disclosure Website of Interim Report of Major Related Transactions

Name of Temporary Announcement	Disclosure Date of Temporary Announcement	Name of Temporary Announcement Disclosure Website
Announcement on estimated amount of daily related transactions in 2025	February 19, 2025	CNINFO (http://www.cninfo.com.cn)
Announcement on estimated amount of financial business with First Automobile Finance Co., Ltd. in 2025	February 19, 2025	CNINFO (http://www.cninfo.com.cn)
Announcement on Signing Financial Service Framework Agreement and Related Party Transactions with First Automobile Finance Co., Ltd.	February 19, 2025	CNINFO (http://www.cninfo.com.cn)

XII. Major Contracts and Their Performance

1. Trusteeship, contracting and lease

(1) Trusteeship

☐Applicable ☒Not applicable

There is no trusteeship made by the Company in the reporting period.

(2) Contracting

☐Applicable ☒Not applicable

There is no contracting made by the Company in the reporting period.

(3) Lease

☒Applicable ☐Not applicable

Description of lease

For details of the Company's operating leases, please refer to Notes 15 "Investment Property," 16 "Fixed Assets," and 20 "Right-of-Use Assets" in Part VII "Notes to Items in Consolidated Financial Statements" of Section VIII "Financial Report," and Note 5 "Related Party Transactions" in Part XIII "Related Parties and Related Transactions."

Projects that bring about profits and losses exceeding 10% of the total profit of the Company in the reporting period

☐Applicable ☒Not applicable

The Company has no leasing project that brings about profits and losses exceeding 10% of the total profit of the Company in the reporting period.

2. Major guarantees

☐Applicable ☒Not applicable

The Company has no major guarantees in the reporting period.

3. Entrusted financial management

☒Applicable ☐Not applicable

Unit: CNY 10,000

Type	Source of Funds for Entrusted Wealth Management	Amount of Entrusted Wealth Management Transactions	Outstanding Balance	Amount of Overdue Receivables	Impairment Provision for Overdue Entrusted Wealth Management
Bank Wealth Management Products	Own Funds	2,220,000	0	0	0
Total		2,220,000	0	0	0

Details of High-Risk Entrusted Wealth Management Products with Large Exposure, Low Security, or Limited Liquidity

☐Applicable ☒Not applicable

Situations Where Entrusted Wealth Management Is Expected to Incur Principal Losses or Other Events May Trigger Impairment

☐Applicable ☒Not applicable

4. Other major contracts

☐Applicable ☒Not applicable

The Company has no other major contracts in the reporting period.

XIII. Other Major Matters to be Explained

☐Applicable ☒Not applicable

There are no other major matters to be explained by the Company in the reporting period.

XIV. Major Events of Subsidiaries

☐Applicable ☒Not applicable

Section VI Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

Unit: share

	Before the Change		Increase/Decrease Made by the Change (+, -)					After the Change	
	Qty.	Scale	Issue of New Shares	Bonus shares	Share Transferred from Accumulation Fund	Others	Subtotal	Qty.	Scale
I. Restricted shares	300,017,695	6.09%				-299,597,403	-299,597,403	420,292	0.01%
1. Shares held by the state									
2. Shares held by the state-owned legal person	135,820,894	2.76%				-135,820,894	-135,820,894		
3. Shares held by other domestic enterprises	147,480,384	3.00%				-147,060,092	-147,060,092	420,292	0.01%
Including: shares held by domestic legal person	145,970,151	2.97%				-145,970,151	-145,970,151		
Shares held by domestic natural person	1,510,233	0.03%				-1,089,941	-1,089,941	420,292	0.01%
4. Shares held by foreign enterprises	16,716,417	0.34%				-16,716,417	-16,716,417		
Including: shares held by overseas legal person	16,716,417	0.34%				-16,716,417	-16,716,417		
Shares held by overseas natural person									

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II. Unrestricted shares	4,622,353,481	93.91%				298,507,202	298,507,202	4,920,860,683	99.99%
1. CNY ordinary shares	4,622,353,481	93.91%				298,507,202	298,507,202	4,920,860,683	99.99%
2. Foreign shares listed in China									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	4,922,371,176	100.00%				-1,090,201	-1,090,201	4,921,280,975	100.00%

Reasons for changes in shares

☒Applicable ☐Not applicable

During the reporting period, the Company failed to achieve the performance assessment objectives set for the third release period of the reserved shares under the Phase I restricted share incentive plan, and a total of 1,090,201 shares were repurchased and canceled due to some incentive recipients serving as employee supervisors or other reasons.

Approval of share changes

☒Applicable ☐Not applicable

On March 28, 2025, the 24th meeting of the 10th Board of Directors and the 20th meeting of the 10th Board of Supervisors of the Company reviewed and approved the “Proposal on the Failure to Achieve the Conditions for the Third Release Period of the Reserved Shares under the Phase I Restricted Share Incentive Plan, and on the Repurchase and Cancellation of Certain Restricted Shares and Adjustment of Repurchase Price,” with a total of 1,090,201 restricted shares repurchased and canceled. On April 18, 2025, the proposal was reviewed and approved at the Company’s 2024 Annual Shareholders’ Meeting.

Transfer of shares changes

☒Applicable ☐Not applicable

On June 03, 2025, the Company submitted relevant registration materials to CDSC for 1,090,201 shares involved in equity incentive repurchase and cancellation. On June 06, 2025, CSDC issued the Confirmation of Securities Transfer Registration to the Company, and the total share capital of the Company was reduced to 4,921,280,975 shares.

Implementation progress of share repurchase

☒Applicable ☐Not applicable

The Company has completed the above-mentioned repurchase and cancellation of shares, and disclosed the “Announcement on the Completion of Repurchase and Cancellation of Some Restricted Shares” on June 10, 2025.

Implementation progress of reducing repurchased shares by centralized bidding

☐Applicable ☒Not applicable

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

☒Applicable ☐Not applicable

In the reporting period, the share capital of the Company decreased by 1,090,201 shares, which had little impact on the Company's financial indicators such as basic earnings per share, diluted earnings per share, and net assets per share attributable to shareholders with ordinary shares of the Company.

Other information disclosed as deemed necessary by the Company or required by the securities regulatory authority

☐Applicable ☒Not applicable

2. Changes in restricted shares

☒Applicable ☐Not applicable

Unit: share

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Restricted Shares Released in the Current Period	Number of Restricted Shares Increased in the Current Period	Number of Restricted Shares at the End of the Period	Reason for Restriction	Release Date
National Manufacturing Transformation and Upgrading Fund Co., Ltd.	67,164,179	67,164,179			Non-public offering	April 21, 2025
Lord Abbett China Asset Management Co., Ltd.	57,611,940	57,611,940			Non-public offering	April 21, 2025
Jilin Province Private Equity Co., Ltd.	46,268,656	46,268,656			Non-public offering	April 21, 2025
Caitong Fund Management Co., Ltd.	30,447,765	30,447,765			Non-public offering	April 21, 2025
AEGON-INDUSTRIAL Fund Management Co., Ltd.	25,074,626	25,074,626			Non-public offering	April 21, 2025

Jilin Province Yandong State-Owned Capital Investment Co., Ltd.	22,388,059	22,388,059			Non-public offering	April 21, 2025
UBS AG	16,716,417	16,716,417			Non-public offering	April 21, 2025
Jilin Changbai Mountain Private Fund Management Co., Ltd. - Jilin Province Qianheng Investment Partnership (Limited Partnership)	16,417,910	16,417,910			Non-public offering	April 21, 2025
Changchun Equity Investment Fund Management Co., Ltd. - Changchun Changxing Equity Investment Fund Partnership (Limited Partnership)	16,417,910	16,417,910			Non-public offering	April 21, 2025
Other Senior Executives and Personnel	1,510,233	1,139,099	49,158	420,292	Executive lockup	The shares held are released from restriction annually in accordance with relevant regulations.
Total	300,017,695	299,646,561	49,158	420,292	--	--

II. Issuance and Listing of Securities

☐Applicable ☒Not applicable

III. Number of Shareholders and Shareholdings of the Company

Unit: share

Total Number of Shareholders with Ordinary Shares at the End of the Reporting Period		78,324		Total Number of Shareholders with Preferred Shares with Restored Voting Rights at the End of the Reporting Period			0	
Shareholdings of Shareholders Holding More than 5% of the Shares or Top 10 Shareholders (Excluding Shares Lent through Securities Refinancing).								
Name of Shareholder	Natu re of Shar ehol ders	Share proportio n	Number of Shares Held at the End of the Reporting Period	Increase and Decrease in the Reporting Period	Num ber of Rest ricted Shar es Held	Num ber of Unre strict ed Shar es Held	Pledge, Marking or Freezing	
							Status of Shares	Qty .
China FAW Co., Ltd.	State - own ed legal pers on	62.19%	3,060,649,901	0	0	0	N/A	0
FAW Bestune Auto Co., Ltd.	State - own ed legal pers on	15.94%	784,500,000	0	0	0	N/A	0
National Manufacturing Transformat ion and Upgrading Fund Co., Ltd.	State - own ed legal pers on	1.36%	67,164,179	0	0	0	N/A	0
Jilin Province Private Equity Co., Ltd.	State - own ed legal	0.94%	46,268,656	0	0	0	N/A	0

	pers on							
Hong Kong Securities Clearing Company Ltd.	Over seas legal pers on	0.77%	38,106,115	-22,367,578	0	0	N/A	0
Qu Hongzhen	Over seas natu ral pers on	0.73%	36,096,590	0	0	0	N/A	0
Jilin Province Yandong State-Owned Capital Investment Co., Ltd.	State - own ed legal pers on	0.45%	22,388,059	0	0	0	N/A	0
Industrial and Commercial Bank of China Co., Ltd.-Huatai-PineBridge CSI 300 Trading Open Index Securities Investment Fund	Othe rs	0.36%	17,613,200	826,600	0	0	N/A	0
Changchun Equity Investment Fund Managemen t Co., Ltd. - Changchun Changxing Equity Investment Fund Partnership	Othe rs	0.33%	16,417,910	0	0	0	N/A	0

(Limited Partnership)								
Duanmu Xiaoyi	Domestic natural person	0.32%	15,761,031	11,141,731	0	0	N/A	0
Strategic investors or general legal persons who become the top 10 shareholders due to the issuance of new shares		Among the above shareholders, National Manufacturing Transformation and Upgrading Fund Co., Ltd., Jilin Province Private Equity Co., Ltd., Jilin Province Yandong State-Owned Capital Investment Co., Ltd., and Changchun Equity Investment Fund Management Co., Ltd. - Changchun Changxing Equity Investment Fund Partnership (Limited Partnership), among other investors, became the Company’s top ten shareholders as a result of the Company’s non-public issuance of shares to specific targets.						
Description of correlation or concerted action of the above shareholders		Among the above shareholders, FAW Bestune is a holding subsidiary of FAW, and is a person acting in concert as specified in the Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.						
Description of involvement of the above shareholders in entrusting/entrusted voting rights and waiving voting rights		N/A						
Special description of the existence of repurchase dedicated accounts among the top 10 shareholders		N/A						
Shareholding of the Top 10 Shareholders with Unrestricted Shares (Excluding Shares Lent via Margin Trading and Locked-up Shares of Senior Executives)								
Name of Shareholder			Number of Unrestricted Shares Held at the End of the Reporting Period	Type of Shares				
				Type of Shares		Qty.		
China FAW Co., Ltd.			3,060,649,901.00	CNY ordinary shares		3,060,649,901.00		
FAW Bestune Auto Co., Ltd.			784,500,000.00	CNY ordinary shares		784,500,000.00		

National Manufacturing Transformation and Upgrading Fund Co., Ltd.	67,164,179.00	CNY ordinary shares	67,164,179.00
Jilin Province Private Equity Co., Ltd.	46,268,656.00	CNY ordinary shares	46,268,656.00
Hong Kong Securities Clearing Company Ltd.	38,106,115.00	CNY ordinary shares	38,106,115.00
Qu Hongzhen	36,096,590.00	CNY ordinary shares	36,096,590.00
Jilin Province Yandong State-Owned Capital Investment Co., Ltd.	22,388,059.00	CNY ordinary shares	22,388,059.00
Industrial and Commercial Bank of China Co., Ltd.-Huatai-PineBridge CSI 300 Trading Open Index Securities Investment Fund	17,613,200.00	CNY ordinary shares	17,613,200.00
Changchun Equity Investment Fund Management Co., Ltd. - Changchun Changxing Equity Investment Fund Partnership (Limited Partnership)	16,417,910.00	CNY ordinary shares	16,417,910.00
Duanmu Xiaoyi	15,761,031.00	CNY ordinary shares	15,761,031.00
Description of Related Parties or Concerted Actions Among the Top 10 Shareholders with Unrestricted Shares, and Between the Top 10 Shareholders with Unrestricted Shares and the Top 10 Shareholders with Shares	Among the above shareholders, FAW Bestune is a holding subsidiary of FAW, and is a person acting in concert as specified in the Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.		
Description of participation in financing bonds	Qu Hongzhen, an overseas natural person, holds 36,096,590 shares of the Company through the customer margin trading guaranteed securities account at CITIC Securities; Duanmu Xiaoyi, a domestic natural person,		

business of the top 10 shareholders with ordinary shares	holds 15,761,031 shares of the Company through the customer margin trading guaranteed securities account at China Securities Co., Ltd.
--	--

Participation in securities lending business by shareholders holding more than 5%, the top 10 shareholders, and the top 10 shareholders of unrestricted tradable shares

☐Applicable ☒Not applicable

Changes in the top 10 shareholders and top 10 shareholders of unrestricted tradable shares compared to the previous period due to securities lending/return activities

☐Applicable ☒Not applicable

Do the top 10 shareholders with ordinary shares and the top 10 shareholders with unrestricted ordinary shares of the Company conduct agreed repurchase transactions in the reporting period

☐Yes ☒No

The top 10 shareholders with ordinary shares and the top 10 shareholders with unrestricted ordinary shares of the Company do not conduct agreed repurchase transactions in the reporting period

IV. Changes in Shareholding of Directors, Supervisors and Senior Management

☐Applicable ☒Not applicable

The shareholding of the Company's directors, supervisors, and senior executives remained unchanged during the reporting period. For details, please refer to the 2024 Annual Report.

V Changes in controlling shareholders or actual controllers

Changes in controlling shareholders in the reporting period

☐Applicable ☒Not applicable

There is no change in the controlling shareholders of the Company in the reporting period.

Change of actual controller in the reporting period

☐Applicable ☒Not applicable

There is no change in the actual controller of the Company in the reporting period.

VI Preferred Shares

☐Applicable ☒Not applicable

The Company has no preferred shares in the reporting period.

Section VII Bonds

☐Applicable ☒Not applicable

Section VIII Financial Report

I. Audit Report

Is the semi-annual report audited

☐Yes ☒No

The semi-annual financial report of the Company is not audited.

II. Financial Statements

The unit in the notes to the financial statement is CNY

1. Consolidated balance sheet

Prepared by: FAW Jiefang Group Co., Ltd.

June 30, 2025

Unit: CNY

Item	Ending balance	Opening balance
Current assets:		
Monetary capital	27,226,459,877.13	19,852,961,021.66
Settlement reserve fund		
Loans to banks and other financial institutions		
Financial assets held for trading	5,102,739.73	
Derivative financial assets		
Notes receivable	300,000.00	2,641,582.80
Accounts receivable	8,413,701,687.51	7,067,296,142.54
Accounts receivable financing	6,250,344,325.45	10,019,816,248.98
Prepayments	153,344,659.70	128,639,159.47
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	1,681,860,160.35	1,340,633,312.48
Including: interests receivable		
Dividends receivable		157,707,661.77
Financial assets purchased under agreements to resell		

Item	Ending balance	Opening balance
Inventories	12,268,923,565.48	10,117,213,109.97
Including: Data resources		
Contract assets	14,535,632.85	14,455,542.05
Held-for-sale assets		
Current portion of non-current assets	366,794,659.02	377,668,442.06
Other current assets	1,091,164,647.41	1,413,638,174.22
Total current assets	57,472,531,954.63	50,334,962,736.23
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	110,729,218.36	110,911,235.61
Long-term equity investments	1,161,550,784.02	1,176,288,461.09
Other equity instruments investments	589,630,392.00	540,066,528.00
Other non-current financial assets		
Investment properties	47,178,054.55	52,835,976.31
Fixed assets	10,608,424,359.95	11,198,300,572.20
Project under construction	762,817,790.85	688,181,815.22
Productive biological assets		
Oil and gas assets		
Right-of-use assets	86,146,431.81	104,360,320.57
Intangible assets	2,301,506,301.83	2,337,101,200.98
Including: Data resources		
Development expenditures	529,542,097.97	500,611,951.24
Including: Data resources		
Goodwill		
Long-term deferred expenses		
Deferred Income tax assets	3,280,839,948.65	3,061,404,632.44
Other non-current assets	2,711,695,452.99	2,644,193,586.72
Total non-current assets	22,190,060,832.98	22,414,256,280.38
Total assets	79,662,592,787.61	72,749,219,016.61
Current liabilities:		
Short-term loans		
Borrowing from the central bank		

Item	Ending balance	Opening balance
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	21,803,140,258.04	15,370,906,363.16
Accounts payable	19,535,024,967.25	17,246,353,969.05
Advance receipts	662,358.34	674,009.56
Contract liabilities	2,489,872,513.67	2,430,554,164.50
Financial assets sold under agreement to repurchase		
Deposits taking and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	421,898,208.98	1,043,554,896.06
Taxes payable	252,601,280.60	215,532,903.02
Other payables	3,237,442,886.60	4,526,208,921.23
Including: interests payable		
Dividends payable	171,500.02	171,500.02
Handling charges and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	12,714,703.34	29,941,701.02
Other current liabilities	192,157,579.59	217,767,924.33
Total current liabilities	47,945,514,756.41	41,081,494,851.93
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual Bond		
Lease liabilities	7,387,319.62	27,431,600.64
Long-term payables		
Long-term employee	690,257,123.52	692,790,054.95

Item	Ending balance	Opening balance
compensation payable		
Estimated liabilities	1,239,330,087.42	992,714,878.02
Deferred income	2,903,353,226.50	2,936,362,847.77
Deferred income tax liabilities	430,393,079.81	423,775,650.57
Other non-current liabilities		
Total non-current liabilities	5,270,720,836.87	5,073,075,031.95
Total liabilities	53,216,235,593.28	46,154,569,883.88
Owner's equities:		
Share capital	4,921,280,975.00	4,922,371,176.00
Other equity instruments		
Including: preferred shares		
Perpetual Bond		
Capital reserves	11,956,471,332.90	11,961,480,047.74
Less: treasury shares		6,246,851.73
Other comprehensive incomes	-43,400,118.30	-96,912,346.71
Special reserves	273,221,478.12	277,345,883.15
Surplus reserves	3,204,548,247.40	3,204,548,247.40
General risk provision		
Undistributed profits	5,828,931,668.45	6,055,339,906.81
Total equity attributable to owners of the parent company	26,141,053,583.57	26,317,926,062.66
Minority equity	305,303,610.76	276,723,070.07
Total owners' equity	26,446,357,194.33	26,594,649,132.73
Total liabilities and owner's equities	79,662,592,787.61	72,749,219,016.61

Legal representative: Li Sheng Person in charge of accounting: Yu Changxin Person in charge of the accounting organization: Yang Li

2. Balance sheet of parent company

Unit: CNY

Item	Ending balance	Opening balance
Current assets:		
Monetary capital	359,307,477.90	152,222,868.42
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		

Item	Ending balance	Opening balance
Accounts receivable financing		
Prepayments		
Other receivables	6,553,832,963.97	6,470,963,348.86
Including: interests receivable		
Dividends receivable		156,960,226.90
Inventories		
Including: Data resources		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	875,554.72	653,349.48
Total current assets	6,914,015,996.59	6,623,839,566.76
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	21,799,225,298.95	21,795,117,325.10
Other equity instruments investments		
Other non-current financial assets		
Investment properties		
Fixed assets		
Project under construction		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term deferred expenses		
Deferred Income tax assets		
Other non-current assets		
Total non-current assets	21,799,225,298.95	21,795,117,325.10
Total assets	28,713,241,295.54	28,418,956,891.86

Item	Ending balance	Opening balance
Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	12,000.00	2,727,107.71
Advance receipts		
Contract liabilities		
Employee compensation payable		
Taxes payable	240,493.68	3,164,670.01
Other payables	883,044,775.88	342,246,068.80
Including: interests payable		
Dividends payable	171,500.02	171,500.02
Held-for-sale liabilities		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	883,297,269.56	348,137,846.52
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual Bond		
Lease liabilities		
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	883,297,269.56	348,137,846.52
Owner's equities:		
Share capital	4,921,280,975.00	4,922,371,176.00
Other equity instruments		

Item	Ending balance	Opening balance
Including: preferred shares		
Perpetual Bond		
Capital reserves	13,797,364,225.24	13,802,357,345.82
Less: treasury shares		6,246,851.73
Other comprehensive incomes	14,575,781.62	12,671,266.92
Special reserves		
Surplus reserves	1,968,725,127.44	1,968,725,127.44
Undistributed profits	7,127,997,916.68	7,370,940,980.89
Total owners' equity	27,829,944,025.98	28,070,819,045.34
Total liabilities and owner's equities	28,713,241,295.54	28,418,956,891.86

3. Consolidated profit statement

Unit: CNY

Item	Semi-annual 2025	Semi-annual 2024
I. Total operating income	28,078,705,058.07	36,465,688,621.29
Including: operating income	28,078,705,058.07	36,465,688,621.29
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	28,689,523,184.78	36,457,256,059.41
Including: operating cost	26,840,562,485.53	34,355,216,264.53
Interest expense		
Handling charges and commission expense		
Surrender value		
Net payments for insurance claims		
Net allotment of reserves for insurance liabilities		
Policy dividend expenditure		
Reinsurance expenses		
Taxes and surcharges	138,903,052.31	105,812,766.58
Sales expenses	472,042,436.11	520,770,818.03
Administrative expenses	605,966,739.38	749,958,633.22
R&D expenses	884,897,695.04	1,135,583,276.97
Financial expenses	-252,849,223.59	-410,085,699.92
Including: interest expenses	1,611,404.27	1,431,811.40
Interest income	255,428,034.69	339,376,065.31
Add: Other incomes	524,635,067.40	353,779,659.32

Item	Semi-annual 2025	Semi-annual 2024
Investment income (loss to be listed with “-”)	-30,115,859.77	101,886,844.66
Including: income from investment in associates and joint ventures	18,178,157.63	213,988,413.65
Gains on derecognition of financial assets at amortized cost		
Foreign exchange gains (loss to be listed with “-”)		
Net exposure hedging income (loss to be listed with “-”)		
Profit arising from changes in fair value (loss to be listed with “-”)		
Credit impairment loss (loss to be listed with “-”)	-30,655,705.99	-8,593,082.48
Impairment loss on assets (loss to be listed with “-”)	-151,608,226.07	-108,034,774.17
Income from assets disposal (loss to be listed with “-”)	154,614,688.74	746,088.82
III. Operating profit (loss to be listed with “-”)	-143,948,162.40	348,217,298.03
Add: non-operating income	11,324,153.35	28,106,223.95
Less: non-operating expenses	1,662,537.37	3,783,791.81
IV. Total profit (loss to be listed with “-”)	-134,286,546.42	372,539,730.17
Less: income tax expenses	-175,154,040.98	-148,541,602.52
V. Net profit (net loss to be listed with “-”)	40,867,494.56	521,081,332.69
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss to be listed with “-”)	40,867,494.56	521,081,332.69
2. Net profit from discontinuing operations (net loss to be listed with “-”)		
(II) Classified by attribution of the ownership		
1. Net profit attributable to shareholders of the parent company (net loss to be listed with “-”)	19,655,810.39	506,807,530.06
2. Minority profit and loss (net loss to be listed with “-”)	21,211,684.17	14,273,802.63
VI. Net after-tax amount of other comprehensive income	61,192,422.39	134,961.61
Net after-tax amount of other comprehensive income attributable to the owners of the parent company	53,512,228.41	480,792.84
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	51,468,378.70	
1. Changes arising from re-measurement of the		

Item	Semi-annual 2025	Semi-annual 2024
defined benefit plan		
2. Other comprehensive incomes that cannot be transferred to profits or losses under the equity method	1,904,514.70	
3. Changes in fair value of investment in other equity instruments	49,563,864.00	
4. Changes in fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified into profits or losses	2,043,849.71	480,792.84
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method		5,583,060.65
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Other debt investment credit impairment provisions		
5. Cash flow hedging reserve		
6. Translation difference in foreign currency financial statements	2,043,849.71	-5,102,267.81
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders	7,680,193.98	-345,831.23
VII. Total comprehensive income	102,059,916.95	521,216,294.30
Total comprehensive income attributable to the owners of parent company	73,168,038.80	507,288,322.90
Total comprehensive income attributable to minority shareholders	28,891,878.15	13,927,971.40
VIII. Earnings per share:		
(I) Basic income per share	0.0040	0.1096
(II) Diluted income per share	0.0040	0.1096

In case of business combination under common control in the current period, the net profit realized by the combined party before the combination and that in the previous period are CNY 0.00.

Legal representative: Li Sheng Person in charge of accounting: Yu Changxin Person in charge of the accounting organization: Yang Li

4. Profit statement of parent company

Unit: CNY

Item	Semi-annual 2025	Semi-annual 2024
I. Operating income		
Less: operating costs	-795,847.41	-1,270,265.34
Taxes and surcharges	-496,286.41	41,580.57
Sales expenses		
Administrative expenses	303,554.67	826,289.90
R&D expenses		
Financial expenses	-603,115.67	-2,138,135.81
Including: interest expenses	17,012.29	319,616.24
Interest income	624,863.91	2,458,998.74
Add: Other incomes	121,677.32	57,741.82
Investment income (loss to be listed with “-”)	2,203,459.15	548,393,139.83
Including: income from investment in associates and joint ventures	2,203,459.15	194,893,139.83
Gains on derecognition of financial assets at amortized cost (loss to be listed with “-”)		
Net exposure hedging income (loss to be listed with “-”)		
Profit arising from changes in fair value (loss to be listed with “-”)		
Credit impairment loss (loss to be listed with “-”)		
Impairment loss on assets (loss to be listed with “-”)		
Income from assets disposal (loss to be listed with “-”)		
II. Operating profit (loss to be listed with “-”)	3,120,983.88	549,721,146.99
Add: non-operating income	0.66	1.11
Less: non-operating expenses		
III. Total profit (total loss to be listed with “-”)	3,120,984.54	549,721,148.10
Less: income tax expenses		
IV. Net profit (net loss to be listed with “-”)	3,120,984.54	549,721,148.10
(I) Net profit from continuing operations (net loss to be listed with “-”)	3,120,984.54	549,721,148.10
(II) Net profit from discontinuing operations (net loss to be listed with “-”)		

Item	Semi-annual 2025	Semi-annual 2024
V. Net after-tax amount of other comprehensive incomes	1,904,514.70	5,583,060.65
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	1,904,514.70	
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive incomes that cannot be transferred to profits or losses under the equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified into profits or losses		5,583,060.65
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method		5,583,060.65
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Other debt investment credit impairment provisions		
5. Cash flow hedging reserve		
6. Translation difference in foreign currency financial statements		
7. Others		
VI. Total comprehensive income	5,025,499.24	555,304,208.75
VII. Earnings per share:		
(I) Basic income per share		
(II) Diluted income per share		

5. Consolidated cash flow statement

Unit: CNY

Item	Semi-annual 2025	Semi-annual 2024
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	33,622,023,561.91	27,819,030,378.23

Item	Semi-annual 2025	Semi-annual 2024
Net increase in customer bank deposits due to banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash from premium of original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase business capital		
Net cash received from securities brokerage		
Tax refunds received	355,567,798.16	97,674,823.55
Other cash received relating to operating activities	729,190,041.58	774,733,470.37
Subtotal of cash inflows from operating activities	34,706,781,401.65	28,691,438,672.15
Cash paid for goods and services	22,598,319,244.50	20,212,451,175.05
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash paid for policyholder dividend		
Cash paid to and on behalf of employees	2,685,058,298.28	2,413,856,035.91
Taxes paid	636,112,769.58	677,899,797.50
Cash paid for other operating activities	1,152,002,068.58	966,319,958.58
Subtotal of cash outflows from operating activities	27,071,492,380.94	24,270,526,967.04
Net cash flows from operating activities	7,635,289,020.71	4,420,911,705.11
II. Cash flows from investment activities:		

Item	Semi-annual 2025	Semi-annual 2024
Cash received from the return of investment	22,200,000,000.00	
Cash received from acquirement of investment income	217,657,522.00	6,500,530.62
Net cash received from fixed assets disposal, intangible assets and other long-term assets	88,370,290.58	77,910,098.29
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investment activities		
Subtotal of cash inflows from investment activities	22,506,027,812.58	84,410,628.91
Cash paid to acquire fixed assets, intangible assets and other long-term assets	468,913,194.46	859,207,774.19
Cash paid to acquire investments	22,200,000,000.00	4,900,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities		
Subtotal of cash outflows from investment activities	22,668,913,194.46	864,107,774.19
Net cash flows from investment activities	-162,885,381.88	-779,697,145.28
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Including: cash received by subsidiaries absorbing minority shareholders' investments		
Cash received from borrowings		
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment	247,096,174.17	693,696,364.17
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	1,227,805.50	11,981,752.58
Subtotal of cash outflows from financing activities	248,323,979.67	705,678,116.75
Net cash flows from financing activities	-248,323,979.67	-705,678,116.75
IV. Effects from change of exchange rate on cash and cash equivalents	7,609,127.39	7,284,135.01

