



FAW JIEFANG GROUP CO., LTD

Semi-Annual Report 2026

August 2026

Section I Important Notes, Contents and Definitions

The Board of Directors, the Directors, and Senior Management of the Company guarantee that the contents of this Semi-Annual Report are true, accurate, and complete, that there are no false records, misleading statements, or material omissions, and that they shall bear individual and joint legal liabilities.

Li Sheng, the person in charge of the Company, Yu Changxin, the person in charge of accounting work, and Yang Li, the person in charge of the accounting organization (chief accountant), hereby declare and guarantee the authenticity, accuracy, and completeness of the financial report in this Semi-Annual Report.

Except for the following directors, other directors attended the Board of Directors 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
Zhao Fuquan	Independent director	Work	Wang Xu

This semi-annual report includes forward-looking statements such as future plans and does not constitute a substantial commitment of the Company to investors. Investors and relevant persons should maintain sufficient risk awareness of this 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 plans not to distribute cash dividends, not to issue bonus shares, and not to convert capital reserves into share capital.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

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List of Documents for Future Reference

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

(II) Originals of all company documents and announcements publicly disclosed on the website designated by the China Securities Regulatory Commission (CSRC) in 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.
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.
SASAC	Refers to	State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
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)
SZSE	Refers to	Shenzhen Stock Exchange
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, 2026 – June 30, 2026
CNY, CNY 10 thousand, CNY 100 million	Refers to	CNY, CNY 10 thousand, 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	一汽解放集团股份有限公司		
Chinese abbreviation of the Company	一汽解放		
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	Yang Li	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
E-mail	faw0800@fawjiefang.com.cn	faw0800@fawjiefang.com.cn

III. Other Information

1. Contact Information of the Company

Whether the registered address, office address and its postal code, official website, email address, etc. of the Company changed during the reporting period

☐Applicable ☒Not applicable

There was no change in the registered address, office address and its postal code, official website, email address, etc. of the Company during the reporting period. For details, please refer to the 2025 Annual Report.

2. Information Disclosure and Place for Preparation and Reference

Whether the information disclosure and place for preparation and reference changed during the reporting period

☐Applicable ☒Not applicable

There was no change in the websites of stock exchanges and media names and their websites where the Company discloses its semi-annual report, nor in the place for preparation and reference of the Company's semi-annual report during the reporting period. For details, please refer to the 2025 Annual Report.

3. Other Relevant Information

Whether other relevant information changed during 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

	This Reporting Period	Same Period of Last Year	Increase or Decrease of the Reporting Period Compared to the Same Period of the Previous Year
Operating income (CNY)	37,570,961,164.48	28,078,705,058.07	33.81%
Net profit attributable to shareholders of the listed company (CNY)	306,465,407.39	19,655,810.39	1,459.16%
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (CNY)	33,166,100.88	-376,637,639.18	108.81%
Net cash flows from operating activities (CNY)	6,477,573,067.18	7,635,289,020.71	-15.16%
Basic earnings per Share (CNY/share)	0.0623	0.0040	1,457.50%
Diluted earnings per Share (CNY/share)	0.0623	0.0040	1,457.50%
Weighted average return on equity	1.15%	0.08%	Increased by 1.07 percentage points
	End of the Reporting Period	End of the Previous Year	Increase or Decrease at the End of the Reporting Period Compared to the End of the Previous Year
Total assets (CNY)	82,276,208,644.57	72,505,798,266.39	13.48%
Net assets attributable to shareholders of the listed company (CNY)	26,387,244,974.83	26,471,578,740.78	-0.32%

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

During the reporting period, 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

During the reporting period, 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)	-5,512,843.79	It refers to the net loss 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)	310,602,471.01	

Gains and losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains and losses from disposal of financial assets and financial liabilities, other than those arising from effective hedging activities related to the Company's normal business operations.	20,561,511.39	This refers to the investment income arising from the disposal of held-for-trading financial assets.
Non-operating income and expenses other than the above	6,643,810.41	The net non-operating income and expenses.
Less: amount affected by income tax	58,996,064.81	
Amount affected by minority shareholder's equity (after-tax)	-422.30	
Total	273,299,306.51	

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

1. 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 a provider of green and intelligent transportation solutions that is “First in China, World-class,” focusing on its core product lines, adhering to innovation-driven and transformation-driven approaches, and building a pioneering advantage. During the reporting period, the Company’s principal business, products, and business model did not undergo any significant changes.

The Company has steadfastly pursued technology leadership and business innovation as key strategic directions for development, proactively accelerating the optimization and adjustment of its production capacity structure, closely aligning with critical development trends such as product premiumization and new energy transformation, while continuously optimizing resource allocation and advancing intelligent upgrades. The Company has successfully built multiple advanced manufacturing bases at the industry-leading level, laying a solid foundation for the Company’s sustained market leadership.

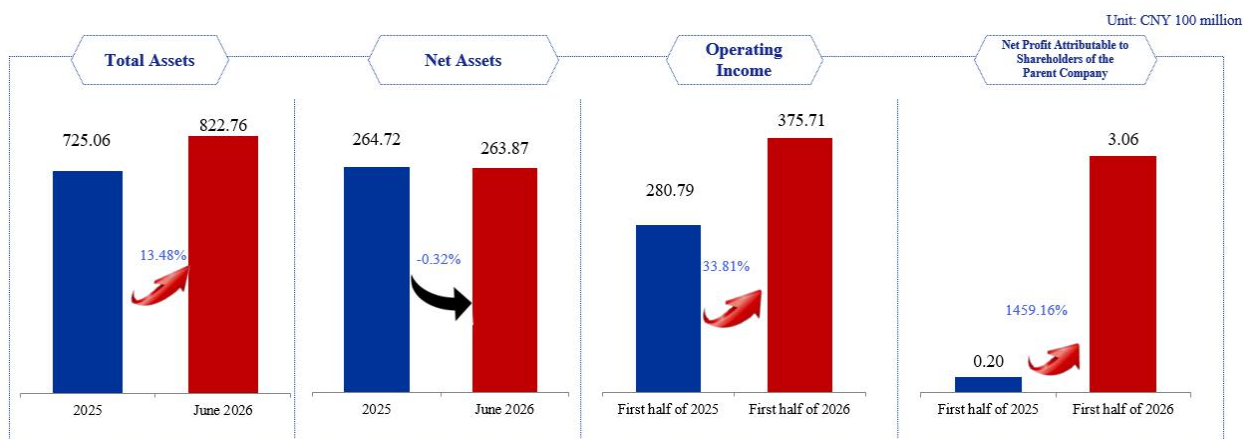
2. Industry Development

In the first half of 2026, the demand in the medium and heavy truck market was robust, with the industry’s sales volume reaching 736 thousand units, a year-on-year increase of 22.9%. In terms of vehicle segments, affected by the international situation, domestic diesel costs rose significantly, and the economic advantages of natural gas heavy trucks once again gained attention; new energy medium and heavy trucks shifted from policy guidance to market traction, generally continuing the growth momentum of 2025. In addition, the global economy warmed up in the first half of the year, emerging economies steadily recovered, and the infrastructure and logistics industries drove a substantial increase in truck demand, leading to a significant year-on-year growth in industry exports.

3. Business Operations

In the first half of the year, against the backdrop of a complex global situation and unbalanced economic recovery, China’s commercial vehicles showed a development trend of “steady recovery in domestic demand, rapid export growth, in-depth structural adjustment, and surging momentum in new energy”. FAW Jiefang anchored the strategic goal of “China’s First, World-Class”, firmly steered towards “Technology Jiefang, Green Jiefang, and Global Jiefang”, seized incremental opportunities across the entire system and all fronts, pooled collaborative efforts, enhanced capacity and efficiency, acted with urgency and dedication, and solidly advanced key tasks such as tackling core technologies, iterative product renewal, the three-year quality improvement, and the construction of a 100-billion-yuan financial pool, achieving staged sound results in business operations and development.