Item	Semi-annual 2025	Semi-annual 2024
V. Net increase in cash and cash equivalents	7,231,688,786.55	2,942,820,578.09
Add: opening balance of cash and cash equivalents	19,391,201,104.68	23,108,018,586.92
VI. Ending Balance of cash and cash equivalents	26,622,889,891.23	26,050,839,165.01

6. Cash flow statement of parent company

Unit: CNY

Item	Semi-annual 2025	Semi-annual 2024
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services		
Tax refunds received		
Other cash received relating to operating activities	801,706,960.00	265,696,548.98
Subtotal of cash inflows from operating activities	801,706,960.00	265,696,548.98
Cash paid for goods and services		
Cash paid to and on behalf of employees	189,000.00	189,000.00
Taxes paid		
Cash paid for other operating activities	479,889,102.72	85,037,064.99
Subtotal of cash outflows from operating activities	480,078,102.72	85,226,064.99
Net cash flows from operating activities	321,628,857.28	180,470,483.99
II. Cash flows from investment activities:		
Cash received from the return of investment		
Cash received from acquirement of investment income	156,960,226.90	353,500,000.00
Net cash received from fixed assets disposal, intangible assets and other long-term assets		
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investment activities		
Subtotal of cash inflows from investment activities	156,960,226.90	353,500,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	24,408,300.53	
Cash paid to acquire investments		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities		

Item	Semi-annual 2025	Semi-annual 2024
Subtotal of cash outflows from investment activities	24,408,300.53	
Net cash flows from investment activities	132,551,926.37	353,500,000.00
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Cash received from borrowings		
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment	247,096,174.17	693,696,364.17
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities	247,096,174.17	693,696,364.17
Net cash flows from financing activities	-247,096,174.17	-693,696,364.17
IV. Effects from change of exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	207,084,609.48	-159,725,880.18
Add: opening balance of cash and cash equivalents	152,222,868.42	165,157,237.21
VI. Ending Balance of cash and cash equivalents	359,307,477.90	5,431,357.03

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: CNY

Item	Semi-annual 2025														
	Equity Attributable To Owners of the Parent Company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal		
Preferred Shares		Perpetual Bond	Others												
I. Ending Balance of the previous year	4,922,371,176.00				11,961,480,047.74	6,246,851.73	-96,912,346.71	277,345,883.15	3,204,548,247.40		6,055,339,906.81		26,317,926,062.66	276,723,070.07	26,594,649,132.73
Add: changes in accounting policies															
Correction of prior period errors															
Others															
II. Opening Balance of the current year	4,922,371,176.00				11,961,480,047.74	6,246,851.73	-96,912,346.71	277,345,883.15	3,204,548,247.40		6,055,339,906.81		26,317,926,062.66	276,723,070.07	26,594,649,132.73
III. Increase/decrease in amount of the current period (decrease to be listed with “-”)	-1,090,201.00				-5,008,714.84	6,246,851.73	53,512,228.41	-4,124,405.03			-226,408,238.36		-176,872,479.09	28,580,540.69	-148,291,938.40
(I) Total comprehensive income							53,512,228.41				19,655,810.39		73,168,038.80	28,580,540.69	101,748,579.49
(II) Invested and decreased capital of owners	-1,090,201.00				-5,008,714.84	6,246,851.73							147,935.89		147,935.89
1. Ordinary	-1,090,201.00				-4,993,120.58								-6,083,321.58		-6,083,321.58

shares invested by owners															
2. Capital contributed by holders of other equity instruments															
3. Amounts of share-based payments recorded in owner's equity															
4. Others					-15,594.26	-	6,246,851.73						6,231,257.47		6,231,257.47
(III) Profit distribution											-	246,064,048.75	-246,064,048.75		-246,064,048.75
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)											-	246,064,048.75	-246,064,048.75		-246,064,048.75
4. Others															
(IV) Internal carryover of owners' equity															
1. Transfer from capital reserve to paid-in capital (or share capital)															
2. Transfer from surplus															

reserves to paid-in capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserves								-4,124,405.03					-4,124,405.03		-4,124,405.03
1. Appropriation in the current period								15,518,831.90					15,518,831.90		15,518,831.90
2. Use in the current period								19,643,236.93					19,643,236.93		19,643,236.93
(VI) Others															
IV. Ending Balance of the current period	4,921,280,975.00				11,956,471,332.90		-43,400,118.30	273,221,478.12	3,204,548,247.40		5,828,931,668.45		26,141,053,583.57	305,303,610.76	26,446,357,194.33

Amount of the previous year

Unit: CNY

Item	Semi-annual 2024
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Full Text of Semi-annual Report 2025 of FAW Jiefang Group Co., Ltd.

	Equity Attributable To Owners of the Parent Company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal		
		Preferred Shares	Perpetual Bond	Others											
I. Ending Balance of the previous year	4,636,485,668.00				10,343,418,951.73	86,131,497.27	-8,514,110.10	319,314,527.85	3,090,408,316.87		6,191,777,512.32		24,486,759,369.40		24,486,759,369.40
Add: changes in accounting policies															
Correction of prior period errors															
Others					374,018,599.99		-118,685,308.30		5,105,359.06		54,756,122.34		315,194,773.09	245,455,442.13	560,650,215.22
II. Opening Balance of the current year	4,636,485,668.00				10,717,437,551.72	86,131,497.27	-127,199,418.40	319,314,527.85	3,095,513,675.93		6,246,533,634.66		24,801,954,142.49	245,455,442.13	25,047,409,584.62
III. Increase/decrease in amount of the current period (decrease to be listed with “-.”)	-12,621,954.00				-66,657,273.11	-79,884,645.54	480,792.84	-9,199,833.45			-186,772,027.04		-194,885,649.22	13,927,971.40	-180,957,677.82
(I) Total comprehensive income							480,792.84				506,807,530.06		507,288,322.90	13,927,971.40	521,216,294.30
(II) Invested and decreased capital of owners	-12,621,954.00				-66,657,273.11	-79,884,645.54							605,418.43		605,418.43
1. Ordinary shares invested	-12,621,954.00				-67,262,691.54	-79,884,645.54									

by owners						54									
2. Capital contributed by holders of other equity instruments					605,418.43								605,418.43		605,418.43
3. Amounts of share-based payments recorded in owner's equity															
4. Others															
(III) Profit distribution											- 693,579,557.10		-693,579,557.10		-693,579,557.10
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)											- 693,579,557.10		-693,579,557.10		-693,579,557.10
4. Others															
(IV) Internal carryover of owners' equity															
1. Transfer from capital reserve to paid-in capital (or share capital)															
2. Transfer															

from surplus reserves to paid-in capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserves								-9,199,833.45					-9,199,833.45		-9,199,833.45
1. Appropriation in the current period								6,016,604.46					6,016,604.46		6,016,604.46
2. Use in the current period								- 15,216,437.91					-15,216,437.91		-15,216,437.91
(VI) Others															
IV. Ending Balance of the current period	4,623,863,714.00				10,650,780,278.61	6,246,851.73	- 126,718,625.56	310,114,694.40	3,095,513,675.93		6,059,761,607.62		24,607,068,493.27	259,383,413.53	24,866,451,906.80

8. Statement of Changes in Owners' Equity of Parent Company

Amount in the current period

Unit: CNY

Item	Semi-annual 2025											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehen sive incomes	Specia l reserve s	Surplus reserves	Undistributed profits	Other s	Total owners' equity
		Preferre d Shares	Perpetu al Bond	Other s								
I. Ending Balance of the previous year	4,922,371,176. 00				13,802,357,345. 82	6,246,851. 73	12,671,266.9 2		1,968,725,127. 44	7,370,940,980. 89		28,070,819,045. 34
Add: changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening Balance of the current year	4,922,371,176. 00				13,802,357,345. 82	6,246,851. 73	12,671,266.9 2		1,968,725,127. 44	7,370,940,980. 89		28,070,819,045. 34
III. Increase/decrea se in amount of the current period (decrease to be listed with “-”)	-1,090,201.00				-4,993,120.58	- 6,246,851. 73	1,904,514.70			- 242,943,064.21		-240,875,019.36
(I) Total comprehensive income							1,904,514.70			3,120,984.54		5,025,499.24
(II) Invested	-1,090,201.00				-4,993,120.58	-						163,530.15

and decreased capital of owners						6,246,851.73						
1. Ordinary shares invested by owners	-1,090,201.00				-4,993,120.58							-6,083,321.58
2. Capital contributed by holders of other equity instruments												
3. Amounts of share-based payments recorded in owner's equity												
4. Others						6,246,851.73						6,246,851.73
(III) Profit distribution										-246,064,048.75		-246,064,048.75
1. Appropriation to surplus reserves												
2. Distribution to owners (or shareholders)										-246,064,048.75		-246,064,048.75
3. Others												
(IV) Internal carryover of owners' equity												
1. Transfer from capital reserve to paid-in capital (or												

share capital)												
2. Transfer from surplus reserves to paid-in capital (or share capital)												
3. Recovery of losses by surplus reserves												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Use in the current period												
(VI) Others												
IV. Ending Balance of the	4,921,280,975.00				13,797,364,225.24		14,575,781.62		1,968,725,127.44	7,127,997,916.68		27,829,944,025.98

current period												
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Amount of the previous year

Unit: CNY

Item	Semi-annual 2024											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual Bond	Others								
I. Ending Balance of the previous year	4,636,485,668.00				12,171,693,342.10	86,131,497.27	863,137.93		1,859,690,555.97	7,083,209,394.76		25,665,810,601.49
Add: changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening Balance of the current year	4,636,485,668.00				12,171,693,342.10	86,131,497.27	863,137.93		1,859,690,555.97	7,083,209,394.76		25,665,810,601.49
III. Increase/decrease in amount of the current period (decrease to be listed with “-”)	-12,621,954.00				-67,262,691.54	79,884,645.54	5,583,060.65			-143,858,409.00		-138,275,348.35
(I) Total comprehensive							5,583,060.65			549,721,148.10		555,304,208.75

income												
(II) Invested and decreased capital of owners	-12,621,954.00				-67,262,691.54	-79,884,645.54						
1. Ordinary shares invested by owners	-12,621,954.00				-67,262,691.54							-79,884,645.54
2. Capital contributed by holders of other equity instruments												
3. Amounts of share-based payments recorded in owner's equity												
4. Others						-79,884,645.54						79,884,645.54
(III) Profit distribution										-693,579,557.10		-693,579,557.10
1. Appropriation to surplus reserves												
2. Distribution to owners (or shareholders)										-693,579,557.10		-693,579,557.10
3. Others												
(IV) Internal carryover of owners' equity												
1. Transfer from capital												

reserve to paid-in capital (or share capital)												
2. Transfer from surplus reserves to paid-in capital (or share capital)												
3. Recovery of losses by surplus reserves												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Use in the												

current period											
(VI) Others											
IV. Ending Balance of the current period	4,623,863,714.00				12,104,430,650.56	6,246,851.73	6,446,198.58		1,859,690,555.97	6,939,350,985.76	25,527,535,253.14

III. Company Profile

FAW Jiefang Group Co., Ltd., formerly known as FAW Car Co., Ltd., is a limited liability company registered in Changchun City, Jilin Province.

FAW Car was approved by the System Restructuring [1997] No.55 Document of the State Commission for Restructuring the Economic Systems in 1997 and established exclusively by China FAW Group Co., Ltd. On June 18, 1997, FAW Car was approved by the China Securities Regulatory Commission to issue shares publicly and listed on the Shenzhen Stock Exchange for circulation.

On April 9, 2012, FAW Group invested 862,983,689 shares of FAW Car into China FAW Co., Ltd. as its capital contribution to FAW, and received the Confirmation of Securities Transfer Registration issued by China Securities Depository & Clearing Co., Ltd. Shenzhen Branch on the same day.

On November 28, 2019, FAW Car held the 10th meeting of the 8th Board of Directors, and reviewed and approved the adjustment plan for major asset restructuring. After the adjustment, FAW Car transferred all its assets and liabilities except the equity and some reserved assets of First Automobile Finance Co., Ltd. and Sanguard Automobile Insurance Co., Ltd. to FAW Besturn (now renamed as FAW Bestune Auto Co., Ltd.). Subsequently, FAW Car used its 100% equity in FAW Besturn as divested assets to exchange for equivalent part of 100% equity of FAW Jiefang Automotive Co., Ltd. held by FAW. Meanwhile, FAW Car purchased the difference between the purchased assets and the sold assets from FAW by issuing shares and paying cash.

On March 12, 2020, FAW Car received the Reply on Approving the Major Asset Restructuring of FAW Car Co., Ltd. and Issuing Shares to China FAW Co., Ltd. for Asset Purchase (ZJXX [2020] No.352) issued by the China Securities Regulatory Commission, and China Securities Regulatory Commission reviewed and approved the major asset replacement, share issuance and cash payment for assets purchase and related transactions of FAW Car.

The Capital Verification Report (XYZH/2020BJA100417) issued by ShineWing Accounting Firm (special general partnership) indicates that, as of March 19, 2020, all proposed purchased assets, i.e. 100% equity of Jiefang Limited, to be replaced by FAW Car to FAW by issuing shares had been transferred to FAW Car. The industrial and commercial change registration procedures of Jiefang Limited had been completed, all proposed assets, i.e. 100% equity of FAW Bestune, had been transferred to FAW, and the industrial and commercial change registration procedures of FAW Bestune had been completed. The registered capital of FAW Car is CNY 4,609,666,212.00 after this change.

In May 2020, the name of FAW Car was changed to “FAW Jiefang Group Co., Ltd.” and the stock abbreviation was changed to “FAW Jiefang”.

On January 11, 2021, the Company held the first 2021 extraordinary shareholders' meeting, and reviewed and approved the Proposal on the Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd. (Draft) and Its Abstract, the Proposal on the Regulations for the Implementation Assessment of Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd., the Proposal on the Regulations for Restricted Share Incentive of FAW Jiefang Group Co., Ltd., and the Proposal on Requesting the Shareholders Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Share Incentive Plan. On January 15, 2021, the Company held the 12th meeting of the 9th Board of Directors, and reviewed and approved the Proposal on Adjusting the List of the First Batch of Incentive Objects and the Number of Grants in the Phase I Restricted

Share Incentive Plan and the Proposal on Granting Restricted Shares to the Incentive Objects of the Phase I Restricted Share Incentive Plan for the First Time. Nine directors and senior executives, including Hu Hanjie, Zhu Qixin, Zhang Guohua, Wang Ruijian, Shang Xingwu, Ou Aimin, Kong Dejun, Wu Bilei and Wang Jianxun, and 310 other core employees with the title of senior director and above were granted to subscribe for 40,987,657 new shares of the Company at an issue price of CNY 7.54 per share, and the registered capital of the Company was changed to CNY 4,650,653,869.00. This change was verified by the Capital Verification Report (ZTYZ (2021) No.110C000033) issued by Grant Thornton Certified Public Accountants (Special General Partnership). On February 1, 2021, the Company disclosed the Announcement on the Completion of the First Grant Registration of Phase I Restricted Share Incentive Plan.

On December 9, 2021, the Company held the 20th meeting of the 9th Board of Directors and the 19th meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on Granting Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan to Incentive Objects and the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan respectively. Thirty-three core technicians and management backbones, including Wang Manhong, Zhang Yu and Qu Yi, subscribed for 3,721,601 new shares at an issue price of CNY 6.38/share, and 260,857 shares were repurchased at a price of CNY 7.04/share from 2 employees who were no longer eligible for incentive objects. The registered capital of the Company was changed to CNY 4,654,114,613.00. This change was verified by the Capital Verification Report (ZTYZ (2021) No.110C000927) issued by Grant Thornton Accounting Firm (special general partnership). On January 6, 2022, the Company disclosed the Announcement on the Completion of Registration of the Grant of Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan. On January 17, 2022, the Company disclosed the Announcement on the Completion of Repurchase and Cancellation of Some Restricted Shares.

On August 29, 2022, the Company held the 26th meeting of the 9th Board of Directors and the 23rd meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan. It was agreed to repurchase 789,711 shares at a price of CNY 6.39/share from 6 employees who are no longer qualified as incentive objects, and the registered capital of the Company was changed to CNY 4,653,324,902.00. This change was verified according to the Capital Verification Report (XYZH/2022CCAA2B0016) issued by ShineWing Accounting Firm (special general partnership). On November 14, 2022, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

On October 28, 2022, the Company held the 28th meeting of the 9th Board of Directors and the 24th meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, and agreed to repurchase 1,359,247 shares at a price of CNY 6.39/share from 11 employees who are no longer qualified as incentive objects. The registered capital of the Company was changed to CNY 4,651,965,655.00. This change was verified according to the Capital Verification Report (XYZH/2023CCAA2B0001) issued by ShineWing Accounting Firm (special general partnership). On January 17, 2023, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

On December 15, 2022, the Company held the 30th Meeting of the 9th Board of Directors and the 26th Meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on the Achievement of Unlocking Conditions in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Incentive Plan. The unlocking conditions in the first release period of the restricted shares firstly granted in the

phase I restricted incentive plan had been fulfilled. The unlocking matters of the first restriction releasing period for restricted shares firstly granted were handled in accordance with the restricted share incentive plan. There were a total of 311 incentive objects eligible for unlocking, and the number of restricted stocks unlocked this time was 13,042,347, and these shares were listed on May 16, 2023. On February 3, 2024, the Company disclosed the Indicative Announcement on the Listing and Circulation of Unlocked Shares in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Share Incentive Plan.

The Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan was reviewed and approved at the 30th Meeting of the 9th Board of Directors and the 26th Meeting of the 9th Board of Supervisors on December 15, 2022. The participants at the meeting agreed to repurchase and cancel all or some restricted shares granted to 6 incentive objects but not yet released, totaling 723,435 shares, and the registered capital of the Company was changed to CNY 4,651,242,220. This change was verified according to the Capital Verification Report (XYZH/2023CCAA2B0103) issued by ShineWing Accounting Firm (special general partnership). On April 28, 2023, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

On March 31, 2023, the Proposal on Unfulfilling Conditions for Releasing Restricted Sales in the Second Period of Releasing Restricted Shares Firstly Granted and Conditions for the First Period of Releasing Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares was reviewed and approved at the 32nd Meeting of the 9th Board of Directors and the 28th Meeting of the 9th Board of Supervisors. The participants at the meeting agreed to repurchase and cancel all or some restricted shares granted to 327 incentive objects but not yet released, totaling 13,909,890 shares, and the registered capital of the Company was changed to CNY 4,637,332,330. This change was verified according to the Capital Verification Report (XYZH/2023CCAA2B017) issued by ShineWing Accounting Firm (special general partnership). On June 30, 2023, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

On April 27, 2023, the Company held the 2nd Meeting of the 10th Board of Directors and the 2nd Meeting of the 10th Board of Supervisors, respectively, and reviewed and approved the Proposal on Releasing Restriction on Sales of Part of Restricted Shares. The Board of Directors believed that conditions for releasing restricted sales of restricted shares in the first restriction releasing period for incentive objects Hu Hanjie, Wu Bilei, Zhang Guohua and Wang Jianxun had been fulfilled, and agreed to release restricted sales of restricted shares in the first restriction releasing period for them, totaling 64,954 shares. These shares were listed on May 16, 2023. On May 15, 2023, the Company disclosed the Indicative Announcement on Sales Restriction Releasing and Listing and Circulation of Part of Restricted Shares.

The Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan was reviewed and approved at the 5th Meeting of the 10th Board of Directors and the 4th Meeting of the 10th Board of Supervisors on August 29, 2023. The participants at the meeting agreed to repurchase and cancel all or some restricted shares granted to 8 incentive objects but not yet released, totaling 333,855 shares, and the registered capital of the Company was changed to CNY 4,636,998,475.00. This change was verified according to the Capital Verification Report (XYZH/2023CCAA2B0188) issued by ShineWing Accounting Firm (special general partnership). On November 29, 2023, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

The Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan was reviewed and approved at the 7th Meeting of the 10th Board of Directors and the 6th Meeting of the 10th Board of Supervisors on November 20, 2023. The participants at the meeting agreed to repurchase and cancel all or some restricted shares granted to some incentive objects but not yet released, totaling 512,807 shares, and the registered capital of the Company was changed to CNY 4,636,485,668. This change was verified according to the Capital Verification Report (XYZH/2024CCAA2B0020) issued by ShineWing Accounting Firm (special general partnership). On March 28, 2024, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

On March 28, 2024, the Company held the 11th meeting of the 10th Board of Directors and the 10th meeting of the 10th Board of Supervisors. Subsequently, on April 25, 2024, the Company held its 2023 Annual General Meeting of Shareholders. These meetings reviewed and approved “Proposal on Unfulfilling Conditions for Releasing Restricted Sales in the Third Period of Releasing Restricted Shares Firstly Granted and Conditions for the Second Period of Releasing Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares.” The meetings approved the repurchase and cancellation of 12,621,954 restricted shares that had been granted to plan participants but had not yet vested. As a result, the Company’s registered capital will be changed to CNY 4,623,863,714. This change was verified according to the Capital Verification Report (XYZH/2024CCAA2B0173) issued by ShineWing Accounting Firm (special general partnership). On June 15, 2024, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

On March 28, 2025, the Company held the 24th meeting of the 10th Board of Directors and the 20th meeting of the 10th Board of Supervisors, and subsequently, on April 18, 2025, the 2024 Annual General Meeting of Shareholders. At these meetings, the “Proposal on Unfulfilled Conditions for the Third Release Period of the Phase I Restricted Share Incentive Plan and the Repurchase and Cancellation of Some Restricted Shares, as well as Adjustment of Repurchase Price” was reviewed and approved. The meetings approved the repurchase and cancellation of 1,090,201 restricted shares that had been granted to incentive participants but had not yet been released from restriction. Consequently, the Company’s registered capital will be adjusted to CNY 4,921,280,975. This change was verified by the Capital Verification Report (ZTYZ (2025) No.110C000149) issued by Grant Thornton Accounting Firm (special general partnership). On June 10, 2025, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

According to the resolutions passed at the Company’s Second Extraordinary General Meeting of Shareholders in 2023 and the Second Extraordinary General Meeting of Shareholders in 2024, and as approved by the CSRC’s document “Reply on Approving the Registration of FAW Jiefang Group Co., Ltd.’s Non-public Issuance of Shares” (CSRC [2024] No.972) issued on June 21, 2024, the Company conducted a non-public issuance of 298,507,462.00 A-shares, increasing the registered capital by CNY 298,507,462.00. Consequently, the Company’s registered capital has changed to CNY 4,922,371,176.00. This non-public issuance of shares has been verified by the Capital Verification Report (ZTYZ [2024] No.110C000357) issued by Grant Thornton Accounting Firm (special general partnership).

The Company has established a corporate governance structure consisting of a Shareholders’ Meeting, Board of Directors, and Board of Supervisors. It owns two wholly-owned subsidiaries - Jiefang Limited and FAW Jiefang Group International Automobile Co., Ltd. - and one non-wholly-owned subsidiary, FAW Africa Investment Co., Ltd. Jiefang Limited has six wholly-owned subsidiaries: FAW Jiefang Qingdao Automotive Co., Ltd., FAW Jiefang Lvdong Recycling Technology (Wuxi) Co., Ltd., FAW Jiefang Dalian Diesel Engine

Co., Ltd., FAW Jiefang Austria R&D Co., Ltd., FAW Jiefang Automobile Sales Co., Ltd., and FAW Jiefang Younida Transport Technology (Tianjin) Co., Ltd.; and one non-wholly-owned subsidiary, Jiefang Motors Tanzania Ltd. It also has 10 associated companies, namely, Sanguard Automobile Insurance Co., Ltd., FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd., FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd., Changchun Wabco Automotive Control System Co., Ltd., Suzhou Zhito Technology Co., Ltd., FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., Smartlink Intelligent Technology (Nanjing) Co., Ltd., Foshan Diyi Yuansu New Energy Technology Co., Ltd., Changchun Automotive Test Center Co., Ltd. and Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd. Additionally, it owns one joint venture company, Jiefang Times New Energy Technology Co., Ltd., while FAW (Africa) Investment Co., Ltd. has one non-wholly-owned subsidiary, FAW Vehicle Manufacturing South Africa Co., Ltd.

Business scope of the Company: R&D, production and sales of medium and heavy trucks, vehicles, buses, bus chassis, medium truck deformation vehicles, automobile assemblies and parts, machining, diesel engines and accessories (non-vehicle), mechanical equipment and accessories, instruments, technical services, technical consultation, installation and maintenance of mechanical equipment, lease of mechanical equipment and facilities, lease of houses and workshops, labor services (excluding foreign labor cooperation and domestic labor dispatch), sales of steel, automobile trunks, hardware & electrical equipment and electronic products, testing of internal combustion engine, engineering technology research and testing, advertising design, production and release, import and export of goods and technologies (excluding publication import business and commodities and technologies restricted or prohibited for import and export by the state); (the following items are operated by the branch company) Chinese food production and sales, warehousing and logistics (excluding flammable, explosive and precursor dangerous chemicals), automobile repair, tank manufacturing of chemical liquid tanker, automobile trunk manufacturing (items subject to approval according to law can be operated only after being approved by relevant authorities).

Registered address of the Company: No.2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province.

The legal representative of the Company is Li Sheng.

The financial statements and notes to the financial statements were approved for issue by the Board of Directors of the Company on August 21, 2025.

IV. Basis of Preparation for Financial Statements

1. Preparation basis

The financial statements are prepared according to the Accounting Standards for Business Enterprises issued by the Ministry of Finance and its application guidelines, interpretations and other relevant provisions (hereinafter collectively referred to as “ASBE”). Besides, the Company also discloses relevant financial information according to the Rules No.15 for Preparing Information Disclosure by Companies Offering Securities to the Public - General Provisions on Financial Reporting (2023 Revision) issued by China Securities Regulatory Commission.

2. Continuing operations

The financial statements are presented on continuing operations.

The financial accounting of the Company is based on the accrual basis. The financial statements are prepared on a historical cost basis except for certain financial instruments. If the assets are impaired, the corresponding provision for impairment shall be made as specified.

V. Significant Accounting Policies and Accounting Estimates

Tips for specific accounting policies and accounting estimates:

The Company determines the depreciation of fixed assets, amortization of intangible assets, capitalization criteria for R&D expenses, and revenue recognition policies based on its own production and operating characteristics. For specific accounting policies, please refer to Notes 21, 24, and 31 in V “Significant Accounting Policies and Accounting Estimates” of Section VIII – Financial Report.

1. Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the Company met the requirements of ASBE and truly and fully reflected the consolidated and company’s financial position of the Company as of June 30, 2025, and information such as consolidated and company’s operating results and consolidated and company’s cash flow for 2025 H1.

2. Accounting period

The accounting period of the Company is a calendar year, namely, from January 1 to December 31 every year.

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Recording currency

The Company and its domestic subsidiaries use CNY as their recording currency. The Company’s overseas subsidiaries determine their functional currency based on the currency of the main economic environment in which they operate. The Company uses CNY to prepare the financial statements.

5. Methods for determining materiality criteria and selection basis

☒Applicable ☐Not applicable

Item	Materiality Criteria
Receivables with significant provision for bad debts by individual item	10% of the absolute value of net profit or 10% of similar business
Write-off of significant receivables in the current	10% of the absolute value of net profit or 10% of

period	similar business
Significant changes in the book value of contractual assets	10% of the absolute value of net profit or 10% of similar business
Major projects under construction	10% of the absolute value of net profit or 10% of similar business
Significant capitalized R&D projects	10% of the absolute value of net profit or 10% of similar business

6. Accounting treatment method for business combination under common control and not under common control

(1) Business combination under common control

As to the business combination under common control, the assets and liabilities of the combined party obtained by the combining party are calculated in the book value in the consolidated financial statements of the ultimate controller by the combined party on the combination date. The capital reserve (stock premium) is adjusted based on the difference between the book value of the combination consideration and the book value of the net assets obtained in the combination. The retained earnings are adjusted if the capital reserve (stock premium) is insufficient for offset.

Business combination under common control realized step-by-step through multiple transactions

The assets and liabilities of the combined party obtained by the combining party in the combination are measured based on the book value of the ultimate controlling party in the consolidated financial statements on the combination date. The capital reserve (share capital premium) is adjusted based on the difference between the sum of the book value of the pre-combination investment and the book value of the newly paid consideration on the combination date and the book value of the net assets obtained in the combination. The retained earnings are adjusted if the capital reserve is insufficient for offset. The long-term equity investment held before the acquisition of the combined party's control by the combining party and the profit or loss, other comprehensive incomes and changes in other owners' equities that have been recognized during the period from the date of acquisition of the original equity, or the date of common control of the combining party and the combined entity (which is later) to the combination date shall offset against the retained opening earnings or current profit or loss respectively during the period of comparative statement.

(2) Business combination not under common control

In case of business combination not under common control, the combination cost is the fair value of assets paid, liabilities incurred or assumed and equity securities issued on the acquisition date for acquiring the control over the acquiree. The assets, liabilities and contingent liabilities of the acquiree obtained are recognized as per the fair value on the acquisition date.

Where the combination cost is greater than the fair value of identifiable net assets obtained from the acquiree, the difference shall be recognized as goodwill and subsequently measured by deducting the accumulated depreciation provision by cost; Where the combination cost is less than the fair value of identifiable net assets obtained from the acquiree, the difference shall be included in current profits and losses after review.

Business combination not under common control realized step-by-step through multiple transactions

The combination cost is the sum of the consideration paid on the acquisition date and the fair value of the acquiree's equity already held before the acquisition date on the acquisition date. The acquiree's equity held before the acquisition date shall be remeasured at the fair value of the equity on the acquisition date. The difference between the fair value and its book value shall be included in the investment income for the current period. If the acquiree's equity held before the acquisition date involves other comprehensive income, changes in other owner's equities shall be transformed into the current profit on the acquisition date, except other comprehensive income generated due to remeasuring the change in net liabilities or net assets of the defined benefit plan (DBP) by the investee, and other comprehensive income related to a non-trading equity instrument investment originally measured at fair value with its changes included in other comprehensive income.