As of June 30, 2026, the Company's total assets amounted to CNY 82.276 billion, a year-on-year increase of 13.48%; net assets attributable to shareholders of the listed company were CNY 26.387 billion, a year-on-year decrease of 0.32%; during the reporting period, the operating income achieved was CNY 37.571 billion, a year-on-year increase of 33.81%; the net profit attributable to shareholders of the parent company achieved was CNY 306 million, a year-on-year increase of 1,459.16%.



In the second half of the year, FAW Jiefang will solidly implement the Company's annual work ideas, adhere to focusing on operations, improving quality and reducing costs, prioritizing sales volume, expanding the light-duty segment, and deeply cultivating overseas markets, seize opportunities, accelerate transformation at full speed, forge ahead toward new horizons, and fight decisively to achieve the annual operational goals and tasks, going all out to achieve a triumphant start to the "15th 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 the China's first and world-class provider of green and intelligent transportation solutions and building a more prosperous society"; takes products and services as the main task, customers and employees as the foundation, innovation and reform as the driving force; focuses on industry trends and customer needs, and rapidly enhances product competitiveness and service levels.

1. In terms of product R&D: The Company has built the most powerful and complete independent R&D system in China, covering forward-looking technology, engines, transmissions, axles, and complete vehicles, forming an efficient and collaborative R&D team of more than 3,000 people. The Company possesses five core capabilities: technological innovation, performance development, lean design, pilot testing, and test 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 world-class complete vehicle and three major powertrain core technologies, 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-duty trucks in Qingdao; engine R&D bases in Wuxi and Dalian. In recent years, by accurately grasping the needs of segmented markets, the Company has successfully developed ten core product technology advantages, including system fuel efficiency, extended oil change intervals, lightweight design, independent major

assemblies, independent electronic control, independent aftertreatment, new energy, intelligent driving, extended warranty, and maintenance-free features.

2. Marketing and procurement: The Company adheres to customer value orientation and has taken the lead in establishing a fully functional marketing service system. The marketing service network, consisting of three marketing centers—Changchun Medium- and Heavy-Duty Trucks, Qingdao Medium- and Heavy-Duty Trucks, and Light-Duty Trucks—comprises nearly 1,000 dealers, more than 2,000 service stations, nearly 100 spare parts centers, and nearly 200 spare parts dealers, covering 268 prefecture-level cities nationwide. The coverage rate in cities with a capacity of over 1,000 vehicles is 90.7%, and the national average service radius is 48 kilometers, reaching a leading level in the industry, providing users with 24/7 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 successively become strategic partners with leading enterprises at home and abroad, including Shell, Bosch, CATL, C&D Inc., TELD, Cainiao, Zhuoyu, and Huawei.

3. Production and manufacturing: The Company has a complete manufacturing system from raw materials to core components, from key major assemblies to complete vehicles. The Company operates five major vehicle manufacturing bases in Changchun, Qingdao, Guanghan, Liuzhou, and Foshan, with a production capacity of 418 thousand vehicles. It also maintains three major assembly bases in Changchun, Wuxi, and Dalian, independently mastering the core competitiveness and production capabilities of engines, transmissions, and axles in the smart powertrain domain, with product competitiveness at an advanced level. Among these facilities, Wuxi Diesel Engine Works features three major series—Aowei, Bowei, and Jinwei—achieving world-class manufacturing standards. The Company is deeply engaged in four key areas: smart vehicles, new energy, connected vehicles, and the aftermarket, having established five new business bases in Suzhou, Nanjing, Tianjin, Wuxi, and Foshan.

4. New energy: Its product portfolio covers five major lines: tractors, dump trucks, cargo trucks, special purpose vehicles, and buses. These product lines encompass three major technological routes: BEVs, FCVs, and hybrid vehicles, achieving full coverage of key segment markets for new energy commercial vehicles, such as steel mills, coal, and construction spoil. 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. Through the continuous exploration and application of new products, new technologies, and new processes, the Company has consistently maintained technological leadership and product excellence in the new energy market, achieving leapfrog growth in sales volume for three consecutive years.

5. Overseas: The Company implements the “SPRINT 2030” internationalization strategy and makes every effort to expand overseas markets. At present, its exports cover 115 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 high-end markets. The Company continues to accelerate its global layout. At present, the Company has more than 140 core dealers and more than 500 service providers overseas. The Company has established overseas subsidiaries in countries such as South Africa and Tanzania, and exports models including CH, CP, DP, LR and others, among which it firmly ranks first in the medium- and heavy-duty truck market share in South Africa. At the same time, it continues to accelerate overseas localized operations, fully launching the layout of 8 overseas subsidiaries, with subsidiaries in Saudi Arabia, Uzbekistan, etc. having been completed and successively put into operation, to fully support the achievement of the Company's internationalization strategy.

III. Analysis of Main Business

Overview

Please refer to the relevant content of "I. Main Businesses of the Company in the Reporting Period".

Year-on-Year Changes in Key Financial Data

Unit: CNY

	Closing Balance / The Reporting Period	Opening Balance / Same Period of Previous Year	Year-on- Year Increase and Decrease	Reason for Change
Operating income	37,570,961,164.48	28,078,705,058.07	33.81%	Mainly due to the increase in sales volume in the current period.
Operating Costs	35,518,319,599.20	26,840,562,485.53	32.33%	Mainly due to the increase in sales volume in the current period.
Sales expenses	574,270,411.30	472,042,436.11	21.66%	
Administrative expenses	599,026,926.35	605,966,739.38	-1.15%	
Financial expenses	-165,406,809.62	-252,849,223.59	34.58%	Mainly due to the increase in financial expenses in the current period.
Income tax expenses	-99,636,305.10	-175,154,040.98	43.12%	Mainly due to the increase in income tax expenses in the current period.
R&D investment	999,005,715.17	1,001,811,547.24	-0.28%	
Net cash flows from operating activities	6,477,573,067.18	7,635,289,020.71	-15.16%	
Net cash flows from investment activities	-140,756,609.13	-162,885,381.88	13.59%	
Net cash flows from financing activities	-1,310,716.60	-248,323,979.67	99.47%	Mainly due to the impact of undistributed cash dividends in the current period.
Net increase in cash and cash equivalents	6,310,495,201.99	7,231,688,786.55	-12.74%	
Monetary capital	30,013,365,020.61	22,325,269,010.05	34.44%	Mainly due to the increase in monetary

	Closing Balance / The Reporting Period	Opening Balance / Same Period of Previous Year	Year-on- Year Increase and Decrease	Reason for Change
				funds in the current period.
Derivative financial assets	1,977,854.70		100.00%	Mainly due to the development of derivative financial business in the current period.
Notes receivable	22,931,011.03	584,654,660.00	-96.08%	Mainly due to the decrease in commercial acceptance bills held at the end of the current period.
Accounts receivable	9,134,363,996.17	5,275,130,370.45	73.16%	Mainly due to the increase in accounts receivable at the end of the current period.
Accounts receivable financing	4,360,450,827.39	6,556,062,093.60	-33.49%	Mainly due to the decrease in bank acceptance bills held at the end of the current period.
Prepayments	469,348,587.30	139,082,917.93	237.46%	Mainly due to the increase in prepayments at the end of the current period.
Other equity instruments investments	67,726,054.80	210,703,161.60	-67.86%	Mainly due to changes in fair value of investment in other equity instruments in the current period.
Project under construction	177,573,657.43	131,371,243.36	35.17%	Mainly due to the increase in construction in progress in the current period.
Right-of-use assets	30,852,168.77	60,896,263.98	-49.34%	Mainly due to the decrease in right-of-use assets at the end of the current period.
Long-term deferred expenses	273,416.80	74,286.06	268.06%	Mainly due to the increase in long-term deferred expenses in the current period.
Other non-current assets	618,607,966.44	2,362,921,423.03	-73.82%	Mainly due to the decrease in time deposits in the current period.
Notes payable	26,125,894,588.59	12,809,740,164.11	103.95%	Mainly due to the increase in notes payable in the current period.
Advance receipts	3,651,044.74	826,097.22	341.96%	Mainly due to the increase in rental received in advance in the current period.