(3) Disposal of related handling charges for business combination

The overhead for the business combination of the combining party, including the expenses for audit, legal services, assessment, and other administrative expenses, shall be recorded in current profits and losses when they occur. The transaction expenses of the equity securities or liability securities issued as the consideration for the combination shall be recorded as the initial recognition amount of the equity securities or liability securities.

7. Criteria for control and preparation method of consolidated financial statements

(1) Criteria for control

The scope of consolidated financial statements is determined on the basis of control. Control refers to the power of the Company over the investee, with which the Company enjoys variable returns through participating in related activities of the investee and is able to influence its amount of return with the power over the investee. The Company will carry out re-assessment when changes in relevant facts and circumstances result in changes in elements involved in the definition of control.

When determining whether to include structured entities in the consolidation scope, the Company assesses whether to control the structured entity by comprehensively taking all facts and circumstances into consideration, including assessing the purpose and design of the structured entity, identifying the types of variable returns, and assessing whether it assumes part or all of the variability of the returns through its participation in related activities of the entity.

(2) Preparation methods of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and with other relevant data. The major accounting policies and accounting periods adopted by the subsidiaries are defined as the same as those of the Company during the preparation of the consolidated financial statements. The significant transactions and balances between companies are offset.

During the reporting period, a subsidiary or business added as a result of business combination under common control is considered to have been included in the Company's consolidation scope from the date when they came under the control of the same ultimate controlling party. Their operating results and cash flows from that date are included in the consolidated income statement and consolidated cash flow statement, respectively.

For a subsidiary or business increased in the reporting period due to business combination not under common control, its earnings, expenses and profits from the acquisition date to the end of the reporting period are included in the consolidated profit statement, and its cash flows are included in the consolidated cash flow statement.

The portion of shareholders' equity of subsidiaries not belonging to the Company shall be listed separately under the item "Shareholders' Equity" in consolidated balance sheet as minority shareholders' equity. The portion of net profit or loss of subsidiaries in current period belonging to minority shareholders' equity shall be listed separately under the item "Minority Shareholders' Profit or Loss" in the consolidated income statement. If the loss of a subsidiary borne by minority shareholders exceeds the amount of their shares of owners' equity in the subsidiary at the beginning, the balance shall offset the minority equity.

(3) Purchase of minority shareholders' equity in subsidiaries

The capital reserve (stock premium) in the consolidated balance sheet is adjusted based on the difference between the newly acquired long-term equity investment cost from the purchase of minority equity and the share of net assets in the subsidiary calculated constantly from the purchase date or combination date as per the newly increased shareholding proportion, and the difference between the disposal price obtained from the partial disposal of equity investment in the subsidiary without losing the right of control and the share of net assets in the subsidiary calculated continuously from the purchase date or combination date corresponding to the disposed long-term equity investment. The retained earnings are adjusted if the capital reserve is insufficient for offset.

(4) Disposal of the loss of control over subsidiaries

If the control power on the original subsidiaries is lost due to the disposal of part of equity investment or other reasons, the remaining equity shall be recalculated at fair value on the day when the control power is lost. The balance from the sum of consideration obtained from the disposal of equity and the fair value of the remaining equity minus the sum of the share of net assets book value and the goodwill of original subsidiaries calculated continuously starting from the purchase date as per the original shareholding ratio shall be included in current investment income at the loss of control.

Other comprehensive income in connection with equity investment of the original subsidiaries shall be subject to accounting method on the same basis as the original subsidiary's direct disposal of relevant assets or liabilities upon the loss of control. Other changes in owners' equity related to the original subsidiary that are accounted by the equity method shall be transferred to the current profits and losses upon the loss of control.

8. Classification of Joint Venture Arrangement and Accounting Treatment Methods for Joint Operations

Joint arrangement refers to an arrangement jointly controlled by two or more participants. Joint arrangements of the Company include joint operations and joint ventures.

(1) Joint operation

Joint operation refers to the joint arrangement in which the Company enjoys related assets and bears related liabilities.

The Company recognizes the following items related to the interest share in the joint operation and carries out accounting according to the ASBE:

- A. Recognizing the assets held separately and the assets held jointly as per its shares;
- B. Recognizing the liabilities borne separately and the liabilities borne jointly according to its shares;
- C. Recognizing the income generated from the sale of shares enjoyed in the joint operation;
- D. Recognizing the income generated from the sale of shares enjoyed in the joint operation as per its shares;
- E. Recognizing the expenses incurred separately and the expenses arising from joint operation as per its shares.

(2) Joint ventures

Joint venture refers to a joint arrangement in which the Company only has power over the net assets of the arrangement.

The Company conducts accounting for the investment of joint ventures according to provisions of the equity method accounting for long-term equity investments.

9. Standards for recognition of cash and cash equivalents

Cash refers to the cash on hand and the deposits that are readily available for payment. Cash equivalents refer to the short-term and highly liquid investments held by the Company that are readily convertible into known amounts of cash and with low risk in value change.

10. Foreign currency transaction and foreign currency statement translation

(1) Foreign currency transaction

Foreign currency transactions of the Company are converted into the amount in recording currency at the exchange rate determined by systematic and reasonable methods.

On the balance sheet date, the foreign currency monetary items are converted at the spot exchange rate on the balance sheet date. The exchange difference arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or on the previous balance sheet date is included in current profits and losses. Foreign currency non-monetary items measured at historical cost are still converted at the spot exchange rate on the transaction date. Foreign currency non-monetary items measured at fair value are converted at the spot exchange rate on the date when the fair value is determined. The difference between the converted recording currency amount and the original recording currency amount is included in current profits and losses or other comprehensive income according to the nature of the non-monetary items.

(2) Translation of foreign currency financial statements

At the balance sheet date, when the foreign currency financial statements of overseas subsidiaries are translated, the assets and liabilities of the balance sheet are translated to CNY using the spot exchange rate at the balance

sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated at the spot exchange rate at the dates on which such items arose.

The income and expense items in the profit statement are translated at the exchange rate determined by systematic and reasonable methods.

All items in the cash flow statement are translated at the exchange rate determined by systematic and reasonable methods. As an adjustment item for influence amount of cash, exchange rate movement is independently presented as "Influence of exchange rate movement to cash and cash equivalent" in cash flow statement.

Differences arising from the translation of financial statements are separately presented as "Other comprehensive income" in the shareholders' equity of the balance sheet.

During the disposal of overseas operation and upon the loss of the right of control, the conversion difference of foreign currency statements listed under the shareholders' equity items in the balance sheet and related to the overseas operation is transferred to the current profits and losses of disposal in full or as per the disposal proportion of the overseas operation.

11. Financial instruments

Financial instruments refer to contracts that form the financial assets of a party, and form financial liabilities or equity instruments of other parties.

(1) Recognition and derecognition of the financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to the contract of the financial instrument.

If one of the following conditions is met, the financial assets are terminated:

- ① The contractual right to receive the cash flow of the financial asset is terminated.
- ② The financial asset has been transferred and is in accordance with the following conditions for derecognition. If the current obligations of financial liability have been discharged in total or in part, derecognize all or part of it. The Company (the Debtor) signs an agreement with the Creditor to replace the existing financial liabilities with new financial liabilities; the existing financial liabilities are derecognized and the new financial liabilities are recognized when the contractual terms of the new financial liabilities and those of the existing financial liabilities are different in essence.

Financial assets transacted in a conventional way are subject to accounting recognition and derecognition on the transaction date.

(2) Classification and measurement of financial assets

The Company classifies financial assets into the following three categories according to the business mode of financial assets management and the contractual cash flow characteristics of financial assets at the time of initial recognition: financial assets measured at amortized cost, financial assets measured at fair value with their changes included in other comprehensive income, and financial assets measured at fair value with their changes included in the current profits or losses.

Financial assets are measured at fair value upon initial recognition. For financial assets at fair value through profit or loss, relevant transaction costs are directly included in current profits and losses; for other types of financial assets, relevant transaction costs are included in the initially recognized amount. For receivables arising from the sale of products or the provision of services that do not include or take into account significant financing components, the Company takes the consideration amount entitled to receive in expectation as the initially recognized amount.

Financial assets measured at amortized cost

The Company classifies the financial assets that meet the following conditions but are not designated to be measured at fair value and with the changes included in current profits or losses as the financial assets measured at amortized cost:

- The Company manages the financial assets in order to collect contractual cash flows;
- The contract terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost using the effective interest method. Any gains or losses on financial assets at amortized cost that are not part of the hedging relationship are charged to the current profit or loss at derecognition, amortization using the effective interest method, or recognition of impairment.

Financial assets measured at fair value with their changes included in other comprehensive income

The Company classifies financial assets that meet the following conditions and are not designated to be financial assets at fair value with their changes included in current profit or loss as financial assets at fair value with their changes included in other comprehensive incomes:

- The Company manages the financial assets in order to collect contractual cash flows and sell the financial assets;
- The contract terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After initial recognition, such financial assets are subsequently measured at fair value. Interests, impairment losses or gains and exchange profits and losses calculated with the effective interest method are included in the current profits and losses, and other gains or losses are included in other comprehensive income. When the financial assets are derecognized, the accumulated profits or losses previously included in other comprehensive income are transferred out and included in the current profits and losses.

Financial assets at fair value through profit or loss

Except for the above-mentioned financial assets measured at amortized cost and fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets measured at fair value through profit or loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company irrevocably designates some financial assets that should be measured at amortized cost or fair value through other comprehensive income as financial assets measured at fair value through current profits and losses.

After initial recognition, such financial assets are subsequently measured at fair value, and the gains or losses (including interest and dividend income) incurred are included in current profits and losses unless they are part of a hedging relationship.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model determines whether the cash flow of financial assets managed by the Company comes from collecting contractual cash flows, selling financial assets, or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets decided by key management personnel.

The Company evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by relevant financial assets on a specific date is only the payment of principal and interest based on the outstanding principal amount. Principal refers to the fair value of financial assets at initial recognition; interest includes consideration for the time value of money, credit risk associated with the amount of principal outstanding over a specific period, and other underlying borrowing risks, costs and profits. Besides, the Company evaluates the contract terms that may cause changes in the time distribution or amount of contractual cash flows of financial assets to determine whether they meet the requirements for the above-mentioned contractual cash flow characteristics.

Only when the Company changes its business model for managing financial assets, can all affected related financial assets be reclassified on the first day of the first reporting period after the change in business model; otherwise, financial assets shall not be reclassified after initial recognition.

(3) Classification and measurement of financial liabilities

Financial liabilities of the Company are classified into financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost upon initial recognition. For financial liabilities not classified as those measured at fair value through profit or loss, relevant transaction costs are included in their initially recognized amounts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those designated upon initial recognition to be measured at fair value through profit or loss. Such financial liabilities are subsequently measured at fair value, and the gains or losses arising from changes in fair value as well as dividends and interest expenses related to such financial liabilities are included in current profits and losses.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, and gains or losses arising from derecognition or amortization are included in current profits and losses.

Distinction between financial liabilities and equity instruments

Financial liabilities refer to those that meet one of the following conditions:

- ① Contractual obligations to deliver cash or other financial assets to other parties.
- ② Contractual obligations to exchange financial assets or financial liabilities with other parties under potentially adverse conditions.

- ③ A non-derivative instrument contract that must or can be settled with the enterprise's own equity instruments in the future, and according to which the enterprise will deliver a variable number of its own equity instruments.
- ④ A derivative contract that must or can be settled with the enterprise's own equity instruments in the future, except for derivative contracts where a fixed amount of its own equity instruments is exchanged for a fixed amount of cash or other financial assets.

An equity instrument refers to a contract that can prove the residual equity in the assets of an enterprise after all liabilities are deducted.

If the Company cannot unconditionally avoid performing a contractual obligation by delivering cash or other financial assets, the contractual obligation meets the definition of financial liabilities.

If a financial instrument must or can be settled with the Company's own equity instruments, it is necessary to consider whether the Company's own equity instruments used for settlement of such instruments are used as substitutes for cash or other financial assets or to enable the instrument holder to enjoy residual equity in the assets of the issuer after deduction of all liabilities. If meets the former condition, the financial instrument should be recognized as financial liabilities; If meets the latter condition, the financial instrument is recognized as an equity instrument.

(4) Fair value of financial instruments

For the determination methods for the fair value of financial assets and liabilities, refer to 38 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section VIII - Financial Report.

(5) Impairment of financial assets

The Company accounts for impairment and recognizes the loss provision for the following items on the basis of expected credit losses:

- Financial assets measured at amortized cost;
- Receivables and debt instrument investments measured at fair value through other comprehensive income;
- Contract assets as defined in ASBE No.14 - Revenue;
- Lease receivables;
- Financial guarantee contracts (except for those measured at fair value through profit and loss, where the transfer of financial assets does not meet derecognition conditions or is continuously involved in the transferred financial assets).

Measurement of expected credit losses

Expected credit loss refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable according to the contract and discounted by the Company at the original effective interest rate and all cash flows expected to be collected, that is, the present value of all cash shortages.

The Company considers reasonable and reliable information about past events, current situation and forecast of the future economic situation, weighs the risk of default, calculates the probability weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received, and recognizes the expected credit loss.

The Company measures the expected credit losses of financial instruments at different stages respectively. For financial instruments for which the credit risk has not significantly increased since initial recognition, they are classified in Stage 1. The Company measures the loss provision based on expected credit losses over the next 12 months. For financial instruments in which the credit risk has significantly increased since initial recognition but no credit impairment has occurred, they are classified in Stage 2. The Company measures the loss provision based on the expected credit losses over the entire remaining lifetime of the instrument. For financial instruments in which a credit impairment has occurred since initial recognition, they are classified in Stage 3. The Company measures the loss provision based on the expected credit losses over the entire remaining lifetime of the instrument.

The Company assumes that the credit risk of the financial instruments with a low credit risk on the balance sheet date has not increased significantly since the initial recognition, and measures the provision for loss based on the expected credit loss in the next 12 months.

The expected credit loss during the whole duration refers to the expected credit loss caused by all default events that may occur during the whole expected duration of financial instruments. The expected credit loss in the next 12 months refers to that caused by the possible default events of the financial instruments within 12 months after the balance sheet date (or the expected duration if the expected duration of financial instruments is less than 12 months), which is a part of the expected credit loss in the whole duration.

During the measurement of expected credit losses, the maximum term to be considered by the Company is the maximum contract term of the enterprise facing credit risk (including the option to renew the contract).

For financial instruments in the first and second stages and with low credit risk, the Company calculates interest income according to the book balance before deducting impairment provision and the actual interest rate. For financial instruments in the third stage, interest income is calculated according to their book balance minus the amortized cost after impairment provision and the effective interest rate.

Notes receivable, accounts receivable and contract assets

For notes receivable, accounts receivable and contract assets, the Company always measures their loss provision according to the amount equivalent to the expected credit loss in the whole duration no matter whether there is any significant financing component.

If the expected credit loss of a single financial or contractual asset cannot be evaluated at a reasonable cost, the Company divides the notes receivable, accounts receivable and contractual assets into portfolios according to the credit risk characteristics based on the following, and calculates the expected credit loss on the basis of the portfolios:

A. Notes receivable

- Notes receivable portfolio 1: bank acceptance bills
- Notes receivable portfolio 2: commercial acceptance bills

B. Accounts receivable

- Aging portfolio

C. Contract assets

- Aging portfolio

The Company calculates the expected credit loss of the notes receivable and contract assets divided into portfolios by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic situation, and based on the default risk exposure and the expected credit loss rate for the whole duration.

For accounts receivable divided into portfolios, the Company prepares a comparison table of account receivable aging/overdue days and expected credit loss rate for the whole duration with a reference to historical credit loss experience and in combination with the current situation and forecast of the future economic situation, so as to calculate the expected credit loss. The aging of accounts receivable is calculated from the date of recognition, and the number of days overdue from the credit expiration date.

Other receivables

The Company divides other receivables into several portfolios according to the credit risk characteristics based on the following, and calculates the expected credit loss according to the portfolios:

- Portfolio 1 of other receivables: portfolio of margin, deposit and reserve fund
- Portfolio 2 of other receivables: aging portfolio

For other receivables divided into portfolios, the Company calculates the expected credit loss through default risk exposure and expected credit loss rate in the next 12 months or the whole duration. The aging of other receivables divided into portfolios by aging is calculated from the date of recognition.

Long-term receivables

The Company's long-term receivables include the receivables from sales of goods by installments.

The Company divides the long-term receivables into several portfolios according to the credit risk characteristics based on the following, and calculates the expected credit loss on the basis of the portfolios:

- Long-term receivables portfolio 1: receivables from sales of goods by installments
- Long-term receivables portfolio 2: other receivables

The Company calculates the expected credit loss of the receivables from sales of goods by installments based on the default risk exposure and the expected credit loss rate for the whole duration with a reference to the historical credit loss experience, the current situation and the forecast of the future economic situation.

The Company calculates the expected credit loss of other receivables and long-term receivables divided into portfolios other than receivables from sales of goods by installments according to the default risk exposure and the expected credit loss rate in the next 12 months or the whole duration.

Debt investment and other debt investments

For debt investments and other debt investments, the Company calculates expected credit losses according to the nature of the investment, various types of counterparties and risk exposures, default risk exposures and expected credit loss rates in the next 12 months or throughout the duration.

Assessment of significant increase in credit risk

The Company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date so as to determine the relative change in the default risk of financial instruments in the expected duration and evaluate whether the credit risk of financial instruments has increased significantly since the initial recognition.

In determining whether the credit risk has increased significantly since initial recognition, the Company considers reasonable and well-founded information (including forward-looking information) that can be obtained without unnecessary additional costs or efforts. The information to be considered by the Company is as follows:

- Failure of the debtor to pay the principal and interest on the due date of the contract;
- Serious deterioration in the external or internal credit rating (if any) of the financial instrument that has occurred or is expected;
- Serious deterioration of the debtor's operating results that has occurred or is expected;
- Changes in the technical, market, economic or legal environment that have occurred or are expected and their potential material adverse effect on the repayment ability of the debtor to the Company.

According to the nature of financial instruments, the Company evaluates whether the credit risk has increased significantly on the basis of individual financial instruments or portfolios of financial instruments. When evaluating on the basis of portfolios of financial instruments, the Company may classify the financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

If it is overdue for more than 30 days, the Company determines that the credit risk of financial instruments has increased significantly.

Credit-impaired financial assets

The Company evaluates on the balance sheet date whether credit impairment has occurred on the financial assets measured at amortized cost and on the creditor's debt investment measured at fair value through other comprehensive income. A financial asset becomes credit-impaired when one or more events that have an adverse impact on its expected future cash flows occur. Evidence of credit impairment of financial assets includes the following observable information:

- The issuer or the debtor is involved in serious financial difficulties;
- The debtor breaches the contract, such as default on or overdue repayment of interest or principal;
- The Company, for economic or contractual reasons relating to the debtor's financial difficulty, grants the debtor concessions that would not have been made in any other circumstances;
- There is a great possibility of bankruptcy or other financial restructuring of the debtor;
- The financial difficulties of the issuer or debtor result in the disappearance of the active market of such financial assets.

Presentation of provision for expected credit loss

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Company remeasures the expected credit loss on each balance sheet date; the increased or reversed amount of the loss provision arising therefrom shall be included in the current profits and losses as impairment losses or gains. The loss provision of the financial assets measured at amortized cost is used to offset their book value presented in the balance sheet. For the debt investment measured at fair value with its changes included in other

comprehensive income, the Company recognizes its loss provision in other comprehensive income, which will not offset the book value of the financial assets.

Write-off

The Company writes down the book balance of the financial assets when it no longer reasonably expects that the contractual cash flow of the financial asset can be recovered in whole or in part. Such write-down constitutes the derecognition of related financial assets. This usually occurs when the Company determines that the debtor has no assets or sources of income that can generate sufficient cash flows to repay the amount to be written down. However, the written-down financial assets may still be affected by the execution activities according to the Company's procedures for recovering due amounts.

Any financial assets that have been previously written off and subsequently recovered are recognized as a reversal of impairment loss and recorded in the current period's income statement.

(6) Transfer of financial assets

Transfer of financial assets refers to the assignment or delivery of financial assets to the party (transferee) other than the issuer of such financial assets.

The financial asset is derecognized if the Company has transferred substantially all the risks and rewards of ownership of a financial asset to the transferee. The financial asset is not derecognized if the Company has retained substantially all the risks and rewards of ownership of a financial asset.

If the Company neither transfers nor retains almost all risks and rewards of ownership of a financial asset, it shall deal with them as follows: if the control over the financial asset is waived, the financial asset shall be derecognized and the assets and liabilities incurred shall be recognized; if the control over the financial asset is not waived, the relevant financial asset shall be recognized to the extent that it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

(7) Offset of financial assets and financial liabilities

Financial assets and financial liabilities are presented in the balance sheet with the amount after offsetting each other when the Company has a legal right to offset the recognized financial assets and financial liabilities and the legal right can be exercised currently, and when the Company intends either to settle on a net basis, or to realize the financial assets and pay off the financial liabilities simultaneously. In other cases, financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other.

12. Notes receivable

Refer to 11 "Financial instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section VIII - Financial Report.

13. Accounts receivable

Refer to 11 "Financial instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section VIII - Financial Report.

14. Receivables financing

Refer to 11 “Financial instruments” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

15. Other receivables

For determination methods and accounting methods of expected credit losses of other receivables,

Refer to 11 “Financial instruments” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

16. Contract assets

Refer to 11 “Financial instruments” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

17. Inventories

(1) Classification of inventories

The inventories of the Company are divided into raw materials, self-made semi-finished products and goods in process, goods in stock, revolving materials, etc.

(2) Valuation method for inventories sent out

The Company’s inventories are accounted for at the planned cost when acquired. The difference between the planned cost and the actual cost is accounted for through the cost variance account, and the cost variance that should be borne by the inventories sent out is carried forward on schedule to adjust the planned cost to the actual cost.

(3) Basis and method for provision of inventory depreciation reserves

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value of the inventories is lower than their cost, a provision for inventory depreciation reserves is made.

Net realizable value refers to the difference between the estimated sale price of inventory less the cost to estimated be incurred until completion, estimated sales expenses and related taxes. The net realizable value of inventories is determined based on the unambiguous evidence obtained as well as the consideration of the purpose of holding inventories and the impact of events after the balance sheet date.

The Company makes provision for inventory depreciation reserves on an individual inventory item basis. Provision for inventory depreciation reserves is made by inventory category for inventories with large quantities and low unit prices.

On the balance sheet date, if the factors affecting the previous write-down of inventory value have disappeared, the inventory falling price reserves shall be reversed within the amount originally provided for.

(4) Inventory system

The Company adopts the perpetual inventory system.

Low-value consumables and packaging materials of the Company are amortized by one-off write-off method when acquired.

18. Long-term receivables

Refer to 11 “Financial instruments” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

19. Long-term equity investments

Long-term equity investments include equity investments to subsidiaries, joint ventures and associated enterprises. The investee which may be subject to significant influence of the Company is an associated enterprise of the Company.

(1) Recognition of initial investment cost

Long-term equity investments acquired from the business combination: For the long-term equity investment acquired from the business combination under common control, the investment cost refers to the share of the book value of the owner’s equity of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date; for the long-term equity investment acquired from the business combination not under common control, the investment cost refers to the combination cost.

For long-term equity investments acquired by other methods: For those acquired with cash payment, the actual purchase price shall be recognized as the initial investment cost; for those acquired through the issuance of equity securities, the fair value of issued equity securities shall be recognized as the initial investment cost.

(2) Subsequent measurement and recognition of profit or loss

Investments to subsidiaries are accounted for with the cost method unless the investment meets the conditions for held-for-sale; investments to associated enterprises and joint ventures are accounted for with the equity method.

For long-term equity investments calculated by cost method, except for the declared but not yet released cash dividends or profits included in the actual price or consideration paid when the investment is acquired, the distributed cash dividends or profits declared by the investee shall be recognized as investment income and included in current profits and losses.

For the long-term equity investments accounted for with the equity method, the investment cost is not adjusted if the initial investment cost exceeds the share of the fair value of the investee’s identifiable net assets at the time of the investment; the book value of the long-term equity investment is adjusted and the difference is

included in the current profits and losses if the initial investment cost is less than the share of fair value of the investee's identifiable net assets at the time of the investment.

For accounting with the equity method, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profits and losses and other comprehensive income realized by the investee that shall be enjoyed or shared. Meanwhile, the book value of the long-term equity investments shall be adjusted. The part of due share shall be calculated according to the distributed profit or cash dividend declared by the investee, and the book value of the long-term equity investment shall be reduced accordingly. For other changes in owners' equity of the investee except net profit and loss, other comprehensive income and profit distribution, the book value of long-term equity investment shall be adjusted and included in capital reserve (other capital reserve). The Company recognizes its share of the investee's net profits or losses based on the fair values 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 sum of the fair value of the original equity and the new investment cost is taken as the initial investment cost calculated with the equity method on the date of conversion if it is possible to exert significant influence on or implement joint control but not constitute control over the investee due to additional investment or other reasons. The cumulative changes in fair value originally included in other comprehensive income related to the original equity are transferred to retained earnings when the equity method is adopted if the original equity is classified as a non-trading equity instrument measured at fair value through other comprehensive income.

In case the Company loses joint control of or the significant influence on the investee due to the disposal of part of the equity investment, the residual equity after the disposal is accounted for in accordance with the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments on the date of losing the joint control or significant influence, and the difference between the fair value and the book value is included in the current profits and losses. Other comprehensive income recognized from the original equity investment accounted with the equity method shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities of the investee when the equity method is terminated. Other changes in owner's equity related to the original equity investment shall be transferred into current profit and loss.

In case the Company loses the right of control over the investee due to the disposal of partial equity investment or other reasons, the equity method is applied, and it is deemed that the residual equity is adjusted with the equity method from the time of acquisition if the residual equity after disposal can exert joint control over or significant influence on the investee; the accounting is carried out according to the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments, and the difference between the fair value and the book value on the date of losing control is included in the current profits and losses if the residual equity after disposal cannot exert joint control over or significant influence on the investee.

If the shareholding ratio of the Company decreases due to capital increase by other investors, resulting in loss of control but joint control over or significant influence on the investee, the Company's share of net assets increased due to capital increase and share expansion of the investee shall be recognized according to the new shareholding ratio, and the difference from the original book value of long-term equity investment corresponding to the decrease in shareholding ratio that shall be carried forward shall be included in current

profits and losses. Then, adjustments are made based on the new shareholding ratio with the equity method as if it had been used since the acquisition of the investment.

Unrealized gains and losses from internal transactions between the Company and its associated enterprises and joint ventures that are attributable to the Company are calculated based on the shareholding ratio, and investment profits and losses are recognized based on the offsetting of that portion. However, unrealized losses from internal transactions incurred between the Company and its investee are not offset if they belong to impairment losses from assets transferred.

(3) Basis for determining joint control and significant influence on the investee

Joint control refers to the control over certain arrangement under related agreements, and related activities of the arrangement can only be determined with the unanimous consent of the parties sharing the control. During the judgment of joint control, it is required to determine whether the arrangement is controlled collectively by all participants or combinations of participants, and then determine whether decisions on activities related to the arrangement must be made with the unanimous consent of those participants who collectively control the arrangement. It is deemed that all participants or a group of participants collectively control the arrangement if related activities of an arrangement can be decided only with the concerted action of all participants or a group of participants. If there are two or more combinations of parties that can collectively control an arrangement, this situation does not constitute joint control. For the determination of whether there is joint control, protective rights are not taken into account.

Significant influence refers to the power of the investor to participate in making decisions on the financial and operating policies of the investee, but cannot control or jointly control with other parties over the preparation of these policies. The possibility of exerting significant influence on the investee is determined by considering the influence of the voting shares of the investee directly or indirectly held by the investor and the influence when it is assumed that the potential voting rights executable for the current period held by the investor and other parties are converted into the equity of the investee, including the influence of the warrants, stock options and corporate bonds which can be converted in the current period issued by the investee.

It is generally considered that the Company has significant influence on the investee when the Company directly holds more than 20% (inclusive) but less than 50% of the voting shares of the investee or holds indirectly through subsidiaries, unless there is clear evidence indicating that it cannot participate in the production and operation decisions of the investee under such circumstances, in which case it has no significant influence. It is generally not considered that the Company has significant influence on the investee when the Company owns less than 20% (exclusive) of the voting shares of the investee, unless there is clear evidence indicating that it can participate in the production and operation decisions of the investee under such circumstances, in which case it has significant influence.

(4) Impairment test method and impairment provision methods

For investments to subsidiaries, associated enterprises and joint ventures, the method of provision for asset impairment is described in 38 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

20. Investment properties

Measurement mode of investment property

Measure by cost method

Depreciation or amortization method

Investment properties refer to the properties held for earning rent or capital appreciation, or both. Investment properties of the Company include the land use rights that have already been rented, the land use rights held for transfer after appreciation, and the buildings that have been rented.

Investment properties of the Company are initially measured as per the price upon acquisition and depreciated or amortized on schedule as per relevant provisions on fixed assets or intangible assets.

For the investment real estate which is subsequently measured with the cost mode, the method of drawing asset impairment is described in 38 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

The disposal income from the sale, transfer, retirement or damage of investment properties shall be included in current profits and losses after deducting their book value and relevant taxes.

21. Fixed assets**(1) Recognition conditions**

Fixed assets of the Company refer to the tangible assets held for the production of goods, rendering of services, the renting or operation and management, with a service life exceeding one accounting year.

The fixed assets can be recognized only when the economic benefits related to such fixed assets are likely to flow into the enterprise and the cost of such fixed assets can be measured reliably.

Fixed assets of the Company are initially measured at the actual cost upon acquisition.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the related economic benefits are likely to flow into the Company and the costs can be reliably measured. The daily repair costs of fixed assets that do not meet the conditions for the subsequent expenditure of fixed assets capitalization are included in the current profits and losses or the costs of relevant assets based on the beneficiaries at the time of occurrence. For the replaced part, its book value is derecognized.

(2) Depreciation method

Category	Depreciation Method	Depreciation Period	Residual Rate	Annual Depreciation Rate
Houses and Buildings	Straight-line method	20 years	3-5	4.85-4.75
Machinery	Straight-line	10 years	0-3	10.00-9.70

equipment	method			
Transportation equipment	Straight-line method	4-10 years	0-5	25.00-9.50
Electronic equipment	Straight-line method	3 years	0-5	33.33-31.67
Office equipment	Straight-line method	5 years	3-5	19.40-19.00
Others	Straight-line method	5 years	0-5	20.00-19.00

The Company uses the straight-line method for depreciation. The depreciation of fixed assets starts when they reach the expected serviceable condition and stops when they are derecognized or classified as non-current assets held for sale. Depreciation rates are determined based on fixed asset categories, expected service life, and estimated residual values without considering impairment provisions. However, for fixed assets with provision for impairment, the accumulated amount of provision for impairment shall also be deducted to calculate and determine the depreciation rate.

(3) For the impairment test methods and impairment provision methods of fixed assets, please refer to 38 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

(4) The Company reviews the service life, expected net residual value and depreciation method of fixed assets at the end of each year.

The service life of fixed assets shall be adjusted if the expected service life is different from the original estimate, and the estimated net residual value shall be adjusted if the estimated net residual value is different from the original estimate.

(5) Disposal of fixed assets

If a fixed asset is disposed of or if no economic benefit will be obtained from the use or disposal, the recognition of such fixed asset is terminated. The disposal income from the sale, transfer, retirement or damage of fixed assets shall be included in current profits and losses after deducting its book value and relevant taxes.

22. Construction in progress

The cost of construction in progress of the Company is recognized according to the actual construction expenditures, including various necessary construction expenditures incurred during the construction period, borrowing costs that shall be capitalized before the construction reaches the expected condition for its intended use, and other relevant expenses.

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

For the method of provision for asset impairment of construction in progress, refer to 38 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

23. Borrowing costs

(1) Recognition principles for capitalization of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of qualifying assets are capitalized and included in the cost of the related assets; other borrowing costs are expensed as incurred and recognized in the current profit or loss. Borrowing costs begin to be capitalized when all of the following conditions are met:

- ① Asset expenditures have been incurred, including cash payments, transfers of non-cash assets, or assumptions of interest-bearing debts for the acquisition, construction or production of qualifying assets;
- ② Borrowing costs have been incurred;
- ③ Activities necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalization period of borrowing costs

The Company ceases capitalizing borrowing costs when qualifying assets have reached their intended usable or saleable condition. Borrowing costs incurred after qualifying assets have reached their intended usable or saleable condition are recognized as expenses based on amounts incurred and included in current profit or loss.

Capitalization of borrowing costs is suspended if the acquisition, construction, or production of qualifying assets is abnormally interrupted for more than three consecutive months; borrowing costs during normal interruptions continue to be capitalized.

(3) Calculation methods for the capitalization rate and amount of borrowing costs

For specific borrowings, the capitalized amount is calculated by deducting interest income earned from depositing unused borrowed funds in banks or from temporary investments from the actual interest expense incurred during the period; for general borrowings, the capitalized amount is determined by multiplying the weighted average of general borrowings used by the portion of asset expenditures exceeding those financed by specific borrowings by the capitalization rate of general borrowings. The capitalization rate is calculated based on the weighted average interest rate of general borrowings.

During the capitalization period, all exchange differences arising from specific foreign currency borrowings are capitalized, while exchange differences on general foreign currency borrowings are recognized in current profit or loss.

24. Intangible Assets**(1) Service life and its determination basis, estimate, amortization method or review procedure**

Intangible assets of the Company include land use rights, software, non-patented technologies, etc.

Intangible assets are initially measured at cost and their service life is analyzed and judged at the time of acquisition. Where the service life is limited, the intangible asset is amortized over its expected service life, from the time it is available, with an amortization method that reflects the expected realization of the economic benefits associated with the asset. The straight-line method is adopted for amortization if the expected realization mode cannot be determined reliably. Intangible assets with uncertain service life are not amortized.

The amortization method for intangible assets with limited service life is as follows:

Category	Service Life	Amortization Method	Remarks
Land use right	50 years	Straight-line method	
Software	2-10 years	Straight-line method	
Non-patented technology	5-10 years	Straight-line method	

The Company reviews the service life and amortization method of intangible assets with limited service life at the end of each year. If it is different from the previous estimate, the original estimate shall be adjusted and treated as a change in accounting estimates.

The book value of an intangible asset is transferred into the current profits and losses in full if it is expected that the asset cannot bring economic benefits to the enterprise in the future on the balance sheet date.

For the method of provision for asset impairment of the intangible assets, refer to 38 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

(2) Scope of aggregation of expenditures on research and development and related accounting treatment methods

The Company’s research and development expenditures are directly related to the Company’s research and development activities, including research and development labor costs, test expenses, depreciation costs, design fees, and trial production fees.

The Company divides the expenditures of internal research and development projects into expenditures at the research stage and expenditures at the development stage.

The expenditures at the research stage are included in current profits and losses when incurred.

Expenditures at the development stage can be capitalized only when the following conditions are met simultaneously, namely, it is technically feasible to complete the intangible assets so that they can be used or sold; there is an intention to complete the intangible assets and use or sell them; the ways for intangible assets to generate economic benefits include proving that there is a market for the products produced by using the intangible assets or the intangible assets themselves, and proving their usefulness if they are to be used internally; there are sufficient technical, financial and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets; the expenditure at the development stage of the intangible assets can be measured reliably. The development expenditures failing to meet the above conditions are included in current profits and losses when they occur.

The R&D projects of the Company enter the development stage after project approval by meeting the above conditions and passing the technical feasibility and economic feasibility study.

The capitalized expenditures at the development stage are presented as development expenditures on the balance sheet and are transferred into intangible assets from the date when the project realizes its intended use.

The capitalization conditions of specific research and development projects are as follows: The Company’s research and development project ends with product planning, and the division point of the research and

development stages lies in the fact that the overall plan of the development project is prepared and adopted through deliberation and decision-making on the product project review meeting (that is, project initiation). The expenses incurred in the planning stage before the project initiation are directly included in the current profits and losses, and those incurred after the project initiation are included in expenditures in the development stage.

25. Impairment of long-term assets

The asset impairment of long-term equity investment to subsidiaries, associated enterprises and joint ventures, investment real estate subsequently measured by cost model, fixed assets, projects under construction, right-of-use assets, intangible assets, etc. (except for inventories, deferred income tax assets and financial assets) is recognized with the following methods:

The Company judges whether there is a sign of impairment to assets on the balance sheet date. If such a sign exists, the Company estimates the recoverable amount and conducts the impairment test. Impairment tests shall be carried out every year on goodwill resulting from business combination, intangible assets with uncertain service life and intangible assets that have not yet reached their intended use no matter whether there is any sign of impairment.

The recoverable amount is the net amount of the fair value of the assets after deducting the disposal expenses or the present value of the expected future cash flow of the assets, whichever is higher. The Company estimates the recoverable amount based on a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is determined based on the fact that the main cash inflows generated by the asset group are independent of the cash inflows of other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its book value, the Company writes down its book value to the recoverable amount, and the write-down amount is included in current profits and losses, and the corresponding impairment provision of assets is made at the same time.

For the impairment test of goodwill, the book value of goodwill resulting from business combination is amortized to relevant asset groups with reasonable methods from the acquisition date, or amortized to relevant asset group portfolio if it is difficult to amortize it to relevant asset groups. Relevant asset groups or portfolios of asset groups are those that can benefit from the synergies of business combination and are not greater than the reporting segment determined by the Company.

If there is any sign of impairment in the asset group or portfolio of asset groups related to goodwill during the impairment test, the impairment test shall be carried out on the asset group or portfolio of asset groups not including goodwill, and the recoverable amount shall be calculated to determine the corresponding impairment loss. Then, an impairment test is carried out on the asset group or portfolio of asset groups including goodwill to compare its book value and recoverable amount, and determine the impairment loss of goodwill if the recoverable amount is lower than the book value.

Once the impairment loss of assets is determined, it will never be reversed in subsequent accounting periods.

26. Long-term deferred expenses

Long-term unamortized expenses of the Company shall be valued as per actual cost and averagely amortized as per the expected benefit period. The amortized value of the long-term deferred expenses that cannot benefit the future accounting period is included in the current profits and losses.

27. Contract liabilities

The Company presents the contract assets or contract liabilities in the balance sheet according to the relationship between the performance obligations and the customer's payment. The Company presents the contract assets and liabilities under the same contract on a net basis after offsetting each other.

Contractual liability refers to an obligation to transfer goods or services to a customer for which customer consideration has been received or receivable, such as payments received by an enterprise prior to the transfer of promised goods or services.

28. Employee compensation

(1) Accounting method of short-term compensation

Employee compensation refers to various forms of remuneration or compensation given by enterprises to obtain services provided by employees or to terminate labor relations. Employee compensation includes short-term compensation, post-employment benefits, dismissal benefits and other long-term employee benefits. The benefits provided by the enterprise to employees' spouses, children, dependents, survivors of deceased employees and other beneficiaries also belong to employee compensation.

According to liquidity, employee compensation is listed in the "employee compensation payable" and "long-term employee compensation payable" items of the balance sheet.

Short-term compensation

In the accounting period when employees provide services, the Company recognizes the employee wages, bonuses, social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability, and includes them in current profits and losses or relevant asset costs.

(2) Accounting method of post-employment benefits

The post-employment benefit plan includes defined contribution plan and defined benefit plan. The defined contribution plan refers to the post-employment benefit plan that the enterprise will no longer bear the payment obligation after paying fixed fees to independent funds. The defined benefit plan refers to the post-employment benefit plan other than the defined contribution plan.

Defined contribution plan

The defined contribution plan includes basic pension insurance, unemployment insurance and enterprise annuity plan.

In the accounting period when employees provide services, the Company recognizes the amount payable to a defined contribution plan as a liability, and includes it in the current profit or loss or relevant asset cost.

Defined benefit plan

The defined benefit plan shows that an actuarial valuation is performed by an independent actuary on the annual balance sheet date, and the benefit cost is determined with the expected cumulative benefit unit method. The Company recognizes the following components of employee benefits cost arising from defined benefit plans:

- ① Service costs include current service costs, past service costs and settlement gains or losses. Among them, the current service cost refers to the increase in the present value of the defined benefit plan obligations due to the provision of services by employees in the current period; the past service cost refers to the increase or decrease in the present value of the defined benefit plan obligations related to the employee services in the previous period due to the modification of the defined benefit plan.
- ② Net interest on net liabilities or assets of defined benefit plans, including interest income of plan assets, interest expense of defined benefit plan obligations and interest affected by asset ceiling.
- ③ Changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

The Company includes the above items ① and ② in the current profits and losses, unless other accounting standards require or allow the cost of employee benefits to be included in the cost of assets; item ③ is included in other comprehensive income and will not be reversed back to profit or loss in subsequent accounting periods, and the part originally included in other comprehensive income within the equity scope is carried forward to undistributed profit when the original defined benefit plan terminates.

(3) Accounting method of dismissal welfare

When the Company provides dismissal welfare to employees, the liabilities of the employee compensation arising from dismissal welfare are recognized at the earlier of the following two dates and included in the current profit or loss: the Company cannot unilaterally provide the dismissal welfare provided due to the labor relation termination plan or the layoff suggestions; the Company recognizes the costs or expenses related to the restructuring of termination benefits payment.

If the early retirement plan is implemented, the economic compensation before the official retirement date belongs to dismissal welfare. The wages proposed to be paid to the early retired employee and the social insurance premiums to be paid are included in the current profits and losses in a lump sum from the date when the employee stops providing services to the normal retirement date. Economic compensation after the official retirement date (such as normal pension) belongs to post-employment benefits.

(4) Accounting method of other long-term employee benefits

Other long-term employee benefits provided by the Company to the employees satisfying the conditions for classifying as a defined contributions plan are accounted for in accordance with the above requirements relating

to defined contribution plan. The benefits that meet the requirements of the defined benefit plan are treated in accordance with the provisions of the plan. However, the “changes caused by remeasurement of net liabilities or net assets of the defined benefit plan” in relevant employee compensation costs are included in current profits and losses or relevant asset costs.

29. Provisions

The Company recognizes the obligations related to contingencies as estimated liabilities if they meet all of the following conditions:

- (1) The obligation is the current obligation of the Company;
- (2) Performance of this obligation will probably cause an outflow of economic interest of the Company;
- (3) The amount of such obligation can be measured reliably.

Expected liabilities are initially measured at the optimal estimate required to perform the relevant current obligation, in comprehensive consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies. The best estimate is determined by discounting the relevant future cash outflow if the time value of money has a significant impact. At the balance sheet date, the book value of the estimated liabilities is reviewed and adjusted by the Company to reflect the current best estimate.

If all or part of the expenditures necessary for clearing off the recognized provisions are expected to be compensated by a third party or any other party, the amount of compensation shall be recognized as assets separately only when it is basically sure that the amount can be obtained. The recognized amount of compensation shall not exceed the book value of recognized liabilities.

30. Share-based payment

(1) Types of share-based payment

The share-based payments of the Company are divided into equity-settled share-based payment and cash-settled share-based payment.

(2) Determination methods for fair value of equity instruments

The Company recognizes the fair value of equity instruments such as granted options with an active market according to the quotation of the active market. The Company recognizes the fair value of equity instruments such as granted options without active market by using the option pricing model. The following factors are considered in the selected option pricing model: A. exercise price of options; B. validity period of options; C. current price of underlying shares; D. expected fluctuation ratio of stock price; E. expected dividends of shares; F. risk-free interest rate within the validity period of options.

(3) Basis for determining the optimal estimate of vested equity instruments

The Company makes the optimal estimate based on the latest follow-up information such as changes in the number of vesting employees and corrects the expected number of vested equity instruments on each balance sheet date within the vesting period. On the vesting date, the final estimated number of vested equity instruments shall be consistent with the number of actual vested equity instruments.

(4) Accounting treatment related to implementation, modification and termination of share-based payment plan

Share-based payments settled by equity are measured at the fair value of the equity instruments granted to employees. Where the equity instrument can be vested immediately upon being granted, the share-based payment is included in relevant costs or expenses at the fair value of equity instrument on the granting date and the capital reserve shall be increased accordingly. Where the equity instrument can not be vested until the vesting period comes to an end or until the specified performance conditions are met, at each balance sheet date within the vesting period, the services obtained in the current period are, based on the optimal estimate of the number of vested equity instruments, included in relevant costs or expenses and capital reserve at the fair value specified on the granting date of equity instruments. After the vesting date, it shall make no adjustment to the relevant costs or expenses as well as the total amount of the owner's equities which have been confirmed.

Share-based payments settled by cash are measured at the fair value of liabilities recognized based on shares or other equity instruments assumed by the Company. Where the equity instrument can be vested immediately upon being granted, the payment shall be included in the relevant costs or expenses at the fair value of the liabilities assumed by the Company on the granting date, and the liabilities shall be increased accordingly. Where the share-based payment settled by cash cannot be vested until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date within the vesting period, the services acquired in current period are, based on the optimal estimation of the vesting right, included in costs or expenses and corresponding liabilities at the fair value of the liabilities assumed by the Company. On each balance sheet date and the settlement date prior to the settlement of the relevant liabilities, the fair value of the liabilities shall be re-measured, with its changes included in the current profits and losses.

When the Company modifies the share-based payment plan, the increase in services obtained shall be recognized based on the increase (if any) in the fair value of equity instruments; if the quantity of granted equity instruments is increased, the fair value of the increased equity instruments shall be recognized accordingly as the increase in the services obtained. The increase in the fair value of equity instruments refers to the difference between the fair values of equity instruments before and after modification on the modification date. If the total fair value of share-based payment is reduced in the modification or the terms and conditions of the share-based payment plan are modified in other ways unfavorable to employees, the accounting treatment on acquired services shall continue as if the change has never occurred, unless the Company has canceled part or all of the granted equity instruments.

If, during the vesting period, the granted instruments are canceled (except for those canceled because of failure to meet the non-market conditions of the vesting conditions), the Company shall accelerate the vesting of the granted equity instruments, and immediately include the amount to be recognized in the remaining vesting

period in the current profit and loss, and determine the capital reserve in the meantime. In the event that the employees or other parties can choose to meet the non-vesting conditions but fail to meet such conditions during the vesting period, the Company shall treat it as the cancellation of granted equity instruments.

(5) Restricted shares

The Company grants restricted shares to the incentive objects in the equity incentive plan, and the incentive objects subscribe for the shares preferentially. If the unlocking conditions stipulated in the equity incentive plan are not met subsequently, the Company will repurchase the shares at the price agreed in advance. If the restricted shares issued to employees have completed capital increase procedures such as registration as specified, the Company shall determine the share capital and capital reserve (share premium) according to the share subscription money received from employees on the granting date, and determine the treasury shares and other payables in terms of the repurchase obligation.

31. Income

Accounting policies adopted for recognition and measurement of income disclosed by business type

(1) General principles

The Company recognizes its income when it has fulfilled its performance obligations of the contract, i.e., the customer has obtained the control rights of the relevant goods or services.

If the contract contains two or more performance obligations, the Company shall, at the beginning date of the contract, apportion the transaction price to each performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each performance obligation, and measure the income according to the transaction price apportioned to each performance obligation.

In case one of the following conditions is met, the Company will perform the performance obligations within a period of time. Otherwise, it will perform the performance obligations at a time point:

- ① The customer obtains and consumes the economic benefits brought by the performance of the contract by the Company at the same time.
- ② The customer can control the goods under construction during the Company's performance;
- ③ The goods produced during the performance of the Company are irreplaceable, and the Company has been entitled to receive payment for the performance accumulated so far throughout the term of the contract.

For the performance obligations performed within a certain period of time, the Company shall determine the income within that period according to the performance progress. If the performance progress cannot be reasonably confirmed, and the costs incurred by the Company can be expected to be compensated, the incomes shall be recognized according to the amount of costs incurred until the performance progress can be reasonably confirmed.

For performance obligations performed at a certain time point, the Company shall confirm the income at the time point when the customer gains control rights of the relevant goods or services. In determining whether a customer has obtained the control rights of the goods or services, the Company shall take the following signs into consideration:

- ① The Company enjoys the right to the current collection, i.e., the customer has the obligation to pay immediately with respect to the goods;
- ② The Company has transferred the legal ownership of the goods to the customer, i.e., the customer owns the legal ownership of the goods;
- ③ The Company has transferred the goods to the customer in kind, i.e., the customer has possessed the goods;
- ④ The Company has transferred the major risks and remuneration on the ownership of the goods to the customer, i.e., the customer has obtained the major risks and remuneration on the ownership of the goods.
- ⑤ The customer has accepted such goods or services.
- ⑥ Other signs indicate that the customer has obtained the right to control the goods.

(2) Specific methods

The Company's specific method for recognizing revenue from sales of vehicles and their accessories is as follows: When vehicles and their accessories are transported to the agreed delivery location as specified in the contract, and the customer has accepted the goods and obtained control of the goods, the Company recognizes revenue.

Situations where different operating models for similar businesses involve different revenue recognition methods and measurement approaches: None

Situations where different operating models for similar businesses involve different revenue recognition methods and measurement approaches

32. Contract cost

The contract cost includes the incremental cost incurred for obtaining a contract and the contract performance cost.

Incremental costs incurred for obtaining a contract refer to the costs (such as sales commissions) that would not have occurred if the Company had not obtained the contract. If the cost is expected to be recovered, the Company recognizes it as a contract acquisition cost and an asset. Other expenditures incurred by the Company for obtaining contracts other than incremental costs that are expected to be recovered are included in current profits and losses when incurred.

If the cost incurred for contract performance is not within the scope of other accounting standards for business enterprises such as inventories and meets the following conditions at the same time, the Company recognizes it as an asset for the contract performance cost:

- ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing costs (or similar costs), the costs clearly borne by the customer, and other costs incurred only by the Contract;
- ② This cost increases the Company's resources for performing the performance obligations in the future;
- ③ This cost is expected to be recovered.

Assets recognized as contract acquisition costs and that recognized as contract performance costs (hereinafter referred to as "assets related to contract costs") are amortized on the same basis as revenue recognition of goods or services related to the assets and are included in current profits and losses.

When the book value of the assets related to the contract cost is higher than the difference between the following two items, the Company will make provision for the impairment of the excess and recognize it as the impairment loss on assets:

- ① The residual consideration expected to be obtained by the Company from the transfer of goods or services related to the asset;
- ② The estimated costs to be incurred for the transfer of relevant goods or services.

33. Government subsidies

The government subsidies shall be recognized when all the attached conditions can be satisfied and the government subsidies can be received.

The government subsidies considered as monetary assets are measured at the amount received or receivable. The government subsidies considered as non-monetary assets are measured based on the fair value, or the nominal amount of CNY 1 if the fair value cannot be acquired reliably.

Asset-related government subsidies refer to those obtained by the Company and used for acquiring or forming long-term assets in other ways; otherwise, they are regarded as income-related government subsidies.

For the government subsidies with the grant objects not expressly stipulated in the government documents, if they can be used to form long-term assets, the government subsidies corresponding to the asset value are deemed as the government subsidies related to assets while the rest is deemed as the one related to income; for the government subsidies that are difficult to differentiate, the government subsidies as a whole are deemed as income-related government subsidies.

Asset-related government subsidies are recognized as deferred income and included in profits or losses by stages with a reasonable and systematic method within the service life of related assets. For the income-related government subsidies, they shall be included in the current profit and loss if used to compensate for the incurred related costs or losses; if used to compensate for the related costs or losses during future periods, they shall be included in the deferred income, and included in the current profit and loss during the period when the related costs or losses are recognized. Government subsidies measured at the nominal amount are directly included in the current profit and loss. The Company adopts the same treatment for those transactions of similar government subsidies.

The government subsidies related to daily activities shall be included in other incomes based on the substance of business transactions. Government subsidies irrelevant to daily activities are included in non-business income.

If it is necessary to refund the government subsidies that have been recognized, the book value of the assets which has been offset at the time of initial recognition is adjusted; the book balance of the deferred income concerned (if any) is offset, and the excess is included in the current profits and losses; others are directly included in the current profits and losses.

34. Deferred income tax assets and deferred income tax liabilities

Income tax includes current income tax and deferred income tax. The income tax shall be included in the

current profit and loss as income tax expenses, except that the deferred income taxes related to the adjustment of goodwill due to business combination or the transactions or matters directly included in the owner's equity are included in the owner's equity.

The Company recognizes deferred income tax by the balance sheet liability method according to the temporary difference between the book value of assets and liabilities on the balance sheet date and the tax base.

Relevant deferred tax liabilities shall be recognized for each taxable temporary difference, unless the taxable temporary difference arises from the following transactions:

- (1) The initial recognition of goodwill or the initial recognition of assets or liabilities incurred in a transaction that is neither a business combination nor affects the accounting profit or taxable income at the time of the transaction (except for individual transactions where the assets and liabilities initially recognized result in equal amounts of taxable temporary differences and deductible temporary differences);
- (2) Concerning the taxable temporary difference related to the investment of subsidiaries, joint ventures and associated enterprises, the time of reversal of the temporary difference can be controlled and the temporary difference is unlikely to be reversed in the foreseeable future.

The Company recognizes a deferred tax asset for the carry-forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects the accounting profit or taxable income at the time of the transaction (except for individual transactions where the assets and liabilities initially recognized result in equal amounts of taxable temporary differences and deductible temporary differences);
- (2) Corresponding deferred income tax assets are recognized if the deductible temporary difference associated with investments in subsidiaries, associated enterprises and joint ventures meets all of the following conditions: The temporary difference is likely to be reversed in the foreseeable future, and the taxable income which is used to deduct the deductible temporary difference is likely to be obtained in the future.

The Company measures the deferred income tax assets and deferred income tax liabilities at the applicable tax rate during the expected period for recovering the assets or paying off the liabilities on the balance sheet date and reflects the impact on income tax from assets recovery or liability settlement on the balance sheet date.

At the balance sheet date, the Company reviews the book value of a deferred income tax asset. If it is likely that sufficient taxable profits will not be available in future periods to deduct the benefit of the deferred tax assets, the book value of the deferred tax assets is reduced. Any such write-down shall be subsequently reversed where it becomes probable that sufficient taxable income will be available.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented by net amount after set-off when both of the following conditions are satisfied:

- (1) The taxpayer within the Company has the legal rights to settle the income tax assets and income tax liabilities in the current period by net amount;

(2) Deferred income tax assets and deferred tax liabilities are associated with the income taxes imposed by the same taxation authority on the same taxpayer within the Company.

35. Lease

(1) Accounting treatment methods of lease with the Company as the lessee

Identification of lease

On the commencement date of the contract, the Company, as the lessee or lessor, evaluates whether the customer in the contract is entitled to obtain almost all economic benefits arising from the use of the identified assets during the use period, and is entitled to dominate the use of the identified assets during the use period. If one party to the contract abalienates the right to control the use of one or more identified assets within a certain period of time in exchange for consideration, the Company determines that the contract is a lease or includes a lease.

The Company acting as the lessee

At the commencement of the lease term, the Company recognizes right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and low-value asset leases.

For the accounting policies of the right-of-use assets, see 38 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII - Financial Report.

Lease liabilities shall be initially measured at the present value calculated by the interest rate implicit in the lease according to the unpaid lease payment on the commencement date of the lease term. If the interest rate implicit in lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payment includes: fixed payment and substantial fixed payment. If there is a lease incentive, the amount related to the lease incentive shall be deducted; variable lease payments depending on index or ratio; the exercise price of the purchase option, provided that the lessee reasonably determines that the option will be exercised; payments for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be paid according to the guaranteed residual value provided by the lessee. The interest expenses of the lease liabilities within each lease term shall be calculated subsequently according to the fixed periodic rate, and included in the current profits and losses. Variable lease payments not included in the measurement of lease liabilities are included in the current profits and losses when they actually occur.

Short-term lease

Short-term lease refers to a lease with a lease term of not more than 12 months on the commencement date of the lease term, except for the lease containing the purchase option.

The Company includes the lease payment for short-term lease into relevant asset costs or current profits and losses by the straight-line method at each period within the lease term.

For short-term leases, the Company selects the aforementioned simplified treatment method for items that meet short-term lease conditions by category of leased assets.

Low-value asset lease

Low-value asset lease refers to the lease in which the value of a single new leased asset is less than CNY 40,000.

The Company includes the payment of low-value asset lease into relevant asset costs or current profits and losses with the straight-line method in each period within the lease term.

For low-value asset leases, the Company selects the above simplified treatment method according to the specific conditions of each lease.

Lease change

If the lease changes and meets the following conditions at the same time, the Company takes the lease change as a separate lease for the accounting treatment: ① The lease change expands the lease scope by increasing the right to use one or more leased assets; and ② the increased consideration is equivalent to the amount by adjusting the separate price of the expanded lease scope according to the contract.

If the lease change is not taken as a separate lease for accounting treatment, the Company will, on the effective date of the lease change, reallocate the consideration of the changed contract, redetermine the lease term, and remeasure the lease liabilities according to the changed lease payment and the present value calculated by the revised discount rate.

If the lease scope is reduced or the lease term is shortened due to the lease change, the Company will correspondingly reduce the book value of right-of-use assets, and include relevant profits or losses of partial or complete termination of leasing in current profits and losses.

If the lease liabilities are remeasured due to the other lease changes, the Company shall adjust the book value of the right-of-use asset accordingly.

(2) Accounting methods of lease with the Company as the lessor

When the Company is the lessor, the lease that substantially transfers all risks and rewards related to the ownership of the assets is recognized as a finance lease, and other leases than finance leases are recognized as operating leases.

Finance lease

In financial lease, at the commencement of the lease term, the Company takes the net investment in a lease as the entry value of the finance lease receivables, and the net investment in a lease is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement of the lease term discounted at the interest rate implicit in lease. The Company, as the lessor, calculates and recognizes interest income in each lease term at a fixed periodic rate. The variable lease payment obtained by the Company as the lessor and not included in the measurement of net lease investment is included in the current profits and losses when it actually occurs.

Derecognition and impairment of finance lease receivables are accounted for according to the ASBE No.22 - Recognition and Measurement of Financial Instruments and the ASBE No.23 - Transfer of Financial Assets.

Operating lease

Lease income from operating leases is included in current profits or losses by the Company as per the straight-line method over the lease term. The occurred initial direct cost related to the operating lease shall be capitalized, amortized within the lease term according to the same base with the recognition of rental income, and included in the current profits and losses by stages. The variable lease receipts obtained by the Company related to operating leases and not charged to the lease receipts shall be charged to the current profit and loss when they actually occur.

Lease change

In case of any change in an operating lease, the Company carries out accounting treatment as it is a new lease since the effective date of the change, and the advance receipts and receivables related to the lease before the change are deemed as the receipts of the new lease.

If the financial lease changes and meets the following conditions, the Company takes the change as a separate lease for accounting treatment: ① The change expands the lease scope by increasing the right to use one or more leased assets; and ② the increased consideration is equivalent to the amount by adjusting the separate price of the expanded lease scope according to the contract.