	Closing Balance / The Reporting Period	Opening Balance / Same Period of Previous Year	Year-on- Year Increase and Decrease	Reason for Change
Contract liabilities	3,389,838,133.23	2,603,137,668.68	30.22%	Mainly due to the increase in contract liabilities in the current period.
Employee compensation payable	438,475,845.96	1,083,725,750.16	-59.54%	Mainly due to the decrease in employee benefits payable at the end of the current period.
Other payables	1,475,128,473.57	2,544,536,206.49	-42.03%	Mainly due to the decrease in other payables at the end of the current period.
Other current liabilities	35,988,525.01	66,560,308.63	-45.93%	Mainly due to the decrease in output tax to be transferred at the end of the current period.
Lease liabilities	454,779.16	1,690,109.49	-73.09%	Mainly due to the decrease in lease payments in the current period.
Other comprehensive incomes	-554,871,229.73	-387,288,724.63	-43.27%	Mainly due to changes in fair value of investment in other equity instruments in the current period.
Investment income	-9,147,032.05	-30,115,859.77	69.63%	Mainly due to the increase in investment income in the current period.
Credit impairment loss	-48,878,159.33	-30,655,705.99	-59.44%	Mainly due to the increase in provision for impairment of receivables in the current period.
Impairment loss on assets	-101,344,238.89	-151,608,226.07	33.15%	Mainly due to the decrease in provision for impairment of inventories in the current period.
Income from assets disposal	-5,512,843.79	154,614,688.74	-103.57%	Mainly due to the decrease in income from assets disposal.
Non-operating expenses	3,725,815.82	1,662,537.37	124.10%	Mainly due to the increase in non-operating expenses in the current period.
Net after-tax amount of other comprehensive incomes	-157,574,293.22	61,192,422.39	-357.51%	Mainly due to changes in fair value of investment in other equity instruments in the current period.

Significant changes in profit composition or profit sources of the Company during the reporting period

☐Applicable ☒Not applicable

There was no significant change in the profit composition or profit sources of the Company 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	37,570,961,164.48	100%	28,078,705,058.07	100%	33.81%
By industries					
Automobile industry	37,570,961,164.48	100.00%	28,078,705,058.07	100.00%	33.81%
By products					
Commercial vehicles	35,189,738,913.77	93.66%	26,082,500,525.92	92.89%	34.92%
Spare parts and others	2,381,222,250.71	6.34%	1,996,204,532.15	7.11%	19.29%

Information about 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 Margin	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 in Gross Margin over the Same Period of Last Year
By industries						
Automobile industry	37,425,917,693.36	35,425,562,629.21	5.34%	36.85%	34.81%	Increased by 1.43 percentage points
By products						
Commercial vehicles	35,189,738,913.77	33,646,284,301.49	4.39%	34.92%	33.66%	Increased by 0.90 percentage points
Spare parts and others	2,236,178,779.59	1,779,278,327.72	20.43%	76.78%	60.96%	Increased by 7.82 percentage points

The main business data of the Company for the latest period, adjusted according to the statistical criteria at the end of the reporting period, in the event of any adjustment to the statistical criteria of the Company's main business data during 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

	End of the Reporting Period		End of the Previous Year		Increase/Decrease in Proportion	Description of Major Changes
	Amount	Proportion in Total Assets	Amount	Proportion in Total Assets		
Monetary capital	30,013,365,020.61	36.48%	22,325,269,010.05	30.79%	5.69%	
Accounts receivable	9,134,363,996.17	11.10%	5,275,130,370.45	7.28%	3.82%	
Contract assets	67,221,841.72	0.08%	70,941,700.86	0.10%	-0.02%	
Inventories	16,826,097,343.27	20.45%	13,415,413,449.26	18.50%	1.95%	

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Investment properties	37,318,677.53	0.05%	44,712,225.12	0.06%	-0.01%	
Long-term equity investments	1,348,671,029.39	1.64%	1,353,025,361.23	1.87%	-0.23%	
Fixed assets	10,350,689,872.93	12.58%	10,993,086,978.42	15.16%	-2.58%	
Project under construction	177,573,657.43	0.22%	131,371,243.36	0.18%	0.04%	
Right-of-use assets	30,852,168.77	0.04%	60,896,263.98	0.08%	-0.04%	
Short-term loans	50,000,000.00	0.06%	50,000,000.00	0.07%	-0.01%	
Contract liabilities	3,389,838,133.23	4.12%	2,603,137,668.68	3.59%	0.53%	
Long-term loans	136,000,000.00	0.17%	136,000,000.00	0.19%	-0.02%	
Lease liabilities	454,779.16	0.00%	1,690,109.49	0.00%	0.00%	