If the change of finance lease is not taken as a separate lease for accounting treatment, the Company treats the changed lease under the following circumstances respectively: ① If the change takes effect on the commencement date of the lease and the lease is classified as an operating lease, the Company takes it as a new lease for accounting treatment from the effective date of the lease change, and takes the net investment in the lease before the effective date of the lease change as the book value of the leased asset; ② if the change takes effect on the commencement date of the lease and the lease is classified as a finance lease, the Company carries out accounting treatment in accordance with the provisions of the

36. Other significant accounting policies and accounting estimates

The Company continuously evaluates the significant accounting estimates and key assumptions adopted based on historical experience and other factors, including reasonable expectations for future events. Significant accounting estimates and key assumptions that may lead to significant adjustment risk to the book value of assets and liabilities in the next accounting year are presented as follows:

Classification of financial assets

Major judgments involved in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

The Company determines the business model of managing financial assets at the level of financial asset portfolio, considering the way of evaluating and reporting financial asset performance to key management personnel, the risks affecting the financial asset performance and their management methods, and the way for the relevant business management personnel to obtain the remuneration.

When evaluating whether the contractual cash flow of financial assets is consistent with the basic loan arrangement, the Company has the following main judgments: May the principal change in the time distribution

or amount in the duration due to prepayment and other reasons? Does the interest include only the time value of money, credit risk, other basic borrowing risks, and consideration for costs and profits? For example, does the amount of prepayment only reflect the unpaid principal and interest based on the outstanding principal, as well as reasonable compensation paid due to early termination of the contract?

Measurement of expected credit losses on accounts receivable

The Company calculates the expected credit loss of accounts receivable through default risk exposure and expected credit loss rate of accounts receivable, and determines the expected credit loss rate based on default probability and loss given default. In determining the expected credit loss rate, the Company uses the internal historical credit loss experience and other data, and adjusts the historical data according to the current situation and forward-looking information. When the forward-looking information is considered, the indicators used by the Company include risks of economic downturn, changes in external market environment, technological environment and customer conditions. The Company regularly monitors and reviews the assumptions related to the calculation of expected credit losses.

Development expenditures

In determining the capitalization amounts, the management must make assumptions on the expected future cash flow generation of assets, discount rate to be adopted and expected benefit period.

Deferred Income tax assets

The deferred tax assets shall be recognized in respect of all unused tax losses to the extent it is highly probable that there will be sufficient taxable profits available for offsetting the losses. This requires the management to estimate the timing and amount of future taxable profit using large amounts of judgment and to determine the recognized amount of deferred tax assets by referring to the tax planning strategy.

Estimated liabilities

Expected liabilities are initially measured at the optimal estimate required to perform the relevant current obligation, in comprehensive consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies. The best estimate is determined by discounting the relevant future cash outflow if the time value of money has a significant impact. At the balance sheet date, the book value of the estimated liabilities is reviewed and adjusted by the Company to reflect the current best estimate.

If all or part of the expenditures necessary for clearing off the recognized provisions are expected to be compensated by a third party or any other party, the amount of compensation shall be recognized as assets separately only when it is basically sure that the amount can be obtained. The recognized amount of compensation shall not exceed the book value of recognized liabilities.

37. Changes in significant accounting policies and accounting estimates

(1) Change in significant accounting policies

☐Applicable ☒Not applicable

(2) Change in significant accounting estimates

☐Applicable ☒Not applicable

(3) Adjustment of relevant items in the financial statements at the beginning of the year after the first implementation of the new accounting standards since 2025

☐Applicable ☒Not applicable

38. Others

(1) Fair value measurement

Fair value refers to the price to be received for sale of an asset or to be paid for the transfer of liability by market participants in the orderly transaction on the measurement date.

The Company measures related assets or liabilities at fair value, assuming that the sale of an asset or the transfer of liability is conducted in major markets for relevant assets or liabilities in an orderly transaction. If the major market is not provided, the transaction shall be assumed to be performed in the most favorable market for relevant assets or liabilities. Major markets (or most favorable markets) are the markets where the Company can enter on the measurement date. The Company uses the assumptions used by market participants to maximize their economic benefits when they prices the asset or liability.

The fair value of financial assets or financial liabilities with the active market is determined based on quotations in the active market by the Company. The fair value of financial instrument without an active market is determined through valuation techniques.

When non-financial assets are measured at fair value, it is required to consider the ability of market participants to use the asset for optimal purposes to produce economic benefits, or to sell the asset to other market participants that can use such assets for optimal purposes to produce economic benefits.

The Company shall adopt the estimation technique that is applicable in the current conditions and is supported sufficiently by available data and other information. The relevant observable input values shall be used in priority during the application of estimation technique. Only when relevant observable value cannot be obtained or can be obtained but is not feasible, the unobservable input value can be used.

For assets and liabilities measured or disclosed at fair value in the financial statements, the level to which the fair value belongs is determined according to the lowest level input value that is of significance for the whole fair value measurement: The input value for the first level refers to the unadjusted quotation of the same assets or liabilities in the active market that can be obtained on the measurement date; the input value for the second level refers to the input value that can be directly or indirectly observed for relevant assets or liabilities other than that for the first level; and the input value for the third level refers to the input value that cannot be observed for relevant assets or liabilities.

The Company reassesses the assets and liabilities successively measured at fair value recognized in financial statements on each balance sheet date to determine the transition among fair value measurement levels.

(2) Right-of-use assets

1) Recognition conditions for right-of-use assets

Right-of-use assets refer to the right of the Company, as the lessee, to use the leasing assets within the lease term.

At the commencement date of the lease term, the right-of-use assets are initially measured at cost. This cost includes the initial measurement amount of lease liabilities, lease payments made on or before the lease commencement date, from which any lease incentives enjoyed (if any) needed to be deducted, initial direct costs incurred by the Company as a lessee, and the estimated costs expected to be incurred by the Company as a lessee for dismantling and removing the leased asset, restoring the leased asset's site, or restoring the leased asset to the contractual conditions as stipulated in the lease agreement. The Company, as the lessee, recognizes and measures the cost of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No.13 - Contingencies. Subsequent adjustments are made for any remeasurement of the lease liabilities.

2) Depreciation method of right-of-use assets

The Company uses the straight-line method for depreciation. If the Company, as the lessee, can reasonably confirm that it obtains the ownership of the leasing assets at the expiration of the lease term, the depreciation shall be drawn within the remaining service life of the leasing assets. In case of a failure to determine the ownership of the leased assets reasonably at the end of the lease period, the depreciation shall be drawn within the lease term or the remaining service life of leasing assets, whichever is shorter.

3) The impairment test method and drawing method for impairment provision of right-of-use assets are described in 38 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section VIII - Financial Report.

(3) Work safety cost and maintenance & renovation cost

The Company withdraws the work safety cost month by month in an average manner by taking the method of excess regression based on the actual operating income of the previous year according to the provisions of CZ [2022] No.136 document. The specific standards are as follows:

For the machinery manufacturing enterprises with an operating income of not exceeding CNY 10 million, 2.35% of work safety cost will be withdrawn; for the part of operating income between CNY 10 million and CNY 100 million, 1.25% will be withdrawn; for the part of the operating income between CNY 100 million and CNY 1 billion, 0.25% will be withdrawn; for the part of the operating income between CNY 1 billion and CNY 5 billion, 0.1% will be withdrawn; for the part of the operating income over CNY 5 billion, 0.05% will be withdrawn.

For transportation enterprises, the work safety cost is withdrawn month by month in an average manner according to the following standards based on the actual operating income in the previous year: 1% for ordinary freight business; 1.5% for passenger transportation, pipeline transportation, dangerous goods transportation and other special freight businesses. Work safety cost and maintenance & renovation cost are included in the cost of relevant products or the current profit and loss when withdrawn, and are also included in the "special reserve" account.

For the withdrawn work safety cost and maintenance & renovation cost used within the specified scope, those belong to expense expenditures are directly offset by specific reserves; those cost incurred via collection under the item of “construction in progress” is recognized when the safety project completes and is ready for intended use. Meanwhile, the Company will offset the specific reserves according to the cost that formed fixed assets and determine the accumulated depreciation of the same amount. The fixed assets will no longer be depreciated in subsequent periods.

(4) Repurchase of shares

Shares repurchased by the Company are managed as treasury shares before being canceled or transferred, and all expenditures on repurchased shares are transferred to treasury share costs. Considerations in the payment for shares repurchase and reduced owner’s equity in transaction expenses are not recognized as profits or losses during repurchase, assignment and write-off of the Company’s shares.

The transferred treasury shares are included in the capital reserve based on the difference between the amount actually received and the book value of the treasury shares. The surplus reserve and undistributed profits shall be offset if the capital reserve is insufficient to offset. The canceled treasury shares are used to offset the capital reserve based on the difference between the book balance and the face value of the canceled treasury shares by reducing the share capital according to the face value of the shares and the number of canceled shares. The surplus reserve and undistributed profits shall be offset if the capital reserve is insufficient to offset.

(5) Asset impairment

The asset impairment of long-term equity investment to subsidiaries, associated enterprises and joint ventures, investment real estate subsequently measured by cost model, fixed assets, projects under construction, right-of-use assets, intangible assets, etc. (except for inventories, deferred income tax assets and financial assets) is recognized with the following methods:

The Company judges whether there is a sign of impairment to assets on the balance sheet date. If such a sign exists, the Company estimates the recoverable amount and conducts the impairment test. Impairment tests shall be carried out every year on goodwill resulting from business combination, intangible assets with uncertain service life and intangible assets that have not yet reached their intended use no matter whether there is any sign of impairment.

The recoverable amount is the net amount of the fair value of the assets after deducting the disposal expenses or the present value of the expected future cash flow of the assets, whichever is higher. The Company estimates the recoverable amount based on a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is determined based on the fact that the main cash inflows generated by the asset group are independent of the cash inflows of other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its book value, the Company writes down its book value to the recoverable amount, and the write-down amount is included in current profits and losses, and the corresponding impairment provision of assets is made at the same time.

For the impairment test of goodwill, the book value of goodwill resulting from business combination is amortized to relevant asset groups with reasonable methods from the acquisition date, or amortized to relevant asset group portfolio if it is difficult to amortize it to relevant asset groups. Relevant asset groups or portfolios

of asset groups are those that can benefit from the synergies of business combination and are not greater than the reporting segment determined by the Company.

If there is any sign of impairment in the asset group or portfolio of asset groups related to goodwill during the impairment test, the impairment test shall be carried out on the asset group or portfolio of asset groups not including goodwill, and the recoverable amount shall be calculated to determine the corresponding impairment loss. Then, an impairment test is carried out on the asset group or portfolio of asset groups including goodwill to compare its book value and recoverable amount, and determine the impairment loss of goodwill if the recoverable amount is lower than the book value.

Once the impairment loss of assets is determined, it will never be reversed in subsequent accounting periods.

VI. Taxes

1. Main taxes and tax rates

Tax Category	Tax Basis	Tax Rate
VAT	Taxable value-added tax (the tax payable is calculated by multiplying taxable sales by the applicable tax rate and then deducting input tax allowed to be deducted for the current period)	18%, 15%, 13%, 9%, 6%, 5%
Urban maintenance and construction tax	Turnover tax actually paid	7%, 5%, 3%
Corporate income tax	Taxable income	25%
Education surcharges	Turnover tax actually paid	3%
Local educational surcharges	Turnover tax actually paid	2%
Land use tax	Land use area	CNY 9/m ² , CNY 14/m ² , etc.
Property tax	Property residual value and rental income	1.2%, 12%

Disclosure of different corporate income tax rates for taxable entities

Name of Taxpayer	Income Tax Rate
Jiefang Limited	15%
FAW Jiefang Dalian Diesel Engine Co., Ltd.	15%
Other Organizations	Apart from the preferential tax rates mentioned above, other organizations are subject to the local statutory tax rates.

2. Tax preference

(1) Income tax

Jiefang Limited, a subsidiary of the Company, is recognized as a high-tech enterprise, with a validity period of three years and an income tax rate of 15% within the validity period according to the High-tech Enterprise Certificate (issued on October 16, 2023, with a certificate number of GR202322000922) jointly issued by the Science and Technology Department of Jilin Province, the Department of Finance of Jilin Province and the Jilin Provincial Tax Service of State Taxation Administration.

FAW Jiefang Dalian Diesel Engine Co., Ltd., a subsidiary of the Company, is recognized as a high-tech enterprise, with a validity period of three years and an income tax rate of 15% within the validity period according to the list of the second batch of high-tech enterprises in 2024 (with a certificate number of GR202421200987) issued by Dalian on December 24, 2024.

(2) VAT

FAW Jiefang Automotive Co., Ltd. and FAW Jiefang Dalian Diesel Engine Co., Ltd. satisfy the conditions for advanced manufacturing enterprises and are allowed to add 5% of the current deductible input tax to offset the amount of VAT payable from January 1, 2023 according to the Document No.43 issued by the Ministry of Finance and the State Taxation Administration in 2023, Announcement on VAT Additional Tax Credit Policy for Advanced Manufacturing Enterprises.

VII. Notes to Items in Consolidated Financial Statements

1. Monetary capital

Unit: CNY

Item	Ending balance	Opening balance
Cash on hand	713,669.09	300,158.23
Bank deposit	18,431,164,870.86	10,959,276,854.87
Other monetary capital	22,205,937.18	22,157,571.16
Deposit in finance companies	8,772,375,400.00	8,871,226,437.40
Total	27,226,459,877.13	19,852,961,021.66
Including: total amount deposited abroad	822,780,233.29	442,153,591.03

Details of restricted monetary capital are as follows:

Unit: CNY

Item	Ending balance	Ending Balance of the previous year
Security deposit for three types of personnel	27,520,214.70	28,438,604.73
Housing maintenance fund	22,205,937.18	22,157,571.16
Court freezing		214,000.00
Total	49,726,151.88	50,810,175.89

2. Financial assets held for trading

Unit: CNY

Item	Ending balance	Opening balance
Financial assets at fair value through profit or loss	5,102,739.73	
Total	5,102,739.73	

3. Notes receivable**(1) Classified presentation of notes receivable**

Unit: CNY

Item	Ending balance	Opening balance
Commercial acceptance notes	300,000.00	2,641,582.80
Total	300,000.00	2,641,582.80

(2) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision proportion		Amount	Scale	Amount	Provision proportion	
Including:										
Notes receivable with provision for bad debts by portfolio	300,000.00	100.00%	0.00	0.00%	300,000.00	2,649,000.00	100.00%	7,417.20	0.28%	2,641,582.80
Including:										
Total	300,000.00	100.00%	0.00	0.00%	300,000.00	2,649,000.00	100.00%	7,417.20	0.28%	2,641,582.80

If the provision for bad debts of notes receivable is withdrawn based on the general model of expected credit losses:

☒Applicable ☐Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment has not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as of January 01, 2025	7,417.20			7,417.20
Balance on January 1, 2025 in the current period				
Provision in the current period	-7,417.20			-7,417.20
Balance as of June 30, 2025	0.00			0.00

Basis for stage division and proportion of bad debt provision

Explanation of significant changes in the carrying amount of notes receivable for which loss allowances changed during the current period:

(3) Provision for bad debts provided, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Commercial acceptance bill	7,417.20	-7,417.20				0.00
Total	7,417.20	-7,417.20				0.00

Important provision for bad debts recovered or reversed in the current period:

☐Applicable ☒Not applicable**4. Accounts receivable****(1) Disclosure by aging**

Unit: CNY

Aging	Ending book balance	Beginning Book Balance
Within 1 year (including 1 year)	7,199,626,456.71	6,872,611,350.77
1-2 years	1,133,408,461.03	157,505,139.84
2-3 years	72,530,384.22	75,249,438.78
Over 3 years	277,154,858.19	217,725,478.29
3-4 years	55,121,210.64	23,161,532.86
4-5 years	46,490,064.10	38,071,959.47
Over 5 years	175,543,583.45	156,491,985.96
Total	8,682,720,160.15	7,323,091,407.68

(2) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision proportion		Amount	Scale	Amount	Provision proportion	
Accounts receivable with provision for bad debts on an individual basis	176,626,199.29	2.03%	154,073,418.09	87.23%	22,552,781.20	178,969,510.25	2.44%	156,416,729.05	87.40%	22,552,781.20
Including:										
Accounts receivable with provision for bad debts by portfolio	8,506,093,960.86	97.97%	114,945,054.55	1.35%	8,391,148,906.31	7,144,121,897.43	97.56%	99,378,536.09	1.39%	7,044,743,361.34
Including:										
Aging portfolio	8,506,093,960.86	97.97%	114,945,054.55	1.35%	8,391,148,906.31	7,144,121,897.43	97.56%	99,378,536.09	1.39%	7,044,743,361.34
Total	8,682,720,160.15	100.00%	269,018,472.64	3.10%	8,413,701,687.51	7,323,091,407.68	100.00%	255,795,265.14	3.49%	7,067,296,142.54

Provision for bad debts by individual category

Unit: CNY

Name	Opening balance		Ending balance			
	Book balance	Provision for Bad Debts	Book balance	Provision for Bad Debts	Provision proportion	Reasons for Provision
Accounts receivable 1	37,612,001.70	37,612,001.70	37,612,001.70	37,612,001.70	100.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 2	11,948,079.30	11,948,079.30	11,948,079.30	11,948,079.30	100.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 3	11,226,311.19	11,226,311.19	11,226,311.19	11,226,311.19	100.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 4	10,820,948.89	3,246,284.67	10,820,948.89	3,246,284.67	30.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 5	10,066,741.31	3,052,841.31	10,066,741.31	3,052,841.31	30.33%	It is highly probable that the amounts will not be recovered
Accounts receivable 6	9,720,879.01	2,916,263.70	9,720,879.01	2,916,263.70	30.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 7	8,581,536.83	8,581,536.83	7,507,375.97	7,507,375.97	100.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 8	727,900.00	727,900.00				It is highly probable that the amounts will not be recovered
Accounts receivable 9	8,043,264.87	8,043,264.87	8,043,264.87	8,043,264.87	100.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 10	7,732,179.52	7,732,179.52	7,732,179.52	7,732,179.52	100.00%	It is highly probable that the amounts

						will not be recovered
Accounts receivable 11	7,436,520.00	7,436,520.00	7,436,520.00	7,436,520.00	100.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 12	6,230,500.00	6,230,500.00	6,230,500.00	6,230,500.00	100.00%	It is highly probable that the amounts will not be recovered
Accounts receivable 13	5,643,600.00	5,643,600.00	5,643,600.00	5,643,600.00	100.00%	It is highly probable that the amounts will not be recovered
Other accounts receivable	43,179,047.63	42,019,445.96	42,637,797.53	41,478,195.86	97.28%	It is highly probable that the amounts will not be recovered
Total	178,969,510.25	156,416,729.05	176,626,199.29	154,073,418.09		

Provision for bad debts by portfolio category

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Within 1 year	7,199,626,456.71	16,945,740.28	0.24%
1-2 years	1,146,211,234.70	13,398,286.48	1.17%
2-3 years	60,717,603.50	6,477,758.09	10.67%
3-4 years	50,562,247.04	29,146,850.79	57.65%
Over 4 years	48,976,418.91	48,976,418.91	100.00%
Total	8,506,093,960.86	114,945,054.55	

Description of the basis for determining this portfolio:

If the provision for bad debts of accounts receivable is withdrawn based on the general model of expected credit losses:

☒Applicable ☐Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment has not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as of January 01, 2025	14,976,650.57	84,401,885.52	156,416,729.05	255,795,265.14
Balance on January 1, 2025 in the				

current period				
Provision in the current period	4,923,254.83	16,504,701.15		21,427,955.98
Reversal in the Current Period			1,802,060.86	1,802,060.86
Other changes	2,954,165.12	2,907,272.40	541,250.10	6,402,687.62
Balance as of June 30, 2025	16,945,740.28	97,999,314.27	154,073,418.09	269,018,472.64

Basis for stage classification and bad debt provision rates: For Stage I and Stage II, provisions are based on aging, with rates of 0.24% for within 1 year, 1.17% for 1-2 years, 10.67% for 2-3 years, 57.65% for 3-4 years, and 100% for over 4 years. For Stage III, the Company measures the loss allowance based on lifetime expected credit losses for such accounts receivable.

Description of significant changes in the book balance of accounts receivable with changes in provision for loss in the current period:

(3) Provision for bad debts provided, recovered or reversed in the current period

Provision for bad debts in the current period:

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Accounts receivable	255,795,265.14	21,427,955.98	1,802,060.86	3,804,089.92	2,598,597.70	269,018,472.64
Total	255,795,265.14	21,427,955.98	1,802,060.86	3,804,089.92	2,598,597.70	269,018,472.64

Important provision for bad debts recovered or reversed in the current period:

Unit: CNY

Name of Unit	Amount Recovered or Reversed	Reason for reversal	Recovery Method	Basis of determining the proportion of provision for original bad debts and its rationality
Accounts receivable 1	727,900.00	Recovered	Notes and bank deposits	Litigation has been initiated; the counterparty faces financial difficulties, making recovery unlikely
Accounts receivable 2	1,074,160.86	Recovered	Bank deposit	Litigation has been initiated; the counterparty faces financial difficulties, making recovery unlikely

Total	1,802,060.86			
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(4) Other accounts receivable and contractual assets from the top five borrowers classified based on the ending balance

Unit: CNY

Name of Unit	Ending Balance of Accounts Receivable	Ending balance of contractual assets	Ending balance of accounts receivable and contractual assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt provision for accounts receivable and impairment provision for contractual assets
Accounts receivable 1	6,215,538,152.08		6,215,538,152.08	71.46%	8,066,004.68
Accounts receivable 2	297,062,648.76		297,062,648.76	3.42%	297,062.65
Accounts receivable 3	106,149,729.03		106,149,729.03	1.22%	1,486,096.21
Accounts receivable 4	102,142,897.47		102,142,897.47	1.17%	286,000.11
Accounts receivable 5	91,713,600.00		91,713,600.00	1.05%	256,798.08
Total	6,812,607,027.34		6,812,607,027.34	78.32%	10,391,961.73

5. Contract assets

(1) Contractual assets

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Provision for Bad Debts	Book Value	Book balance	Provision for Bad Debts	Book Value
Contract assets	14,994,696.42	459,063.57	14,535,632.85	15,055,893.05	600,351.00	14,455,542.05
Total	14,994,696.42	459,063.57	14,535,632.85	15,055,893.05	600,351.00	14,455,542.05

(2) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision proportion		Amount	Scale	Amount	Provision proportion	
Including:										
Provision for bad debts made by portfolio	14,994,696.42	100.00%	459,063.57	3.06%	14,535,632.85	15,055,893.05	100.00%	600,351.00	3.99%	14,455,542.05
Including:										
Total	14,994,696.42	100.00%	459,063.57	3.06%	14,535,632.85	15,055,893.05	100.00%	600,351.00	3.99%	14,455,542.05

Provision for bad debts by portfolio category

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Within 1 year	14,128,326.90	32,164.20	0.23%
1-2 years	396,442.52	49,938.77	12.60%
2-3 years	469,927.00	376,960.60	80.22%
Total	14,994,696.42	459,063.57	

Description of the basis for determining this portfolio:

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

☒Applicable ☐Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment has not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as of January 01, 2025	32,721.57	567,629.43		600,351.00
Balance on January 1, 2025 in the current period				
Provision in the current period	-557.37	-140,730.06		-141,287.43
Balance as of June 30, 2025	32,164.20	426,899.37		459,063.57

Basis for stage division and proportion of bad debt provision

In the first and second stages, provisions for bad debts are made based on aging, with rates of 0.23% for accounts aged within 1 year, 12.60% for accounts aged 1 to 2 years, and 80.22% for accounts aged 2 to 3 years.

Description of significant changes in the book balance of contractual assets with changes in provision for loss in the current period:

(3) Provision for bad debts provided, recovered or reversed in the current period

Unit: CNY

Item	Provision in the current period	Recovery or reversal in the current period	Charge-off/Write-off in the Current Period	Reason
Impairment provision of contract assets	-141,287.43			Risks in payment collection
Total	-141,287.43			

Other description

6. Receivables financing**(1) Presentation of receivables financing by category**

Unit: CNY

Item	Ending balance	Opening balance
Notes receivable	6,250,344,325.45	10,019,816,248.98
Total	6,250,344,325.45	10,019,816,248.98

(2) Financing of receivables endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

Unit: CNY

Item	Derecognized amount at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bill	719,397,070.50	
Total	719,397,070.50	

7. Other receivables

Unit: CNY

Item	Ending balance	Opening balance
Dividends receivable		157,707,661.77
Other receivables	1,681,860,160.35	1,182,925,650.71
Total	1,681,860,160.35	1,340,633,312.48

(1) Dividends receivable**1) Classification of dividends receivable**

Unit: CNY

Item (or Investee)	Ending balance	Opening balance
First Automobile Finance Co., Ltd.		156,960,226.90
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.		747,434.87
Total		157,707,661.77

(2) Other receivables**1) Classification of other receivables by nature**

Unit: CNY

Nature	Ending book balance	Beginning Book Balance
Current account	1,318,116,116.83	916,206,955.43
Claim payment	356,384,164.50	262,619,355.01
Margin, deposit	29,272,805.25	30,382,472.86
Reserve fund	16,082,531.41	9,876,260.52
Total	1,719,855,617.99	1,219,085,043.82

2) Disclosure by aging

Unit: CNY

Aging	Ending book balance	Beginning Book Balance
Within 1 year (including 1 year)	862,719,929.06	348,766,762.84
1-2 years	150,639,913.25	164,029,838.32
2-3 years	664,112,523.28	688,094,494.92
Over 3 years	42,383,252.40	18,193,947.74
3-4 years	14,277,174.26	726,113.75
4-5 years	6,827,936.00	3,701,471.89
Over 5 years	21,278,142.14	13,766,362.10
Total	1,719,855,617.99	1,219,085,043.82

3) Disclosure by the method of provision for bad debts

☑Applicable ☐Not applicable

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision proportion		Amount	Scale	Amount	Provision proportion	
Provision for bad debts made by individual item	1,555,446.41	0.09%	1,555,446.41	100.00%		2,097,739.41	0.17%	2,097,739.41	100.00%	
Including:										
Provision for bad debts made by portfolio	1,718,300,171.58	99.91%	36,440,011.23	2.12%	1,681,860,160.35	1,216,987,304.41	99.83%	34,061,653.70	2.80%	1,182,925,650.71
Including:										
Total	1,719,855,617.99	100.00%	37,995,457.64	2.21%	1,681,860,160.35	1,219,085,043.82	100.00%	36,159,393.11	2.97%	1,182,925,650.71

Provision for bad debts by individual category

Unit: CNY

Name	Opening balance		Ending balance			
	Book balance	Provision for Bad Debts	Book balance	Provision for Bad Debts	Provision proportion	Reasons for Provision
Other receivables 1	542,293.00	542,293.00				
Other receivables 2	538,200.00	538,200.00	538,200.00	538,200.00	100.00%	It is highly probable that the amounts will not be recovered
Other receivables 3	199,194.30	199,194.30	199,194.30	199,194.30	100.00%	It is highly probable that the amounts will not be recovered
Other receivables 4	198,000.00	198,000.00	198,000.00	198,000.00	100.00%	It is highly probable that the amounts will not be recovered
Other receivables 5	154,539.47	154,539.47	154,539.47	154,539.47	100.00%	It is highly probable that the amounts will not be recovered
Other receivables 6	135,000.00	135,000.00	135,000.00	135,000.00	100.00%	It is highly probable that the amounts will not be recovered
Other receivables 7	119,600.00	119,600.00	119,600.00	119,600.00	100.00%	It is highly probable that the amounts will not be recovered
Other receivables	210,912.64	210,912.64	210,912.64	210,912.64	100.00%	It is highly probable that the amounts will not be recovered
Total	2,097,739.41	2,097,739.41	1,555,446.41	1,555,446.41		

Provision for bad debts by portfolio category

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Aging portfolio	1,718,300,171.58	36,440,011.23	2.12%

Total	1,718,300,171.58	36,440,011.23	
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Description of the basis for determining this portfolio: None

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

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment has not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as of January 01, 2025	2,970,998.62	31,090,655.08	2,097,739.41	36,159,393.11
Balance on January 1, 2025 in the current period				
Provision in the current period	2,441,393.86	-62,436.33		2,378,957.53
Write-off in the current period		600.00	542,293.00	542,893.00
Balance as of June 30, 2025	5,412,392.48	31,027,618.75	1,555,446.41	37,995,457.64

Basis for stage division and proportion of bad debt provision: For Stage I and Stage II, provisions are made based on aging, with rates of 0.63% for Stage I and 3.63% for Stage II. For accounts in Stage III, the Company measures the loss allowance based on the expected credit losses over the entire lifetime of such accounts receivable.

Significant book balance changes occurred in the provision for losses in the current period

☐Applicable ☒Not applicable

4) Provision, recovery, or reversal of bad debts in the current period

Provision for bad debts in the current period:

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Other receivables	36,159,393.11	2,378,957.53		542,893.00		37,995,457.64
Total	36,159,393.11	2,378,957.53		542,893.00		37,995,457.64

(5) Other receivables written off in the current period

Unit: CNY

Item	Amount Written off
Payment for goods	542,893.00

Notes on write-off of other receivables:

6) Top five ending balances of other receivables classified by debtors

Unit: CNY

Name of Unit	Nature of Payment	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending Balance of Provision for Bad Debts
Other receivables 1	Funds for land purchase and reserve	660,862,800.00	2-3 years	38.43%	7,269,490.80
Other receivables 2	New energy subsidy	156,240,000.00	Within 1 year	9.08%	2,499,840.00
Other receivables 3	Funds for land purchase and reserve	129,042,064.00	0-6 months	7.50%	2,064,673.02
Other receivables 4	Export tax rebate	82,115,282.06	0-6 months	4.77%	
Other receivables 5	New energy subsidy	64,505,998.00	Less than 1 year, 1-2 years	3.75%	4,361,497.01
Total		1,092,766,144.06		63.53%	16,195,500.83

8. Advance payment**(1) Presentation of advance payment by aging**

Unit: CNY

Aging	Ending balance		Opening balance	
	Amount	Scale	Amount	Scale
Within 1 year	139,408,349.98	90.91%	118,197,236.62	91.88%
1-2 years	13,600,361.66	8.87%	1,609,861.97	1.25%
2-3 years	256,578.91	0.17%	8,541,250.38	6.64%
Over 3 years	79,369.15	0.05%	290,810.50	0.23%
Total	153,344,659.70		128,639,159.47	

Reasons for delay in settlement of advance payment with important amounts and aging over 1 year: None

(2) Top five ending balances of advance payments classified by advance payment objects

The advance payments with the top five closing balances classified by the prepaid parties in the current period are CNY 49,215,305.67, accounting for 32.09% of the total closing balance of advance payments.

Other description:

9. Inventories

Does the Company need to comply with the disclosure requirements of the real estate industry: No

(1) Classification of inventories

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment Provision of Inventories or Contract Performance Costs	Book Value	Book balance	Impairment Provision of Inventories or Contract Performance Costs	Book Value
Raw material	135,984,056.06	8,845,081.36	127,138,974.70	314,311,378.76	38,992,671.09	275,318,707.67
Goods in process	441,354,724.69	35,526,393.21	405,828,331.48	445,006,311.26	11,526,023.10	433,480,288.16
Goods in stock	8,434,928,978.49	180,205,495.12	8,254,723,483.37	7,452,128,355.61	253,655,992.67	7,198,472,362.94
Revolving material	236,245,834.71	41,587,999.36	194,657,835.35	77,088,960.57	2,406,972.14	74,681,988.43
Goods dispatched	574,309,857.76		574,309,857.76			
Outsourced semi-finished products	2,777,496,468.40	151,368,503.05	2,626,127,965.35	2,270,730,746.00	135,470,983.23	2,135,259,762.77
Others	86,137,117.47		86,137,117.47			
Total	12,686,457,037.58	417,533,472.10	12,268,923,565.48	10,559,265,752.20	442,052,642.23	10,117,213,109.97

(2) Impairment provision of inventories and contract performance costs

Unit: CNY

Item	Opening balance	Increase in the Current Period		Decrease in the Current Period		Ending balance
		Provision	Others	Reverse or Charge-off	Others	
Raw material	38,992,671.09	-29,556,152.15		591,437.58		8,845,081.36
Goods in process	11,526,023.10	24,072,668.30		72,298.19		35,526,393.21
Goods in stock	253,655,992.67	79,620,979.93		153,071,477.48		180,205,495.12
Revolving material	2,406,972.14	39,533,664.48		352,637.26		41,587,999.36
Outsourced semi-finished products	135,470,983.23	38,071,826.78		22,174,306.96		151,368,503.05
Total	442,052,642.23	151,742,987.34		176,262,157.47		417,533,472.10

Provision for inventory write-down on a portfolio basis

10. Long-term receivables due within 1 year

Unit: CNY

Item	Ending balance	Opening balance
Long-term receivables due within 1 year	366,794,659.02	377,668,442.06

Total	366,794,659.02	377,668,442.06
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(1) Debt investments due within one year

☐Applicable ☒Not applicable

(2) Other debt investments due within one year

☐Applicable ☒Not applicable

11. Other current assets

Unit: CNY

Item	Ending balance	Opening balance
Input VAT	391,233,271.32	802,923,987.38
Input VAT to be certified	699,931,376.09	610,578,724.24
Others		135,462.60
Total	1,091,164,647.41	1,413,638,174.22

Other description:

12. Investment in other equity instruments

Unit: CNY

Project Name	Opening balance	Gains included in other comprehensive incomes in the current period	Losses included in other comprehensive incomes in the current period	Cumulative gains are included in other comprehensive incomes at the end of the current period	Cumulative losses are included in other comprehensive incomes at the end of the current period	Dividend income recognized in the current period	Ending balance	Reason for being designated as being measured at fair value and changes included in other comprehensive incomes
REFIRE	540,066,528.00	49,563,864.00		108,850,392.00			589,630,392.00	Changes in fair value
Total	540,066,528.00	49,563,864.00		108,850,392.00			589,630,392.00	

Other description:

13. Long-term receivables**(1) Long-term receivables**

Unit: CNY

Item	Ending balance			Opening balance			Discount Rate Range
	Book balance	Provision for Bad Debts	Book Value	Book balance	Provision for Bad Debts	Book Value	
Sales of goods by installment	539,669,033.39	62,145,156.01	477,523,877.38	542,060,036.98	53,480,359.31	488,579,677.67	
Long-term receivables due within 1 year	-428,204,778.91	-61,410,119.89	-366,794,659.02	-430,595,782.49	-52,927,340.43	-377,668,442.06	
Total	111,464,254.48	735,036.12	110,729,218.36	111,464,254.49	553,018.88	110,911,235.61	

(2) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision proportion		Amount	Scale	Amount	Provisi on proportion	
Including:										
Provision for bad debts made by portfolio	539,669,033.39	100.00%	62,145,156.01	11.52%	477,523,877.38	542,060,036.98	100.00%	53,480,359.31	9.87%	488,579,677.67
Including:										
Total	539,669,033.39	100.00%	62,145,156.01	11.52%	477,523,877.38	542,060,036.98	100.00%	53,480,359.31	9.87%	488,579,677.67

Provision for bad debts by portfolio category

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Long-term receivables	539,669,033.39	62,145,156.01	11.52%
Total	539,669,033.39	62,145,156.01	

Description of the basis for determining this portfolio:

Basis for stage division and proportion of bad debt provision

(3) Provision for bad debts provided, recovered or reversed in the current period

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Long-term receivables	53,480,359.31	8,664,796.70				62,145,156.01
Total	53,480,359.31	8,664,796.70				62,145,156.01

Other description:

14. Long-term equity investments

Unit: CNY

Investee	Opening balance (book value)	Opening balance of impairm ent provisio n	Increase/Decrease in the current period								Ending balance (book Value)	Endin g balanc e of impair ment provisi on
			Additi onal Invest ment	Reduc ed Invest ment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Cash dividends and profits are declared to be paid	Impair ment Provis ion	Others		
I. Joint ventures												
Jiefang Times New Energy Technology Co., Ltd.	40,983,228.82				-2,332,566.78						38,650,662.04	
Subtotal	40,983,228.82				-2,332,566.78						38,650,662.04	
II. Associated enterprises												
Changchun Automotive Test Center Co., Ltd.	735,066,941.17				17,291,512.27			33,768,915.54			718,589,537.90	
Sanguard Automobile Insurance Co., Ltd.	184,102,155.37				2,203,459.15	1,904,514.70					188,210,129.22	
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	87,914,511.50				492,081.98		-51,433.86				88,355,159.62	
FAW Changchun	43,865,938.84				3,170,420.63						47,036,359.47	

Baoyou Jiefang Steel Processing and Distribution Co., Ltd.												
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	37,096,903.44				772,158.52			1,000,000.00			36,869,061.96	
Foshan Diyiyuansu New Energy Technology Co., Ltd.	28,484,079.98				-1,894,194.42						26,589,885.56	
Changchun Wabco Automotive Control System Co., Ltd.	14,733,920.76				-1,271,824.05						13,462,096.71	
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	4,040,781.21				-252,889.67						3,787,891.54	
SmartLink												
Suzhou Zhito Technology Co., Ltd.												
Subtotal	1,135,305,232.27				20,510,724.41	1,904,514.70	-51,433.86	34,768,915.54			1,122,900,121.98	

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Total	1,176,288,461.09				18,178,157.63	1,904,514.70	-51,433.86	34,768,915.54			1,161,550,784.02	
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The recoverable amount is the net amount of the fair value after deducting the disposal expenses

☐Applicable ☒Not applicable

The recoverable amount is the present value of the expected future cash flow

☐Applicable ☒Not applicable

Reason for apparent discrepancies between the foregoing information and the information used in the impairment test or external information in the previous year: None

Reason for apparent discrepancies between the information used in the Company's impairment test of the previous year and the actual situation in the current year: None

Other description

15. Investment properties

(1) Investment properties measured at cost

☒Applicable ☐Not applicable

Unit: CNY

Item	Houses and Buildings	Land use right	Project under construction	Total
I. Original book value				
1. Opening balance	108,628,147.40	7,498,763.44		116,126,910.84
2. Increase in the current period	6,734,780.35			6,734,780.35
(1) Purchase				
(2) Transfer from inventories/fixed assets/construction in progress	6,734,780.35			6,734,780.35
(3) Increase due to business combination				
3. Decrease in the current period	12,977,125.79			12,977,125.79
(1) Disposal				
(2) Other transfer-out				
(3) Transferred to fixed assets	12,977,125.79			12,977,125.79
4. Ending balance	102,385,801.96	7,498,763.44		109,884,565.40
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	61,732,028.88	1,558,905.65		63,290,934.53
2. Increase in the current period	3,347,397.69	76,289.27		3,423,686.96
(1) Provision or amortization	2,564,674.37	76,289.27		2,640,963.64
(2) Transfer-in of intangible assets and fixed assets	782,723.32			782,723.32

3. Decrease in the current period	4,008,110.64			4,008,110.64
(1) Disposal				
(2) Other transfer-out				
(3) Transferred to fixed assets	4,008,110.64			4,008,110.64
4. Ending balance	61,071,315.93	1,635,194.92		62,706,510.85
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	41,314,486.03	5,863,568.52		47,178,054.55
2. Beginning book value	46,896,118.52	5,939,857.79		52,835,976.31

The recoverable amount is the net amount of the fair value after deducting the disposal expenses

☐Applicable ☒Not applicable

The recoverable amount is the present value of the expected future cash flow

☐Applicable ☒Not applicable

(2) Investment properties measured at fair value

☐Applicable ☒Not applicable

16. Fixed assets

Unit: CNY

Item	Ending balance	Opening balance
Fixed assets	10,581,179,165.47	11,192,711,830.63
Disposal of fixed assets	27,245,194.48	5,588,741.57
Total	10,608,424,359.95	11,198,300,572.20

(1) Details of fixed assets

Unit: CNY

Item	Houses and Buildings	Machinery equipment	Transportation equipment	Electronic equipment	Office equipment	Others	Total
I. Original book value							
1. Opening balance	6,345,629,801.82	18,907,276,323.97	190,421,010.75	751,797,169.08	66,794,647.34	1,402,060,800.25	27,663,979,753.21
2. Increase in the current period	37,107,681.01	508,941,326.01	647,047.33	6,340,690.97	548,371.47	4,370,191.83	557,955,308.62
(1) Purchase		1,892,120.53		290,775.89	6,946.71	515,977.00	2,705,820.13
(2) Transfer from construction in progress	25,625,405.10	502,817,605.64	422,415.93	4,618,003.49	341,625.50	3,854,214.83	537,679,270.49
(3) Increase due to business combination							
(4) Other increases	11,482,275.91	4,231,599.84	224,631.40	1,431,911.59	199,799.26		17,570,218.00
3. Decrease in the current period	48,860,975.87	750,579,779.29	1,637,049.94	4,817,845.10	1,527,390.05	40,728,250.26	848,151,290.51
(1) Disposal or retirement	40,838,292.81	749,843,068.93	1,195,242.52	4,498,094.47	1,510,312.00	40,683,654.23	838,568,664.96
(2) Other decreases	8,022,683.06	736,710.36	441,807.42	319,750.63	17,078.05	44,596.03	9,582,625.55
4. Ending balance	6,333,876,506.96	18,665,637,870.69	189,431,008.14	753,320,014.95	65,815,628.76	1,365,702,741.82	27,373,783,771.32
II. Accumulated depreciation							
1. Opening balance	2,647,820,937.69	11,765,076,408.49	142,301,805.63	651,297,497.99	47,989,583.56	1,193,334,887.79	16,447,821,121.15
2. Increase in the current period	169,708,548.50	603,827,403.61	9,753,495.55	37,955,567.98	3,114,672.21	38,306,623.80	862,666,311.65
(1) Provision	166,510,861.03	603,084,479.75	9,753,495.55	37,955,567.98	3,114,672.21	38,306,623.80	858,725,700.32
(2) Other increases	3,197,687.47	742,923.86					3,940,611.33
3. Decrease in the current period	32,610,157.43	461,948,700.69	1,615,669.76	4,789,191.73	1,447,209.16	32,832,537.54	535,243,466.31
(1) Disposal or retirement	24,425,962.73	461,945,062.04	1,486,652.56	4,490,299.60	1,432,710.11	32,828,350.75	526,609,037.79
(2) Other decreases	8,184,194.70	3,638.65	129,017.20	298,892.13	14,499.05	4,186.79	8,634,428.52
4. Ending balance	2,784,919,328.76	11,906,955,111.41	150,439,631.42	684,463,874.24	49,657,046.61	1,198,808,974.05	16,775,243,966.49

III. Impairment provision							
1. Opening balance	12,344.37	20,451,354.58			42,350.40	2,940,752.08	23,446,801.43
2. Increase in the current period							
(1) Provision							
3. Decrease in the current period	12,344.37	5,228,748.32			42,142.85	802,926.53	6,086,162.07
(1) Disposal or retirement	12,344.37	5,228,748.32			42,142.85	802,926.53	6,086,162.07
4. Ending balance		15,222,606.26			207.55	2,137,825.55	17,360,639.36
IV. Book value							
1. Ending book value	3,548,957,178.20	6,743,460,153.02	38,991,376.72	68,856,140.71	16,158,374.60	164,755,942.22	10,581,179,165.47
2. Beginning book value	3,697,796,519.76	7,121,748,560.90	48,119,205.12	100,499,671.09	18,762,713.38	205,785,160.38	11,192,711,830.63

(2) Temporary idle fixed assets

Unit: CNY

Item	Original book value	Accumulated depreciation	Impairment Provision	Book Value	Remarks
Machinery equipment	149,690,966.82	135,444,373.85	4,742,728.62	9,503,864.35	
Transportation equipment	4,899,762.30	4,670,359.06		229,403.24	
Electronic equipment	638,688.60	638,688.60			
Others	4,331,562.90	2,739,438.20		1,592,124.70	
Total	159,560,980.62	143,492,859.71	4,742,728.62	11,325,392.29	

(3) Fixed assets leased out under operating leases

Unit: CNY

Item	Ending Book Value
Warehouse and office	421,011.60
Total	421,011.60

(4) Fixed assets without property ownership certificates

Unit: CNY

Item	Book Value	Reasons for failure to obtain the certificate
Guanghan base project	258,760,894.39	The property ownership certificate will be applied for after the final account audit upon completion of the project
Project of exiting the city and entering the industrial park	36,843,214.49	It is a new plant, and the information is incomplete and currently being processed.
Total	295,604,108.88	

Other description

(5) Impairment testing of fixed assets☐Applicable ☒Not applicable**(6) Disposal of fixed assets**

Unit: CNY

Item	Ending balance	Opening balance
Houses and Buildings	42,244.58	44,184.97
Machinery equipment	25,610,530.29	3,066,994.74
Means of transport	266,053.79	357,163.02
Electronic equipment		23,158.49
Office equipment	54,042.14	1,004,714.07
Others	1,272,323.68	1,092,526.28

Total	27,245,194.48	5,588,741.57
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Other description:

17. Construction in progress

Unit: CNY

Item	Ending balance	Opening balance
Project under construction	762,817,790.85	688,181,815.22
Total	762,817,790.85	688,181,815.22

(1) Construction in progress

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment Provision	Book Value	Book balance	Impairment Provision	Book Value
New and reconstructed investment project	27,289,026.43	1,945,416.12	25,343,610.31	30,573,415.10	1,945,416.12	28,627,998.98
Technical transformation investment project	737,529,677.73	55,497.19	737,474,180.54	659,609,313.43	55,497.19	659,553,816.24
Total	764,818,704.16	2,000,913.31	762,817,790.85	690,182,728.53	2,000,913.31	688,181,815.22

(2) Changes in important construction in progress in the current period

Unit: CNY

Project Name	Budget	Opening balance	Increase in the Current Period	Amount transferred to fixed assets in the current period	Other Decreases in the Current Period	Ending balance	Proportion of accumulated investment in constructions to budget	Project Progress	Cumulative amount of capitalized interest	Including: Capitalized interest amount during the current period	Capitalization rate of interest in current period	Capital source
R&D capacity improvement project of FAW Jiefang Qingdao Base	651,779,990.00	413,094,135.26	28,028,986.80	27,272,530.59		413,850,591.47	67.68%	87.55%				Proceeds, others
FAW Jiefang Wuxi R&D Base Construction Project	423,550,000.00	126,583,954.82	72,871,533.24	33,469,153.51		165,986,334.55	48.79%	70%				Proceeds, others
FAW Jiefang Digital Intelligence Capability Enhancement Project	66,000,000.00	17,719,690.62	19,204,867.78			36,924,558.40	55.95%	59.5%				Others
Project of exiting the city and	936,068,800.00	19,204,724.39	-24,936.56	-24,936.56		19,204,724.39	71.43%	97.87%				Others

entering the industrial park												
Second- generation E/E architectur e commerca l vehicle HIL simulator	32,000,000.00	16,401,117.40				16,401,117.40	51.25%	70%				Others
Pilot line for heavy- duty electric drive systems	33,240,000.00		12,361,061.95			12,361,061.95	37.19%	58%				Others
Expansion Project of Canteen No.2, Jimo Plant, Complete Vehicle Division, FAW Jiefang Qingdao	16,760,000.00	90,360.64	11,128,406.19			11,218,766.83	66.94%	70%				Others
Total	2,159,398,790.00	593,093,983.13	143,569,919.40	60,716,747.54		675,947,154.99						

(3) Impairment testing of projects under construction□Applicable ☒Not applicable**18 Productive biological assets****(1) Productive biological assets measured at cost**□Applicable ☒Not applicable**(2) Impairment test of productive biological assets measured at cost**□Applicable ☒Not applicable**(3) Productive biological assets measured at fair value**□Applicable ☒Not applicable**19 Oil and gas assets**□Applicable ☒Not applicable**20. Right-of-use assets****(1) Right-of-use assets**

Unit: CNY

Item	Houses and Buildings	Machinery equipment	Land	Total
I. Original book value				
1. Opening balance	182,543,339.08	58,312,113.04	18,310,487.47	259,165,939.59
2. Increase in the current period	1,378,304.83			1,378,304.83
(1) Lease-in	1,378,304.83			1,378,304.83
(2) Other increases				
3. Decrease in the current period	34,515,820.91	530,973.45		35,046,794.36
(1) Lease expiration	33,769,556.90			33,769,556.90
(2) Other decreases	746,264.01	530,973.45		1,277,237.46
4. Ending balance	149,405,823.00	57,781,139.59	18,310,487.47	225,497,450.06
II. Accumulated depreciation				
1. Opening balance	116,220,620.78	22,624,377.20	15,960,621.04	154,805,619.02
2. Increase in the current period	11,883,659.72	5,339,497.33	1,091,799.08	18,314,956.13
(1) Provision	11,883,659.72	5,339,497.33	1,091,799.08	18,314,956.13
(2) Other increases				
3. Decrease in the	33,769,556.90			33,769,556.90

current period				
(1) Disposal	0.00			
(2) Lease expiration	33,769,556.90			33,769,556.90
(3) Other decreases				
4. Ending balance	94,334,723.60	27,963,874.53	17,052,420.12	139,351,018.25
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
4. Ending balance				
IV. Book value				
1. Ending book value	55,071,099.40	29,817,265.06	1,258,067.35	86,146,431.81
2. Beginning book value	66,322,718.30	35,687,735.84	2,349,866.43	104,360,320.57

(2) Impairment test of right-of-use assets

☐Applicable ☒Not applicable

Other description:

21. Intangible Assets**(1) Details of intangible assets**

Unit: CNY

Item	Land use right	Patent rights	Non-patented technology	Software	Total
I. Original book value					
1. Opening balance	2,613,919,878.90		518,350,613.94	633,044,419.57	3,765,314,912.41
2. Increase in the current period	504,218.45		87,983,705.47	9,719,400.28	98,207,324.20
(1) Purchase	50,973.45			9,719,400.28	9,770,373.73
(2) Internal R&D			87,983,705.47		87,983,705.47
(3) Increase due to business combination					
(4) Other	453,245.00				453,245.00

increases					
3. Decrease in the current period	49,079,262.60			2,732,237.75	51,811,500.35
(1) Disposal	48,881,314.36			2,732,237.72	51,613,552.08
(2) Other decreases	197,948.24			0.03	197,948.27
4. Ending balance	2,565,344,834.75		606,334,319.41	640,031,582.10	3,811,710,736.26
II. Accumulated amortization			375,747,341.98		
1. Opening balance	662,152,276.59		375,747,341.98	390,187,329.45	1,428,086,948.02
2. Increase in the current period	27,484,857.72		22,132,898.05	49,734,476.63	99,352,232.40
(1) Provision	27,419,487.78		22,132,898.05	49,734,476.63	99,286,862.46
(2) Other increases	65,369.94				65,369.94
3. Decrease in the current period	15,602,856.59			1,758,652.81	17,361,509.40
(1) Disposal	15,602,856.59			1,758,652.81	17,361,509.40
4. Ending balance	674,034,277.72		397,880,240.03	438,163,153.27	1,510,077,671.02
III. Impairment provision					
1. Opening balance	126,763.41				126,763.41
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal					
4. Ending balance	126,763.41				126,763.41
IV. Book value					
1. Ending book value	1,891,183,793.62		208,454,079.38	201,868,428.83	2,301,506,301.83
2. Beginning book value	1,951,640,838.90		142,603,271.96	242,857,090.12	2,337,101,200.98

The proportion of intangible assets formed through internal R&D to the balance of intangible assets at the end of current period is 3.82%.

(2) Impairment testing of intangible assets□Applicable ☒Not applicable**22. Deferred income tax assets and deferred income tax liabilities****(1) Deferred income tax assets not offset**

Unit: CNY

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred Income tax assets	Deductible temporary difference	Deferred Income tax assets
Impairment provision of assets	775,271,486.32	158,411,872.00	797,768,103.97	148,751,169.98
Unrealized gains of internal transactions	153,881,436.39	38,470,359.10	153,881,436.39	38,470,359.10
Deductible losses	11,077,702,138.07	1,742,060,238.37	10,589,766,314.64	1,765,089,314.84
Accrued expenses	3,998,293,787.91	942,325,506.27	3,227,055,244.11	769,751,687.24
Estimated liabilities	1,239,330,087.42	182,891,894.92	697,556,880.11	115,586,665.72
Contract liabilities	633,754,721.28	82,799,235.34	553,633,245.41	85,386,658.52
Deferred income	506,341,305.37	107,417,451.68	512,685,762.47	109,012,100.36
Employee compensation payable	95,382,829.89	14,643,179.62	94,430,202.39	15,390,464.58
Lease liabilities	50,491,897.34	11,645,550.18	58,263,018.99	13,770,069.13
Assets depreciation differences	582,203.90	174,661.17	653,809.89	196,142.97
Total	18,531,031,893.89	3,280,839,948.65	16,685,694,018.37	3,061,404,632.44

(2) Deferred income tax liabilities not offset

Unit: CNY

Item	Ending balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Depreciation of fixed assets with amortization period longer than tax preference period	1,650,544,634.92	317,169,888.18	1,833,126,166.73	337,124,836.34
Accrued interest income	650,292,796.68	105,421,004.72	476,710,852.22	76,467,601.95
Right-of-use assets	31,257,902.39	7,802,186.91	43,191,229.17	10,183,212.28
Total	2,332,095,333.99	430,393,079.81	2,353,028,248.12	423,775,650.57

(3) Deferred tax assets or liabilities presented in net amount after offset

Unit: CNY

Item	Ending Mutual Offset Amount of Deferred Tax Assets and Liabilities	Ending balance of deferred tax assets or liabilities after offset	Opening mutual offset amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offset
Deferred Income tax assets		3,280,839,948.65		3,061,404,632.44
Deferred income tax liabilities		430,393,079.81		423,775,650.57

(4) Details of unrecognized deferred tax assets

Unit: CNY

Item	Ending balance	Opening balance
Deductible temporary difference	440,470,957.85	572,093,879.05
Deductible losses		225,388,600.72
Total	440,470,957.85	797,482,479.77

(5) Deductible losses of unrecognized deferred tax assets will be due in the following years

Unit: CNY

Year	Ending amount	Beginning balance	Remarks
2026	1,441,940.00	1,441,940.00	
2027	3,524,136.57	3,524,136.57	
2028	6,764,901.92	6,764,901.92	
2029	15,796,963.90	15,796,963.90	
2032	75,764,407.62	197,860,658.33	
Total	103,292,350.01	225,388,600.72	

Other description

23. Other current assets

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment Provision	Book Value	Book balance	Impairment Provision	Book Value
Advance payments for construction projects	211,548,080.07		211,548,080.07	113,186,886.26		113,186,886.26
Advance payments for equipment	3,586,261.77		3,586,261.77	65,245,589.33		65,245,589.33

and software						
Fixed deposits and accrued interest	2,496,561,111.15		2,496,561,111.15	2,465,761,111.13		2,465,761,111.13
Total	2,711,695,452.99		2,711,695,452.99	2,644,193,586.72		2,644,193,586.72

Other description:

24. Assets with restricted ownership or use right

Unit: CNY

Item	Ending				Beginning			
	Book balance	Book Value	Restriction type	Restriction	Book balance	Book Value	Restriction type	Restriction
Monetary capital	49,726,108.37	49,726,108.37		Housing maintenance fund, security deposit for three types of personnel	50,810,175.89	50,810,175.89		Housing maintenance fund, security deposit for three types of personnel and frozen funds
Intangible assets	2,059,491.56	1,013,790.22		Due to the Tanzanian government's central railway reconstruction project, approximately 2000 square meters of land belonging to the Company's Tanzanian subsidiary was expropriated in March 2017. To date, no official documentation or notification has been received from the Tanzanian	2,059,491.56	1,150,344.99		Due to the Tanzania n governm ent's central railway reconstruction project, approxi mately 2000 square meters of land belongin g to the Compan y's Tanzania n subsidiar y was expropri ated in

				authorities.				March 2017. To date, no official documentation or notification has been received from the Tanzanian authorities.
Total	51,785,599.93	50,739,898.59			52,869,667.45	51,960,520.88		

Other description:

25. Notes payable

Unit: CNY

Category	Ending balance	Opening balance
Bank acceptance bill	21,803,140,258.04	15,370,906,363.16
Total	21,803,140,258.04	15,370,906,363.16

The total amount of notes payable due but unpaid at the end of the current period is CNY 0.00.