2. Details of Major Overseas Assets

☐Applicable ☒Not applicable

3. Assets and Liabilities Measured at Fair Value

☒Applicable ☐Not applicable

Unit: CNY

Item	Opening 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	Sales Amount in the Current Period	Other Changes	Closing Balance
Financial assets								
Other equity instruments investments	210,703,161.60	-142,977,106.80	-413,053,945.20					67,726,054.80
Total	210,703,161.60	-142,977,106.80	-413,053,945.20					67,726,054.80
Financial liabilities	0.00							0.00

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 Section VIII Financial Report, VII. Notes to Items in the Consolidated Financial Statements, 25 “Assets with Restricted Ownership or Right of Use”.

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
44,119,500.00	0.00	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

1) Derivatives Investment for the Purpose of Hedging during the Reporting Period

☑Applicable ☐Not applicable

Unit: CNY 10 thousand

Type of Derivatives Investment	Initial Investment amount	Opening Amount	Profits and Losses from Changes in Fair Value for the Current Period	Accumulated Changes in Fair Value through Equity	Amount Purchased during the Reporting Period	Amount Sold during the Reporting Period	Closing Amount	Proportion of Closing Investment Amount to the Company's Net Assets at the End of the Reporting Period
Forward foreign exchange settlement and sale	0	0	197.79	197.79	57,463.91	10,233.95	197.79	1.78%
Total	0	0	197.79	197.79	57,463.91	10,233.95	197.79	1.78%
Explanation on the accounting policies and specific accounting principles for hedging operations during the reporting period, and whether there have been significant changes compared with the previous reporting period	N/A							
Explanation on actual gains and losses during the reporting period	The Company's actual loss on financial derivatives investment for hedging purposes during the reporting period was CNY 1.74 million.							
Explanation on hedging effect	In order to avoid the adverse impact of significant fluctuations in exchange rates and interest rates on operations, the Company hedges its actual risk exposure through financial derivatives. Financial derivative contracts have, to a certain extent, hedged against the fluctuations in the value of the hedged exposure caused by changes in exchange rates and interest rates, and the overall hedging effect is in line with expectations.							
Source of funds for derivatives investment	Own Funds							
Explanation on risk analysis	1. The types of financial derivative transactions carried out by the Company are simple financial derivatives closely related to the							

and control measures of derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	underlying business, and such derivatives match the underlying business in terms of varieties, scale, direction, maturity, and other aspects. The Company adheres to the risk-neutral principle in carrying out business, and shall not carry out speculative and arbitrage transactions solely for the purpose of making profits so as to affect the development of the Company's main business, ensuring reasonable arrangements of funds used in carrying out such business. 2. The Company has formulated a strict Management System for Financial Derivative Transactions, which clearly stipulates the basic principles, approval authorities, department settings and staffing, internal operation processes, internal risk reporting systems and risk handling procedures, information confidentiality and isolation measures, etc. for financial derivative transactions. It has also established a professional foreign exchange management team equipped with professionals to conduct derivative transactions, thereby avoiding operational risks. 3. The counterparties of the Company's financial derivative transactions are all financial institutions with good creditworthiness and long-term business relations with the Company, with low performance risk. The Company will prudently review the terms of contracts signed with qualified financial institutions and strictly implement the risk management system to prevent legal risks. 4. The internal audit department of the Company is responsible for periodically reviewing and evaluating the financial derivative transactions.
Changes in market price or product fair value of invested derivatives during the reporting period; the analysis of the fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters	The change in fair value of financial derivatives is calculated based on the difference between the market price of the contracts held on the last working day of the month and the contracted price.
Litigation	N/A
Disclosure date of the Board of Directors' announcement approving the derivatives investment	Saturday, March 28, 2026

2) Derivatives investment for speculative purposes during the reporting period

☐Applicable ☒Not applicable

The Company had no derivatives investment for speculative purposes during the reporting period.