26. Accounts payable

(1) Presentation of accounts payable

Unit: CNY

Item	Ending balance	Opening balance
Payment for goods	16,981,671,841.62	16,650,985,030.88
Expenses and others	2,553,353,125.63	595,368,938.17
Total	19,535,024,967.25	17,246,353,969.05

27. Other payables

Unit: CNY

Item	Ending balance	Opening balance
Dividends payable	171,500.02	171,500.02
Other payables	3,237,271,386.58	4,526,037,421.21
Total	3,237,442,886.60	4,526,208,921.23

(1) Dividends payable

Unit: CNY

Item	Ending balance	Opening balance
Ordinary stock dividends	171,500.02	171,500.02

Total	171,500.02	171,500.02
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Other description, including the disclosure of the reasons for not paying the important dividends payable for more than 1 year:

(2) Other payables

1) Presentation of other payables by payment nature

Unit: CNY

Item	Ending balance	Opening balance
Expenses payable	1,503,239,535.52	2,665,746,970.54
Margin, deposit	206,982,291.54	235,940,482.07
Project funds payable	890,356,371.39	1,188,958,861.78
Repurchase obligations of restricted shares		6,246,851.73
Current accounts payable and others	636,693,188.13	429,144,255.09
Total	3,237,271,386.58	4,526,037,421.21

28. Advance receipts

(1) Presentation of advance receipts

Unit: CNY

Item	Ending balance	Opening balance
Rental fee	662,358.34	674,009.56
Total	662,358.34	674,009.56

29. Contract liabilities

Unit: CNY

Item	Ending balance	Opening balance
Payment for goods	2,048,275,372.00	2,015,193,856.18
Others	633,754,721.26	633,128,232.65
Contract liabilities are included in other current liabilities	-192,157,579.59	-217,767,924.33
Total	2,489,872,513.67	2,430,554,164.50

30. Employee compensation payable

(1) Presentation of employee compensation payable

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
I. Short-term compensation	954,241,602.96	1,846,712,489.99	2,459,739,584.04	341,214,508.91
II. Post-employment	771,551.66	319,165,116.18	312,198,557.38	7,738,110.46

benefits - defined contribution plan				
III. Dismissal welfare	39,431,741.44	27,734,429.16	26,116,118.80	41,050,051.80
IV. Other benefits due within one year	49,110,000.00		17,214,462.19	31,895,537.81
Total	1,043,554,896.06	2,193,612,035.33	2,815,268,722.41	421,898,208.98

(2) Presentation of short-term compensation

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
1. Wages, bonuses, allowances and subsidies	626,337,023.60	1,198,425,074.31	1,824,762,097.91	
2. Employee welfare expenses		91,595,771.02	91,586,877.73	8,893.29
3. Social insurance premiums	1,236,540.25	170,677,325.59	169,230,754.10	2,683,111.74
Including: medical insurance premiums	1,236,540.25	160,346,904.88	158,900,333.39	2,683,111.74
4. Housing provident fund		245,903,806.30	245,903,806.30	
5. Labor union funds and employee education funds	324,735,755.63	49,743,144.40	35,956,396.15	338,522,503.88
6. Other short-term compensations	1,932,283.48	90,367,368.37	92,299,651.85	
Total	954,241,602.96	1,846,712,489.99	2,459,739,584.04	341,214,508.91

(3) Presentation of defined contribution plan

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
1. Basic endowment insurance	308,714.56	220,641,697.98	220,180,458.76	769,953.78
2. Unemployment insurance premiums	462,837.10	9,419,681.57	9,261,586.82	620,931.85
3. Payment of enterprise annuity		89,103,736.63	82,756,511.80	6,347,224.83
Total	771,551.66	319,165,116.18	312,198,557.38	7,738,110.46

Other description

31. Taxes payable

Unit: CNY

Item	Ending balance	Opening balance
VAT	61,110,032.91	34,237,788.67
Corporate income tax	146,752,057.45	136,470,856.41
Individual income tax	1,012,345.17	7,020,253.06
Urban maintenance and construction tax	4,588,836.92	3,308,379.91
Property tax	8,532,116.81	7,843,917.34
Land use tax	4,454,304.43	4,430,820.03
Education surcharges	5,362,116.71	3,902,829.10
Other taxes	20,789,470.20	18,318,058.50
Total	252,601,280.60	215,532,903.02

Other description

32. Non-current liabilities due within one year

Unit: CNY

Item	Ending balance	Opening balance
Lease liabilities due within one year	12,714,703.34	29,941,701.02
Total	12,714,703.34	29,941,701.02

Other description:

33. Other current liabilities

Unit: CNY

Item	Ending balance	Opening balance
Taxes to be written off	192,157,579.59	217,767,924.33
Total	192,157,579.59	217,767,924.33

Other description:

34. Lease liabilities

Unit: CNY

Item	Ending balance	Opening balance
Lease payment	21,081,951.10	59,490,077.98
Unrecognized financing charges	-979,928.14	-2,116,776.32
Lease liabilities due within one year	-12,714,703.34	-29,941,701.02
Total	7,387,319.62	27,431,600.64

Other description:

35. Long-term employee compensation payable

(1) Long-term employee compensation payable

Unit: CNY

Item	Ending balance	Opening balance
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I. Post-employment welfare - net liabilities of defined benefit plan	626,304,432.92	682,430,000.00
II. Dismissal welfare	82,326,239.29	98,901,796.39
Long-term employee compensation payable due within one year	-18,373,548.69	-88,541,741.44
Total	690,257,123.52	692,790,054.95

36. Estimated liabilities

Unit: CNY

Item	Ending balance	Opening balance	Reason
Pending litigation	35,026,870.07	23,974,831.93	
Product quality assurance	1,187,076,222.06	951,513,050.80	
Others	17,226,995.29	17,226,995.29	
Total	1,239,330,087.42	992,714,878.02	

Other description, including important assumptions and estimation descriptions related to important estimated liabilities:

37. Deferred income

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance	Reason
Government subsidies	2,936,362,847.77	95,707,715.10	128,717,336.37	2,903,353,226.50	
Total	2,936,362,847.77	95,707,715.10	128,717,336.37	2,903,353,226.50	

Other description:

38. Share capital

Unit: CNY

	Opening balance	Increase/Decrease (+/-)					Ending balance
		Issue of New Shares	Bonus shares	Share Transferred from Accumulation Fund	Others	Subtotal	
Total shares	4,922,371,176.00				-1,090,201.00	-1,090,201.00	4,921,280,975.00

Other description:

39. Capital reserves

Unit: CNY

Item	Opening balance	Increase in	Decrease in the	Ending balance
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		the Current Period	Current Period	
Capital premium (stock premium)	10,961,835,016.88		4,993,120.58	10,956,841,896.30
Other capital reserves	999,645,030.86	35,839.60	51,433.86	999,629,436.60
Total	11,961,480,047.74		5,008,714.84	11,956,471,332.90

Other description, including increase/decrease in the current period and reasons for change:

Reasons for the decrease in capital reserve (share premium) during the period:

④ The capital reserve (share premium) decreased by CNY 4,993,120.58 due to the repurchase and cancellation of restricted shares reserved under the Company's Phase I restricted share incentive plan, as the performance targets set for the third release period were not achieved.

Reason for increase in capital reserve (other capital reserve):

The Company recognized a decrease of CNY 51,433.86 and an increase of CNY 35,839.60 based on its proportionate share of changes in investees' equity resulting from factors other than net profit, other comprehensive income, and profit distribution.

40. Treasury shares

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Treasury shares	6,246,851.73		6,246,851.73	
Total	6,246,851.73		6,246,851.73	

Other description, including increase/decrease in the current period and reasons for change:

The treasury shares decreased by CNY 6,246,851.73 in the current period due to the Company's repurchase and cancellation.

41 Other comprehensive incomes

Unit: CNY

Item	Opening balance	Amount Incurred in Current Period						Ending balance
		Amount incurred before income tax in the current period	Less: Current Profits or Losses Transferred from Other Comprehensive	Less: Current Retained Earnings Transferred from Other Comprehensive Income Recorded in the Previous	Less: income tax expenses	After-tax amount attributable to parent company	After-tax amount attributable to minority shareholders	

			ive Incom e Recor ded in the Previo us Period	Period				
I. Other comprehensive incomes that cannot be reclassified into profits or losses	18,899,058.75	51,468,378.70				51,468,378.70		70,367,437.45
Including: changes arising from re-measurement of the defined benefit plan	-58,350,000.00							-58,350,000.00
Other comprehensive incomes that cannot be reclassified into profit or loss under the equity method	17,962,530.75	1,904,514.70				1,904,514.70		19,867,045.45
Changes in fair value of investment in other equity instruments	59,286,528.00	49,563,864.00				49,563,864.00		108,850,392.00
II. Other comprehensive incomes that will be reclassified into profits or losses	-115,811,405.46	2,043,849.71				2,043,849.71		- 113,767,555.75
Including: other comprehensive incomes that can be reclassified into profits	-5,354,172.83							-5,354,172.83

or losses under the equity method								
Translation difference in foreign currency financial statements	-110,457,232.63	2,043,849.71				2,043,849.71		- 108,413,382.9 2
Total other comprehensive incomes	-96,912,346.71	53,512,228.41				53,512,228.41		-43,400,118.30

Other description, including the adjustment of the effective part of cash flow hedging profit or loss transferred to the initially recognized amount of the hedged item:

42 Special reserves

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Work safety cost	277,345,883.15	15,518,831.90	19,643,236.93	273,221,478.12
Total	277,345,883.15	15,518,831.90	19,643,236.93	273,221,478.12

Other description, including increase/decrease in the current period and reasons for change:

43. Surplus reserves

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Statutory surplus reserve	2,907,021,755.69			2,907,021,755.69
Discretionary surplus reserves	297,526,491.71			297,526,491.71
Total	3,204,548,247.40			3,204,548,247.40

Description of surplus reserve, including increase/decrease and reasons for change in the current period:

44. Undistributed profits

Unit: CNY

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	6,055,339,906.81	6,191,777,512.32
Total amount of opening undistributed profit adjusted (“+” for increase, “-” for decrease)		54,756,122.34
Undistributed profits at the beginning of the current period	6,055,339,906.81	6,246,533,634.66

after adjustment		
Add: net profit attributable to owners of parent company in the current period	19,655,810.39	506,807,530.06
Less: ordinary stock dividends payable	246,064,048.75	693,579,557.10
Undistributed profits at the end of the period	5,828,931,668.45	6,059,761,607.62

Details of adjustment to undistributed profits at the beginning of the period:

- 1) The retroactive adjustment of the Accounting Standards for Business Enterprises and its relevant new regulations impacts the opening undistributed profit by CNY 0.00.
- 2) The undistributed profit at the beginning of the period affected by changes in accounting policies is CNY 0.00.
- 3) The correction of major accounting errors impacts the opening undistributed profit by CNY 0.00.
- 4) The change in combination scope caused by the same control impacts the opening undistributed profit by CNY 0.00.
- 5) Other adjustments affect the opening undistributed profit by CNY 0.00 in total.

45. Operating income and operating cost

Unit: CNY

Item	Amount Incurred in Current Period		Amount Incurred in the Previous Period	
	Income	Cost	Income	Cost
Main business	27,347,477,621.24	26,277,912,207.22	35,644,730,484.30	33,704,793,046.07
Other business	731,227,436.83	562,650,278.31	820,958,136.99	650,423,218.46
Total	28,078,705,058.07	26,840,562,485.53	36,465,688,621.29	34,355,216,264.53

Other description

Information related to the transaction price allocated to the remaining performance obligations: The income corresponding to the performance obligations that have been signed but not yet fulfilled or completed at the end of the reporting period is CNY 633,754,721.26, of which CNY 316,877,360.63 is expected to be recognized in 2025 and CNY 316,877,360.63 is expected to be recognized in 2026.

Information related to variable consideration in the contract:

Other description

46. Taxes and surcharges

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Urban maintenance and construction tax	26,376,149.77	9,129,878.62
Education surcharges	18,229,908.19	6,239,901.02
Property tax	38,494,307.30	36,577,269.48
Land use tax	21,474,951.70	21,263,435.84

Vehicle and vessel use tax	29,602.64	55,080.14
Stamp duty	34,150,809.65	32,360,775.27
Others	147,323.06	186,426.21
Total	138,903,052.31	105,812,766.58

Other description:

47 Administrative expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	418,204,175.92	438,665,751.19
Depreciation cost	43,027,324.67	70,280,864.26
Amortization of intangible assets	36,133,463.83	43,136,807.90
Repair cost of fixed assets	30,004,846.81	74,426,351.47
Others	78,596,928.15	123,448,858.40
Total	605,966,739.38	749,958,633.22

Other description

48. Sales expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	250,320,067.23	274,429,426.12
Packing cost	52,202,077.34	63,410,413.70
Storage fee	34,918,642.20	54,530,428.75
Rental fee	31,314,967.40	29,208,643.34
Others	103,286,681.94	99,191,906.12
Total	472,042,436.11	520,770,818.03

Other description:

49. R&D expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	599,512,737.98	762,070,442.14
Depreciation amortization expense	120,745,264.01	127,558,615.73
Material expenses	66,118,813.01	63,424,023.76
Test and inspection	44,222,102.96	102,663,923.41
Others	54,298,777.08	79,866,271.93
Total	884,897,695.04	1,135,583,276.97

Other description

50 Financial expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous
------	-----------------------------------	---------------------------------

		Period
Interest income	-255,428,034.69	-339,376,065.31
Interest expense	1,611,404.27	1,431,811.40
Exchange gain or loss	55,468,039.40	-10,163,545.25
Net actuarial interest	369,016.95	395,666.67
Cash discount	-53,829,494.32	-64,567,826.30
Fees and other charges	-1,040,155.20	2,194,258.87
Total	-252,849,223.59	-410,085,699.92

Other description

51. Other income

Unit: CNY

Sources of other income	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Additional deduction of VAT	210,671,420.57	142,242,391.94
Refund of handling fees to individual income tax	2,026,313.12	2,035,928.98
Government subsidies	311,937,333.71	209,501,338.40
Total	524,635,067.40	353,779,659.32

52. Investment income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Income from long-term equity investments accounted for using the equity method	18,178,157.63	213,988,413.65
Others	-48,294,017.40	-112,101,568.99
Total	-30,115,859.77	101,886,844.66

Other description

53. Credit impairment loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bad debt losses of notes receivable	7,417.20	21,670.17
Bad debt losses of accounts receivable	-19,625,895.12	-26,638,370.74
Bad debt losses of other receivables	-2,372,431.37	21,085,584.29
Bad debt losses of long-term receivables	-8,664,796.70	-3,061,966.20
Total	-30,655,705.99	-8,593,082.48

Other description

54. Impairment loss on assets

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
I. Inventory falling price loss and contract performance cost impairment loss	-151,749,513.50	-107,647,732.89
II. Impairment loss of contract assets	141,287.43	-387,041.28
Total	-151,608,226.07	-108,034,774.17

Other description:

55. Income from assets disposal

Unit: CNY

Sources of income from assets disposal	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Gains from fixed assets disposal	99,547,161.36	746,088.82
Gains from intangible assets disposal	55,078,800.72	
Others	-11,273.34	
Total	154,614,688.74	746,088.82

56. Non-operating income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount included in current non-recurring profits and losses
Unpayable amount recognized	2,799,051.01	11,378,406.14	2,799,051.01
Income from compensation, liquidated damages and fines	9,348,535.01	6,971,354.67	9,348,535.01
Gains from damage and retirement of non-current assets	169,347.64	46,052.83	169,347.64
Others	-992,780.31	9,710,410.31	-992,780.31
Total	11,324,153.35	28,106,223.95	11,324,153.35

Other description:

57. Non-operating expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount included in current non-recurring profits and losses
Donation	50,000.00	2,978,920.00	50,000.00
Losses from damage and retirement of non-current assets	731,252.92	989,080.93	731,252.92
Expenditure of liquidated damages	246,305.40	-208,941.12	246,305.40

and penalties			
Others	634,979.05	24,732.00	634,979.05
Total	1,662,537.37	3,783,791.81	1,662,537.37

Other description:

58. Income tax expenses

(1) Statement of income tax expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Current income tax expenses	37,702,597.83	128,198,474.71
Deferred income tax expense	-212,856,638.81	-276,740,077.23
Total	-175,154,040.98	-148,541,602.52

(2) Adjustment process of accounting profits and income tax expenses

Unit: CNY

Item	Amount Incurred in Current Period
Total profits	-134,286,546.42
Income tax expense calculated at statutory/applicable tax rate	-33,571,636.61
Effect of different tax rates applied to subsidiaries	5,931,927.22
Effect of adjustment to income tax of previous periods	-29,560,278.44
Profit or loss of joint ventures and associated enterprises calculated by equity method	2,726,723.64
Tax effect of R&D expenses plus deduction	-120,680,776.80
Income tax expenses	-175,154,040.98

Other description

59. Other comprehensive incomes

For details, please refer to 41 in VII “Notes to Consolidated Financial Statements” of Section VIII - Financial Report.

60. Items of cash flow statement

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bank interest	299,977,105.90	397,148,937.72
Government subsidies received	247,352,138.68	184,296,132.42
Others	181,860,797.00	193,288,400.23
Total	729,190,041.58	774,733,470.37

Description of other cash received related to operating activities:

Other cash paid related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Out-of-pocket expenses	596,122,774.88	511,728,709.39
Current account	555,829,293.70	451,612,329.19
Donations	50,000.00	2,978,920.00
Total	1,152,002,068.58	966,319,958.58

Description of other cash payments related to operating activities:

(2) Cash related to financing activities

Other cash paid related to financing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Amount paid to repay lease liabilities	1,227,805.50	11,981,752.58
Total	1,227,805.50	11,981,752.58

Description of other cash payments related to financing activities:

Changes in liabilities arising from financing activities

☐Applicable ☒Not applicable

61. Supplementary information to cash flow statement

(1) Supplementary information to cash flow statement

Unit: CNY

Supplementary information	Amount in the current period	Amount of the Previous Period
1. Reconciliation of net profit to cash flows from operating activities:		
Net Profit	40,867,494.56	521,081,332.69
Add: impairment provision of assets	182,263,932.06	116,824,153.86
Depreciation of fixed assets, depletion of oil and gas assets and productive biological assets	812,466,551.98	893,392,209.12
Depreciation of right-of-use asset	2,018,679.42	796,214.19
Amortization of intangible assets	50,497,998.86	50,898,373.61
Amortization of long-term deferred expenses		
Losses from fixed assets disposal, intangible assets and other long-term assets (incomes to be listed with“-”)	-154,614,688.74	-746,088.82
Loss from retirement of fixed assets (incomes to be listed with“-”)	731,252.92	989,080.93
Loss from changes in fair value (incomes to be listed with“-”)		
Financial expenses (incomes to be listed with“-”)	-176,988,531.24	-121,745,551.00

Investment losses (incomes to be listed with “-”)	30,115,859.77	-101,886,844.66
Decrease of deferred income tax assets (increase to be listed with “-”)	-219,435,316.21	-158,004,827.46
Increases of deferred income tax liabilities (decrease to be listed with “-”)	6,617,429.24	-39,040,127.50
Decrease in inventories (increase to be listed with “-”)	-2,152,169,519.08	1,421,102,204.04
Decrease in operating receivables (increase to be listed with “-”)	-2,363,012,740.41	-14,968,220,063.68
Increase in operating items payable (decrease to be listed with “-”)	11,613,064,643.88	16,837,220,919.64
Others	-37,134,026.30	-31,749,279.85
Net cash flows from operating activities	7,635,289,020.71	4,420,911,705.11
2. Significant investment and financing activities not involving cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible corporate bonds within one year		
Fixed assets acquired under financial lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	26,622,889,891.23	26,050,839,165.01
Less: opening balance of cash	19,391,201,104.68	23,108,018,586.92
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	7,231,688,786.55	2,942,820,578.09

(2) Composition of cash and cash equivalents

Unit: CNY

Item	Ending balance	Opening balance
I. Cash	26,622,889,891.23	19,391,201,104.68
II. Ending balance of cash and cash equivalents	26,622,889,891.23	19,391,201,104.68

62. Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: CNY

Item	Foreign Currency Balance at the End of the Period	Exchange rate	Ending Balance Converted into CNY
Monetary capital			822,780,233.29
Including: USD	80,621,326.05	7.16	577,135,824.69
EUR	141,719.29	8.40	1,190,782.16
HKD			
Rand	494,774,227.90	0.40	199,449,322.92

Shilling	16,579,444,766.40	0.0027	45,004,303.52
Accounts receivable			461,713,776.43
Including: USD	31,701,802.20	7.18	227,602,914.60
EUR			
HKD			
USD	32,322,072.40	7.16	231,380,787.48
Shilling	1,021,142,542.02	0.0027	2,730,074.35
Long-term loans			
Including: USD			
EUR			
HKD			
Prepayments			1,777,197.14
Including: USD	384.67	7.18	2,761.93
USD	13,245.34	7.16	94,818.09
Shilling	663,700,340.25	0.0027	1,774,435.21
Other receivables			107,170.72
Including: USD	1,000.00	7.18	7,180.00
Shilling	37,400,000.00	0.0027	99,990.72
Accounts payable			740,340,648.44
Including: USD	102,208,784.46	7.18	733,859,032.52
USD	666,353.00	7.16	4,770,154.59
Shilling	640,145,924.31	0.0027	1,711,461.33

Other description:

(2) Description of overseas operating entities, including the disclosure of main overseas business place, recording currency and selection basis, or changes in the recording currency (if any) for important overseas operating entities.

☒Applicable ☐Not applicable

Unit	Business place	Registered Capital	Recording currency
FAW Jiefang Austria R&D Co., Ltd.	Steyr, Austria	EUR 2 million	EUR
Jiefang Motors Tanzania Ltd.	Dar es Salaam, Tanzania	220,000 shillings	Tanzanian shilling
FAW Vehicle Manufacturing South Africa Co., Ltd.	Johannesburg, South Africa	624,339,531.00 Rand	South African Rand

63. Lease

(1) The Company acting as the lessee

☒Applicable ☐Not applicable

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

☐Applicable ☒Not applicable

Lease expenses for simplified short-term leases or low-value asset leases

☐Applicable ☒Not applicable

Circumstances involving sale and leaseback transactions

Unit: CNY

Item	Amount Incurred in Current Period
Short-term lease expense	27,858,103.52
Low-value asset lease expense	
Variable lease payments are not included in the measurement of lease liabilities	
Total	27,858,103.52

(2) The Company acting as the lessor

Operating lease with the Company acting as the lessor

☒Applicable ☐Not applicable

Unit: CNY

Item	Rental income	Including: income related to variable lease payments not included in the lease receipts
Rental income	2,680,952.34	
Total	2,680,952.34	

Financing lease with the Company acting as the lessor

☐Applicable ☒Not applicable

Yearly undiscounted lease receipts for the next five years

☐Applicable ☒Not applicable

Reconciliation of Undiscounted Lease Receivables and Net Investment in Leases

VIII. R&D Expenditures

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Including: Expensed R&D expenditure	884,897,695.04	1,135,583,276.97
Capitalized R&D expenditure	116,913,852.20	113,944,595.36

1. R&D projects eligible for capitalization

Unit: CNY

Item	Opening balance	Increase in the Current Period		Decrease in the Current Period		Ending balance
		Internal development expenditures	Other s	Recognized as intangible assets	Transfer red to current profits and losses	
A2205	23,547,997.18	9,963,042.15				33,511,039.33

A2206					
A2207	41,535,297.80	11,332,963.49			52,868,261.29
A2208	30,524,736.25	8,095,151.50			38,619,887.75
A2209	32,047,370.79				32,047,370.79
A2305	39,500,208.40	16,578,387.62			56,078,596.02
A2306	47,071,931.70	5,534,396.13	49,287,149.29		3,319,178.54
A2307	62,451,369.97	5,728,271.43			68,179,641.40
A2308	46,948,645.47	12,675,576.95			59,624,222.42
L126	22,108,818.25				22,108,818.25
L2403	38,408.37	3,935,175.98			3,973,584.35
L2405	228,815.19	7,773,037.89			8,001,853.08
T2208	35,117,380.02	9,370,234.14			44,487,614.16
T2209	14,557,788.58	-5.80			14,557,782.78
T2303	1,611,856.86				1,611,856.86
T2402	778,994.99				778,994.99
XC2311120	8,011,745.85		8,011,745.85		
XC2411020	7,488,163.90		7,488,163.90		
XC2411030	7,794,198.22		7,794,198.22		
XC2411098	12,152,129.50	600.00	12,434,914.16		-282,184.66
XC2411107	2,967,534.05		2,967,534.05		
Z2407	12,299,822.33	3,128,750.19			15,428,572.52
Z2408	9,466,942.22	116,291.96			9,583,234.18
Z2409	9,393,773.35	380,495.69			9,774,269.04
Z2431		2,062,589.02			2,062,589.02
Z2442	32,424,484.68	14,971,354.87			47,395,839.55
Z2443	411,413.51	3,026,855.51			3,438,269.02
Z2444	132,123.81	2,240,683.48			2,372,807.29
Total	500,611,951.24	116,913,852.20	87,983,705.47		529,542,097.97

Significant capitalized R&D projects

Item	R&D progress	Expected completion time	Expected generation method of economic benefits	Time point of capitalization starting	Specific basis for capitalization starting
A2207	Product validation	November 30, 2026	Production and sales	January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2208	Product validation	November 30, 2026	Production and sales	January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2209	Trial production	July 31, 2025	Production and sales	January 1, 2023	Being adopted by consideration and decision-making at the project review meeting

A2308	Product validation	June 1, 2026	Production and sales	March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2306	Already SOP	March 1, 2025	Production and sales	March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2307	Product validation	February 1, 2026	Production and sales	March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2305	Product validation	February 1, 2026	Production and sales	March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
T2208	Product validation	April 30, 2026	Production and sales	January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
Z2442	Validation on public roads initiated via TR4	December 30, 2025	Production and sales	June 1, 2024	Being adopted by consideration and decision-making at the project review meeting
Z2407	Completed validation of engineering prototype vehicles and conducted two rounds of trial assembly for tooling prototypes.	December 31, 2025	Production and sales	February 1, 2024	Being adopted by consideration and decision-making at the project review meeting
T2209	Trial production	December 31, 2025	Production and sales	January 1, 2023	Being adopted by consideration and decision-making at the

					project review meeting
L126	Review of engineering prototype fabrication and testing / TR5	May 10, 2026	Production and sales	April 7, 2026	Being adopted by consideration and decision-making at the project review meeting
A2205	Product validation	June 1, 2027	Production and sales	December 1, 2023	Being adopted by consideration and decision-making at the project review meeting

IX. Equity in Other Entities

1. Equity in subsidiaries

(1) Composition of the enterprise group

Unit: CNY

Name of subsidiary	Registered Capital	Principal business place	Registered address	Nature of business	Share proportion		Way of acquisition
					Direct	Indirect	
FAW Jiefang Automotive Co., Ltd.	10,803,012,510.01	Changchun	Changchun	Vehicle manufacturing	100.00%		Business combination under common control
FAW Jiefang (Qingdao) Automotive Co., Ltd.	802,000,000.00	Qingdao	Qingdao	Vehicle manufacturing and sales	100.00%		Business combination under common control
FAW Jiefang Dalian Diesel Engine Co., Ltd.	1,400,000,000.00	Dalian	Dalian	Automotive engine manufacturing	100.00%		Business combination under common control
FAW Jiefang Lvdong Recycling Technology (Wuxi) Co., Ltd.	38,094,059.61	Wuxi	Wuxi	Manufacturing of automotive components and accessories	100.00%		Business combination under common control
FAW Jiefang Austria R&D Co., Ltd.	15,765,000.00	Austria	Austria	Technology research and development	100.00%		Business combination under common control
FAW Jiefang Automotive	200,000,000.00	Changchun	Changchun	Vehicle sales	100.00%		Establishment by

Sales Co., Ltd.							investment
FAW Jiefang Uni-D Transportation Technology (Tianjin) Co., Ltd.	90,000,000.00	Tianjin	Tianjin	Technical services and other services	100.00%		Establishment by investment
Jiefang Motors Tanzania Ltd.	1,654.00	Tanzania	Tanzania	Vehicle sales	100.00%		Business combination under common control
FAW (Africa) Investment Co., Ltd.	680,000,000.00	Changchun	Changchun	Vehicle sales	55.00%		Business combination under common control
FAW Vehicle Manufacturing South Africa Co., Ltd.	466,105,291.49	South Africa	South Africa	Vehicle manufacturing and sales	98.00%		Business combination under common control
FAW Jiefang Group International Automobile Co., Ltd.	200,000,000.00	Changchun	Changchun	Vehicle sales	100.00%		Establishment by investment

Description of the fact that the shareholding proportion in subsidiaries is different from the proportion of voting rights: none

Basis for holding half or less of the voting rights but still controlling the investee, and for holding more than half of the voting rights but not controlling the investee: none

Basis for control of important structured entities included in the consolidation scope: none

Basis for determining whether the Company is an agent or a principal: none

Other description: none

2. Equities in joint ventures or associated enterprises

(1) Important joint ventures or associated enterprises

Name of Joint Ventures or Associated Enterprises	Principal business place	Registered address	Nature of business	Share proportion		Accounting Treatment Method for Investment in Joint Ventures or Associated Enterprises
				Direct	Indirect	
Sanguard Automobile Insurance Co., Ltd.	Changchun	Changchun	Financial insurance	17.50%		Equity method
FAW Changchun Ansteel Jiefang Steel Processing and Distribution Co., Ltd.	Changchun	Changchun	Industrial manufacturing	40.00%		Equity method

FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Changchun	Changchun	Industrial manufacturing	21.81%		Equity method
Changchun Wabco Automotive Control System Co., Ltd.	Changchun	Changchun	Manufacturing of automotive components and accessories	40.00%		Equity method
Suzhou Zhito Technology Co., Ltd.	Suzhou	Suzhou	Research and experimental development	25.68%		Equity method
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Tianjin	Tianjin	Software and information technology services	10.00%		Equity method
SmartLink	Nanjing	Nanjing	Software and information technology services	29.48%		Equity method
Foshan Diyiyuansu New Energy Technology Co., Ltd.	Foshan	Foshan	Manufacturing and technical services	45.00%		Equity method
Changchun Automotive Test Center Co., Ltd.	Changchun	Changchun	Technical services	14.64%		Equity method
Jiefang Times New Energy Technology Co., Ltd.	Shijiazhuang	Shijiazhuang	Technical services and other services	50.00%		Equity method
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	Wuxi	Wuxi	Engineering and technology research and experiment development	49.00%		Equity method

Explanation of the fact that the shareholding proportion in joint ventures or associated enterprises is different from the proportion of voting rights: there is no difference between the shareholding proportion and the proportion of voting rights.

Basis for holding less than 20% of voting rights but with significant influence, or holding 20% or more of voting rights but without significant influence: The Company holds 17.50% of the shares of Xin'an Automobile Insurance Co., Ltd., and according to the Articles of Association of the Company, the Company appoints one director, thereby exercising significant influence over Xin'an Automobile Insurance Co., Ltd. The Company holds 10.00% of the shares of Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., and according to the Articles of Association of the Company, the Company appoints three directors, thereby exercising significant influence over Jiefang Fujie (Tianjin) Technology Industry Co., Ltd. The Company holds 14.64% of the shares of Changchun Automotive Test Center Co., Ltd., and according to the Articles of Association of the Company, the Company appoints one director, thereby exercising significant influence over Changchun Automotive Test Center Co., Ltd.

(2) Excess losses incurred by joint ventures or associated enterprises

Unit: CNY

Name of Joint Ventures or Associated Enterprises	Unrecognized Losses Accumulated in Prior Periods	Unrecognized Losses in the Current Period (or Net Profit Shared in the Current Period)	Accumulated Unrecognized Losses at the End of the Current Period
Suzhou Zhito Technology Co., Ltd.	181,709,441.21	-384,069,618.73	-202,360,177.52
SmartLink	19,547,758.40	-41,661,897.12	-22,114,138.72

Other description

X. Government subsidies**1. Government subsidies are recognized at the receivable amount at the end of the reporting period**☐Applicable ☒Not applicable

Reasons for failing to receive the expected amount of government subsidies at the expected time point

☐Applicable ☒Not applicable**2. Liability items with government subsidies**☐Applicable ☒Not applicable**3. Government subsidies are included in the current profit or loss**☒Applicable ☐Not applicable

Unit: CNY

Account item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Government subsidies	311,937,333.71	209,501,338.40

Other description:

XI. Risk Related to Financial Instruments**1. Various risks arising from financial instruments****(1) Risk management objectives and policies**

The main financial instruments of the Company include monetary capital, notes receivable, accounts receivable, receivables financing, other receivables, non-current assets due within one year, other current assets, long-term receivables, other equity instrument investments, notes payable, accounts payable, other payables, non-current liabilities due within one year, and lease liabilities. Details of each financial instrument have been disclosed in relevant notes. The risks related to these financial instruments and the risk management policies adopted by the Company to reduce these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that the above risks are controlled within a limited range.

The Company carries out risk management to achieve an appropriate balance between risks and benefits, minimize the negative impact of risks on the Company's business performance, and maximize the interests of shareholders and other equity investors. The Company, based on the risk management objectives, adopts the basic risk management strategy of determining and analyzing various risks faced by the Company, establishing an appropriate baseline for risk tolerance and carrying out risk management, and supervising various risks in a timely and reliable manner to control the risks within a limited range.

Main risks caused by financial instruments of the Company include credit risk, liquidity risk and market risk (including exchange rate risk and interest rate risk).

① Credit risk

Credit risk refers to the risk of financial loss to the Company caused by the counterparty's failure to perform its contractual obligations.

The Company manages credit risks by portfolio classification. Credit risk mainly arises from bank deposits, notes receivable, accounts receivable, other receivables, long-term receivables, etc.

The Company's deposits are mainly deposited in state-owned banks and other large and medium-sized listed banks and First Automobile Finance Co., Ltd., and the Company does not expect significant credit risks in its bank deposits.

The Company makes relevant policies to control the credit risk exposure for notes receivable, accounts receivable, other receivables and long-term receivables. The Company evaluates the credit qualification of customers and sets the credit period based on their financial conditions, credit records and other factors such as current market situations. The Company monitors the credit records of customers regularly, and take measures such as written reminders, shortening of credit period or cancellation of credit period for customers with poor credit records, so as to ensure that the overall credit risk is within a controllable range.

The debtors of the Company's accounts receivable are customers distributed in different industries and regions. The Company carries out continuous credit assessment on the financial condition of accounts receivable and purchases credit guarantee insurance when appropriate.

The maximum credit risk exposure borne by the Company is the book value of each financial asset in the balance sheet. The Company does not provide any other guarantee that may expose the Company to credit risk.

The accounts receivable of the top five customers account for 78.46% of the total accounts receivable of the Company. Other receivables of the top five companies with debts account for 63.53% of the total other receivables of the Company.

② Liquidity risk

Liquidity risk refers to the risk of capital shortage when the Company performs its obligations of settlement by delivering cash or other financial assets.

The Company maintains and monitors cash and cash equivalents deemed adequate by the management during liquidity risk management to meet the Company's operating needs and reduce the impact of fluctuations in cash flows. The management of the Company monitors the use of bank loans and ensures compliance with the loan

agreements. Meanwhile, the Company obtains commitments from major financial institutions to provide sufficient reserve funds to meet short-term and long-term funding needs.

The sources of the Company's working capital include funds generated from operating activities, bank loans and other loans. As of June 30, 2025, the Company's unused bank credit line amounted to CNY 14.442 billion.

③ Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk may arise from both recognized interest-bearing financial instruments and unrecognized financial instruments.

The risk of changes in cash flow of financial instruments caused by changes in interest rates of the Company is mainly related to bank loans with floating interest rates. It is the policy of the Company to maintain floating interest rates on these loans.

Sensitivity analysis on interest rate risk:

The sensitivity analysis on interest rate risk is based on the assumption that changes in market interest rates affect interest income or expenses on variable rate financial instruments.

The Company had no interest-bearing debts such as bank loans as of June 30, 2025.

Exchange rate risk

Exchange rate risk refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to change in foreign exchange rate. Exchange rate risk may come from financial instruments denominated in a foreign currency other than the recording currency.

The Company's foreign exchange risk exposure is primarily related to the euro. Except for assets held by subsidiaries established in Austria, Tanzania, and South Africa that are denominated in euros, shillings, and rand respectively, the Company's main business activities are priced and settled in CNY. The balance of the Company's assets and liabilities were all in CNY as of June 30, 2025, except a small amount of monetary capitals including the balance in EUR. Therefore, the Company does not believe that the exchange rate risk faced is significant.

(2) Capital management

The Company prepares capital management policy to ensure continuous operation of the Company, thus providing returns to shareholders, benefiting other stakeholders, and maintaining the best capital structure to reduce capital costs.

In order to maintain or adjust the capital structure, the Company may adjust the financing method, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Company monitors the capital structure based on the asset-liability ratio (i.e. total liabilities divided by total assets). As of June 30, 2025, the Company's asset-liability ratio is 66.80%.

2. Financial assets

(1) Classification of transfer methods

☐Applicable ☒Not applicable

(2) Financial assets derecognized due to transfer

☐Applicable ☒Not applicable

(3) Financial assets with continuous involvement in asset transfer

☐Applicable ☒Not applicable

Other description

XII. Disclosure of Fair Value

1. Fair value of assets and liabilities measured at fair value at the end of the period

Unit: CNY

Item	End-of-period fair value			
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	Total
I. Ongoing fair value measurement	--	--	--	--
(I) Investment in other equity instruments	589,630,392.00			589,630,392.00
Total assets are measured at fair value on an ongoing basis	589,630,392.00			589,630,392.00
II. Non-ongoing fair value measurement	--	--	--	--

2. Basis for determination of market prices for continuous and non-continuous level I measurement items at fair value

Quotations for the same assets or liabilities in active markets (unadjusted).

XIII. Related Parties and Related Transactions**1. Parent company of the Company**

Name of Parent Company	Registered address	Nature of business	Registered Capital	Shareholding Proportion of the Parent Company in the Company	Proportion of Voting Rights of the Parent Company in the Company
FAW	Changchun	Production and sales of automobiles and parts	CNY 78,000,000,000.00	62.19%	62.19%

Description of the parent company of the Company

The ultimate controlling party of the Company is China FAW.

Other description: The registered capital of the parent company has not changed during the reporting period.

2. Subsidiaries of the Company

For details of subsidiaries of the Company, please refer to 1 in IX “Equity in Other Entities” of Section VIII - Financial Report.

3. Information on joint ventures and associated enterprises of the Company

For details of important joint ventures or associated enterprises of the Company, please refer to 2 in IX “Equity in Other Entities” of Section VIII - Financial Report.

Other joint ventures or associated enterprises that have related party transactions with the Company in the current period or in the previous period, resulting in balance, are as follows:

Name of Joint Ventures or Associated Enterprises	Relationship with the Company
Sanguard Automobile Insurance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party
Changchun Automotive Test Center Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party
FAW Changchun Ansteel Jiefang Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
Changchun Wabco Automotive Control System Co., Ltd.	Associated enterprise of the Company
Suzhou Zhito Technology Co., Ltd.	Associated enterprise of the Company
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Associated enterprise of the Company
SmartLink	Associated enterprise of the Company
Foshan Diyi Yuansu New Energy Technology Co., Ltd.	Associated enterprise of the Company
Jiefang Times New Energy Technology Co., Ltd.	Joint venture of the Company

Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	Associated enterprise of the Company
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Other description

4. Information on other related parties

Names Of Other Related Parties	Relationship between Other Related Parties and the Company
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party
FAW Changchun Automobile Trading Service Co., Ltd.	The same ultimate controlling party
Changchun FAW International Tendering Co., Ltd.	The same ultimate controlling party
Changchun FAW International Logistics Co., Ltd.	The same ultimate controlling party
Changchun Automotive Test Center Co., Ltd.	The same ultimate controlling party
Changchun Chengxin Second-hand Vehicles Distribution Co., Ltd.	The same ultimate controlling party
FAW Asset Management Co., Ltd.	The same ultimate controlling party
FAW Foundry Co., Ltd.	The same ultimate controlling party
FAW Zhixing Technology (Nanjing) Co., Ltd.	The same ultimate controlling party
FAW Logistics Co., Ltd.	The same ultimate controlling party
FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	The same ultimate controlling party
FAW Logistics (Qingdao) Co., Ltd.	The same ultimate controlling party
FAW Logistics (Chengdu) Co., Ltd.	The same ultimate controlling party
FAW Mold Manufacturing Co., Ltd.	The same ultimate controlling party
FAW-HONGTA Yunnan Automobile Co., Ltd.	The same ultimate controlling party
FAW Harbin Light-Automobile Co., Ltd.	The same ultimate controlling party
FAW Equity Investment (Tianjin) Co., Ltd.	The same ultimate controlling party
Changchun Faw Service Trade Co., Ltd.	The same ultimate controlling party
FAW Forging (Jilin) Co., Ltd.	The same ultimate controlling party
FAW Chuxing Technology Co., Ltd.	The same ultimate controlling party
Faw (Dalian) Trade and Logistics Co., Ltd.	The same ultimate controlling party
FAW (Dalian) International Logistics Co., Ltd.	The same ultimate controlling party
Wuxi Sawane Spring Co., Ltd.	The same ultimate controlling party
Qiming Information Technology Co., Ltd.	The same ultimate controlling party
Hainan Tropical Automobile Test Co., Ltd.	The same ultimate controlling party
Dalian Qiming Haitong Information Technology Co., Ltd.	The same ultimate controlling party
FAW Changchun Comprehensive Utilization Co., Ltd.	Other related parties
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Other related parties
FAW Changchun Communication Technology Co., Ltd.	Other related parties

FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	Other related parties
Changchun FAW United Casting Company	Other related parties
Changchun FAWAY Automobile Components Co., Ltd.	Other related parties
Changchun FAWSN Group Co., Ltd.	Other related parties
Changchun Yidong Clutch Co., Ltd.	Other related parties
Changchun Sodexo Management Service Co., Ltd.	Other related parties
Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	Other related parties
FAW Jilin Automobile Co., Ltd.	Other related parties
Cinda FAW Commercial Factoring Co., Ltd.	Other related parties
Wuxi CRRC New Energy Automobile Co., Ltd.	Other related parties
Shandong Pengxiang Automobile Co., Ltd.	Other related parties
China Unicom Intelligent Network Technology Co., Ltd.	Other related parties
United Fuel Cell System R&D (Beijing) Co., Ltd.	Other related parties
Jilin Checheng Garden Hotel Co., Ltd.	Other related parties
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Other related parties
Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	Other related parties
Grammer Vehicle Parts (Harbin) Co., Ltd.	Other related parties
Fulscience Automotive Electronics Co., Ltd.	Other related parties
Fawer Auto Parts Co., Ltd.	Other related parties
Dalian Qingfeng Bus Co., Ltd.	Other related parties

Other description

5. Related transactions

(1) Related transactions of purchasing or selling goods and providing or receiving labor services

Statement of goods purchase/reception of labor services

Unit: CNY

Related Parties	Content of Related Transaction	Amount Incurred in Current Period	Approved Transaction Amount	Is the Transaction Amount Exceeded	Amount Incurred in the Previous Period
The same ultimate controlling	Goods purchase and reception of	1,007,086,334.07	4,488,830,000.00	No	2,247,262,739.64

party	labor services				
Other related parties	Goods purchase and reception of labor services	2,077,962,733.85	6,310,370,000.00	No	2,447,132,659.79

Statement of goods sales/rendering of services

Unit: CNY

Related Parties	Content of Related Transaction	Amount Incurred in Current Period	Amount Incurred in the Previous Period
The same ultimate controlling party	Sales of goods	371,845,968.65	8,566,904,736.28
Other related parties	Sales of goods	1,690,043,424.43	1,299,062,853.31

Description of related transactions of purchasing or selling goods and providing or receiving labor services:

(2) Related lease

The Company, as the lessor:

Unit: CNY

Name of Lessee	Type of Leased Assets	Lease Income Recognized in the Current Period	Lease Income Recognized in the Previous Period
FAW	Houses and Buildings	774,875.72	774,875.72
Fawer Auto Parts Co., Ltd.	Houses and Buildings	197,702.76	197,702.76
FAW Changchun Communication Technology Co., Ltd.	Land	149,552.08	22,018.35
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Workshop	1,056,155.96	1,059,049.54
Foshan Diyi Yuansu New Energy Technology Co., Ltd.	House	3,251,819.04	48,441.12
Shandong Pengxiang Automobile Co., Ltd.	Houses and Buildings	386,020.18	386,020.18

The Company, as the lessee:

Unit: CNY

Name of lessor or	Type of Leased Assets	Rental Expenses for Simplified Short-term leases and Low-value asset Leases (If Applicable)		Variable Lease Payments not Included in the Measurement of Lease Liabilities (If Applicable)		Rent Paid		Interest Expense on Lease Liabilities Incurred		Increased right-of-use assets	
		Amount Incurred in Current	Amount Incurred in the Previous	Amount Incurred in Current	Amount Incurred in the Previous	Amount Incurred in Current	Amount Incurred in the Previous Period	Amount Incurred in Current	Amount Incurred in the Previous Period	Amount Incurred in Current	Amount Incurred in the Previous

		Period	us Period	Period	us Period	Period		Period		Period	us Period
FA W	Houses and Buildin gs						3,839,917 .11		112,555. 99		

Description of related leases

(3) Remuneration of key management personnel

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Remuneration of key management personnel	3,224,900.00	5,382,500.00

(4) Other related transactions

Related Parties	Content of Related Transaction	Amount incurred in the current period (CNY)	Amount incurred in the previous period (CNY)
First Automobile Finance Co., Ltd.	Interest income	38,106,466.96	61,055,123.68
First Automobile Finance Co., Ltd.	Intercompany borrowing		99,890,000.00

6. Receivables and payables of related parties**(1) Receivables**

Unit: CNY

Project Name	Related Parties	Ending balance		Opening balance	
		Book balance	Provision for Bad Debts	Book balance	Provision for Bad Debts
Accounts receivable	The same ultimate controlling party	6,261,478,080.40	33,198,902.81	5,931,949,422.91	23,955,716.02
Accounts receivable	Other related parties	146,418,467.72	11,299,142.35	23,955,716.02	2,563,582.83
Other receivables	The same ultimate controlling party	494,440.03	485.83	158,312,368.69	1,302.32
Other receivables	Other related parties	22,084.08	353.35	1,430,554.50	683,119.63
Prepayments	The same	5,432,571.38		49,160,771.58	

	ultimate controlling party				
Prepayments	Other related parties	6,991.16		269,528.69	

(2) Payables

Unit: CNY

Project Name	Related Parties	Ending book balance	Beginning Book Balance
Accounts payable	The same ultimate controlling party	1,166,377,133.68	2,138,309,238.04
Accounts payable	Other related parties	1,297,764,861.06	684,811,924.54
Other payables	The same ultimate controlling party	32,013,725.53	243,240,628.69
Other payables	Other related parties	36,698,994.48	70,246,189.48
Contract liabilities	The same ultimate controlling party	1,481,223.00	38,689,941.81
Contract liabilities	Other related parties	992,554.86	536,223,467.10
Accounts received in advance	The same ultimate controlling party	38,697,399.31	
Accounts received in advance	Other related parties	36,698,994.48	335,560.21
Lease liabilities	The same ultimate controlling party	4,058,856.90	

XIV. Share-based Payment**1. General conditions of share-based payments**☐Applicable ☒Not applicable**2. Equity-settled share-based payment**☒Applicable ☐Not applicable

Unit: CNY

Measures for determining the fair value of equity instruments on the grant date	Restricted shares are determined according to the closing price on the grant date, and stock options are determined according to the B-S option pricing model.
Important parameters of fair value of equity instruments on the grant date	Quoted prices in active markets
Basis for determining the number of exercisable equity instruments	The Company determines the number according to the Proposal on the Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd. (Draft) and Its Summary, the Proposal on the Regulations for the

	Implementation Assessment of Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd., the Proposal on the Regulations for Restricted Share Incentive of FAW Jiefang Group Co., Ltd., and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Share Incentive Plan.
Aggregate amount of equity-settled share-based payment charged to the capital reserve	4,993,120.58
Total expenses recognized by equity-settled share-based payment in the current period	17,012.29

Other description

3. Cash-settled share-based payment☐Applicable ☒Not applicable**4. Share-based payment expenses in the current period**☒Applicable ☐Not applicable

Unit: CNY

Grantee category	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Manager	17,012.29	
Total	17,012.29	

Other description

XV. Commitments and Contingencies**1. Important commitments**

Important commitments existing on the balance sheet date

2. Contingencies**(1) Important contingencies existing on the balance sheet date**

Contingent liabilities arising from pending litigation and arbitration and their financial impact

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Subject Amount (CNY)	Case Progress
Zhao Liangxi, Guangdong Xian Yida Cold Chain Logistics Co., Ltd. Henan Branch	FAW Jiefang Automotive Co., Ltd., Suihua Jinhai Chao Automobile Sales Co., Ltd., PICC Property and Casualty Company Limited Suihua	Product liability dispute	Beilin District People's Court of Suihua City	2,243,964.00	Second instance

	Branch				
Zhao Qianqian, Yu Xiufeng, Li Shunxi, Li Mengyuan	Jilin Anrui Lifting Transportation Co., Ltd., Shandong Yongseng Rubber Group Co., Ltd., and China FAW Group Co., Ltd.	Product liability dispute	Gaobeidian Municipal People's Court of Hebei Province	1,289,951.00	First instance
Wuxi Leming Transport Co., Ltd.	Wuxi Dongkai Automobile Trading Co., Ltd., Wuxi Zhongbang Jiefang Automobile Sales & Service Co., Ltd. and China FAW Group Corporation	Product liability dispute	Huishan District People's Court of Wuxi City	1,080,000.00	First instance
Zhuang Qixian, Yang Xiao, Yang Yu	FAW Jiefang (Qingdao) Automotive Co., Ltd., FAW-HONGTA Yunnan Automobile Co., Ltd.	Labor dispute	Qilin District People's Court of Qujing City, Yunnan Province	1,006,099.00	First instance

As of June 30, 2025, the Company has no contingencies other than those mentioned above that should be disclosed.

(2) Explanation is also required when the Company has no important contingencies to be disclosed

The Company has no important contingencies to be disclosed.

XVI. Notes to Main Items of Parent Company's Financial Statements

1. Other receivables

Unit: CNY

Item	Ending balance	Opening balance
Dividends receivable		156,960,226.90
Other receivables	6,553,832,963.97	6,314,003,121.96
Total	6,553,832,963.97	6,470,963,348.86

(1) Dividends receivable

1) Classification of dividends receivable

Unit: CNY

Item (or Investee)	Ending balance	Opening balance
First Automobile Finance Co., Ltd.		156,960,226.90
Total		156,960,226.90

(2) Other receivables**1) Classification of other receivables by nature**

Unit: CNY

Nature	Ending book balance	Beginning Book Balance
Current account	6,553,957,675.97	6,314,127,833.96
Total	6,553,957,675.97	6,314,127,833.96

2) Disclosure by aging

Unit: CNY

Aging	Ending book balance	Beginning Book Balance
Within 1 year (including 1 year)	6,553,498,669.71	6,313,668,827.70
Over 3 years	459,006.26	459,006.26
3-4 years	459,006.26	459,006.26
Total	6,553,957,675.97	6,314,127,833.96

3) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision proportion		Amount	Scale	Amount	Provision proportion	
Including:										
Provision for bad debts made by portfolio	6,553,957,675.97	100.00%	124,712.00	0.00%	6,553,832,963.97	6,314,127,833.96	100.00%	124,712.00	0.00%	6,314,003,121.96
Including:										
Aging portfolio	6,553,957,675.97	100.00%	124,712.00	0.00%	6,553,832,963.97	6,314,127,833.96	100.00%	124,712.00	0.00%	6,314,003,121.96
Total	6,553,957,675.97	100.00%	124,712.00	0.00%	6,553,832,963.97	6,314,127,833.96	100.00%	124,712.00	0.00%	6,314,003,121.96

Provision for bad debts by portfolio category

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Provision for bad debts made by portfolio	6,553,957,675.97	124,712.00	0.00%
Total	6,553,957,675.97	124,712.00	

Description of the basis for determining this portfolio:

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

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment has not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as of January 01, 2025		124,712.00		124,712.00
Balance on January 1, 2025 in the current period				
Balance as of June 30, 2025		124,712.00		124,712.00

Basis for stage classification and bad debt provision rates: Stage II provisions are based on aging, with a provision ratio of 0.00% for 3 to 4 years. Significant book balance changes occurred in the provision for losses in the current period

☐Applicable ☒Not applicable
4) Top five ending balances of other receivables classified by debtors

Unit: CNY

Name of Unit	Nature of Payment	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending Balance of Provision for Bad Debts
FAW Jiefang Automotive Co., Ltd.	Current account	6,553,498,669.71	Within 1 year	99.99%	
Changchun Committee of Municipal and Rural Construction	Current account	459,006.26	3-4 years	0.01%	124,712.00
Total		6,553,957,675.97		100.00%	124,712.00

2. Long-term equity investment

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment Provision	Book Value	Book balance	Impairment Provision	Book Value
Investment in subsidiaries	21,611,015,169.73		21,611,015,169.73	21,611,015,169.73		21,611,015,169.73
Investment in associated enterprises and joint ventures	188,210,129.22		188,210,129.22	184,102,155.37		184,102,155.37
Total	21,799,225,298.95		21,799,225,298.95	21,795,117,325.10		21,795,117,325.10

(1) Investment in subsidiaries

Unit: CNY

Investee	Opening balance (book value)	Opening balance of impairment provision	Increase/Decrease in the current period				Ending balance (book value)	Ending balance of impairment provision
			Additional Investment	Reduced Investment	Impairment Provision	Others		
FAW Jiefang Automotive Co., Ltd.	21,081,923,036.51						21,081,923,036.51	
FAW (Africa) Investment Co., Ltd.	329,092,133.22						329,092,133.22	
FAW Jiefang Group International Automobile Co., Ltd.	200,000,000.00						200,000,000.00	
Total	21,611,015,169.73						21,611,015,169.73	

(2) Investment in associated enterprises and joint ventures

Unit: CNY

Investor	Opening balance (book value)	Opening balance of impairment	Increase/Decrease in the current period								Ending balance (book value)	Ending balance of impairment
			Additional Investment	Reduced Investment	Investment gains or losses recognized under the	Adjustment to other comprehensive income	Changes in other equity	Cash dividends and profits	Impairment Provision	Others		

		provi sion			equity method			are declared to be paid				provi sion
I. Joint ventures												
II. Associated enterprises												
Sanguard Automobile Insurance Co., Ltd.	184,102,155.37				2,203,459.15	1,904,514.70					188,210,129.22	
Subtotal	184,102,155.37				2,203,459.15	1,904,514.70					188,210,129.22	
Total	184,102,155.37				2,203,459.15	1,904,514.70					188,210,129.22	

The recoverable amount is the net amount of the fair value after deducting the disposal expenses

☐Applicable ☒Not applicable

The recoverable amount is the present value of the expected future cash flow

☐Applicable ☒Not applicable

3. Investment income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Long-term equity investment income calculated with cost method		353,500,000.00
Income from long-term equity investments accounted for using the equity method	2,203,459.15	194,893,139.83
Total	2,203,459.15	548,393,139.83

XVII. Supplementary Information

1. Breakdown of non-recurring profit or loss of current period

☒Applicable ☐Not applicable

Unit: CNY

Item	Amount	Description
Profits or losses on disposal of non-current assets	154,614,688.74	It refers to the net gain on disposal of non-current assets.
Government subsidies included in the current profit or loss (except those closely related to the Company's normal operations, conforming to the State policies and regulations and enjoyed in line with the specified standards, and having a continuous impact on the profit or loss of the Company)	311,937,333.71	
Reversal of impairment provision for receivables subject to separate impairment test	1,802,060.86	The reversal of impairment provision for receivables subject to separate impairment test.
Non-operating income and expenses other than the above	9,661,615.9 8	The net non-operating income and expenses.
Less: amount affected by income tax	81,725,953.01	
Amount affected by minority shareholder's equity (after-tax)	-3,703.29	
Total	396,293,449.57	--

Specific conditions of other profit and loss items meeting the definition of non-recurring profit and loss:

☐Applicable ☒Not applicable

There are no specific conditions of profit and loss items meeting definition of non-recurring profit and loss for the Company.

Explanation on defining the non-recurring profit and loss items listed in the Explanatory Announcement No.1 on Information Disclosure by Companies Issuing Securities Publicly - Non-recurring Profit and Loss as recurring profit and loss items

☐Applicable ☒Not applicable

2. Return on net assets and earnings per share

Profit for the Reporting Period	Weighted average return on equity	Earnings per Share	
		Basic earnings per Share (CNY/share)	Diluted earnings per Share (CNY/share)
Net profit attributable to ordinary shareholders of the Company	0.08%	0.0040	0.0040
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit and loss	-1.44%	-0.08	-0.08

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profits and net assets in the financial report disclosed simultaneously according to the international accounting standards and China accounting standards

☐Applicable ☒Not applicable

(2) Differences in net profits and net assets in the financial report disclosed simultaneously according to foreign accounting standards and China accounting standards

☐Applicable ☒Not applicable

(3) Explanation of the reasons for accounting data differences under domestic and foreign accounting standards shall be given, and where data audited by an overseas audit authority has been adjusted based on the differences, the name of the overseas institution shall be indicated.

4. Others

Section IX Other Submitted Data

I. Other Significant Social Safety Issues

Whether the listed company and its subsidiaries have other significant social safety issues

☐Yes ☒No ☐Not applicable

Whether the Company was subject to administrative penalties during the reporting period

☐Yes ☒No ☐Not applicable

II. Reception, Investigation, Communication, Interview and Other Activities in the Reporting Period Registration Form

☒Applicable ☐Not applicable

Reception Time	Reception Location	Reception Mode	Type of Reception Object	Reception Object	Main Contents of Discussion and Information Provided	Index of Basic Information of Investigation
January 8, 2025	Meeting room of the Company	Field Research	Organization	ChinaAMC, Huatai Securities, PSBC, Huashang Fund, PICC, Penghua Fund	Operation and development planning of the Company, no relevant information is provided	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gsz0000800&sjsBond=false#research
March 31, 2025	Beijing meeting room	Field Research	Others	Jt Asset Management Co., Ltd., China Life Pension Company Limited., Jilin Changbai Mountain Private Fund Management Co., Ltd., SHANGHAI KANDAO ASSETS MANAGEMENT,	Operation and development planning of the Company, no relevant information is provided	

				Northeast Securities Co., Ltd., Soochow Securities Co., Ltd., Dongxing Securities Corporation Limited, Nanjing Guohai Auto Parts Co., Ltd., Sinolink Securities Co., Ltd., Haitong Securities Co., Ltd., Hengtai Securities Co., Ltd., Huaan Securities Co., Ltd., Huachuang Securities Co., Ltd., Huatai Securities Co., Ltd., Lianchu Securities Co., Ltd., Western Securities Co., Ltd., Southwest Securities Co., Ltd., China International Capital Corporation Limited (CICC), China Securities Co., Ltd. and CITIC Securities Company Limited		
April 14, 2025	P5w Net “Investor Relations Interactive Platform” (https://ir.p5w.net)	Network platform for online communication	Others	Investors participating in FAW Jiefang 2024 Annual Performance Presentation	Operation and development planning of the Company, no relevant information	

					is provided	
May 27, 2025	P5w Net “Investor Relations Interactive Platform” (https://ir.p5w.net)	Network platform for online communication	Others	Investors participating in the Online Collective Performance Presentation of Listed Companies within the Jurisdiction of Jilin	Operation and development planning of the Company, no relevant information is provided	

III. Funds Transactions Between the Listed Company and Its Controlling Shareholders and Other Related Parties

☒Applicable ☐Not applicable

Unit: CNY 10,000

Name	Nature	Opening balance	Amount Incurred in the reporting period	Amount of repayments in the reporting period	Ending balance	Interest income	Interest expense
First Automobile Finance Co., Ltd.	Operating transactions	902,833.53	21,079,340.23	21,108,746.87	877,237.54	3,810.65	
China FAW Group Import & Export Co., Ltd.	Operating transactions	587,007.00	44,939.48	9,854.24	622,092.24		
FAW-HONGTA Yunnan Automobile Co., Ltd.	Operating transactions	4,317.00			4,317.00		
FAW Mold Manufacturing Co., Ltd.	Operating transactions	3,848.78		3,848.78			
China FAW Group Co., Ltd.	Operating transactions	1,869.00		1,869.00			
FAW Asset Management Co., Ltd.	Operating transactions	553.55		504.80	48.75		
FAW Harbin Light-Automobile Co., Ltd.	Operating transactions	528.04		460.32	67.72		
FAW Logistics Co., Ltd.	Operating transactions	71.91		23.33	48.58		
Qiming Information Technology Co., Ltd.	Operating transactions	26.67		23.67	3.00		
China FAW Co., Ltd.	Operating transactions	21.51		1.12	20.39		
FAW Forging (Jilin) Co., Ltd.	Operating transactions	2.58	44.29	2.58	44.29		
FAW Logistics	Operating	0.21		0.03	0.18		

(Changchun Lushun) Storage and Transportation Co., Ltd.	transactions						
Hainan Tropical Automobile Test Co., Ltd.	Operating transactions		2.50		2.50		
Sanguard Automobile Insurance Co., Ltd.	Operating transactions		1.84		1.84		
Changchun Automotive Test Center Co., Ltd.	Operating transactions		93.36		93.36		
FAW Equity Investment (Tianjin) Co., Ltd.	Operating transactions		0.68		0.68		
Total	--	1,501,079.78	21,124,422.38	21,125,334.74	1,503,978.07	3,810.65	