5. Use of Raised Funds

☑Applicable ☐Not applicable

(1) Overall Use of Raised Funds

☑Applicable ☐Not applicable

Unit: CNY 10 thousand

Fund raising 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 Repurposed during Reporting Period	Cumulative Gross of Proceeds Repurposed	Percentage of Cumulative Gross of Proceeds Repurposed	Total Unused Gross of Proceeds	Allocation and Intended Use of Unused Proceeds	Amount of Proceeds Unutilized for over Two Years
2024	Private placement of shares	October 21, 2024	200,000	199,781.34	926.66	199,781.34	100.00%	0	0	0.00%	194.61	The funds are held in a dedicated fundraising account	0
Total	--	--	200,000	199,781.34	926.66	199,781.34	100.00%	0	0	0.00%	194.61	--	0

Description of the Overall Use of Raised Funds:

As approved by the China Securities Regulatory Commission (CSRC) in its “Reply on Approving the Registration of FAW Jiefang Group Co., Ltd. for Issuance of Shares to Specific Objects” (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 objects 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, 2026, all projects have been completed. The accumulated amount of raised funds invested in proceeds-funded projects was CNY

1,997,813,420.71, and the unused amount was CNY 1,946,071.02. According to the Self-Regulatory Supervision Guidelines for Listed Companies on Shenzhen Stock Exchange No. 1 - Standardized Operation of Main Board Listed Companies and other relevant provisions, where the surplus funds (including interest income) are less than CNY 5 million or less than 1% of the net amount of raised funds for the project, the performance of relevant deliberation procedures may be exempted, and the use thereof shall be disclosed in the annual report. As of July 23, 2026, the Company has transferred out all surplus raised funds to permanently replenish working capital to support the development of the Company's main business, and has completed the cancellation procedures for the dedicated account for raised funds.

(2) Raised Fund Committed Projects

☐Applicable ☒Not applicable

(3) Changes to Raised Fund Investment Projects

☐Applicable ☒Not applicable

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

VII. Sale of Major Assets and Equity**1. Sale of Major Assets**

☐Applicable ☒Not applicable

The Company did not sell major assets during the reporting period.

2. Sale of Major Equity

☐Applicable ☒Not applicable

VIII. Analysis on Main Holding and Joint-Stock Companies

☒Applicable ☐Not applicable

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

Unit: CNY 10 thousand

Comp any Name	Co mp any Typ e	Main Business	Registered Capital	Total assets	Net Assets	Operating income	Operating Profit	Net Profit
FAW Jiefang Auto motive Co., Ltd.	Subsidiaries	Development, manufacturing and sales of vehicles and parts	1,080,301.25	7,975,881.42	1,967,768.10	3,812,111.48	8,557.74	23,475.34

Acquisition and disposal of subsidiaries in the reporting period

☒Applicable ☐Not applicable

Company Name	Methods of Acquisition and Disposal of Subsidiaries in the Reporting Period	Impact on Overall Production, Operation and Performance
Jiefang Uzbekistan Co., Ltd.	Establishment by investment	Strive to optimize and strengthen the layout and expansion of overseas markets, supporting the comprehensive implementation of the Company's overseas industrial strategic planning.
Jiefang Indonesia Co., Ltd.		
Jiefang Vietnam Co., Ltd.		

IX. Structured Entities Controlled by the Company

☐Applicable ☒Not applicable

X. Risks Faced by the Company and Countermeasures**1. Industry competition risks**

In the second half of 2026, the characteristics of stock-based competition in the domestic commercial vehicle industry will become increasingly pronounced, the pace of structural adjustments in the industry will accelerate, and competitive pressure will continue to rise. Traditional enterprises continue to intensify product iteration and upgrades, while cross-industry players keep rolling out new products, leaving the dual competitive squeeze unrelieved. Leading industry players continue to ramp up R&D investment in new energy and

intelligent connected technologies, while simultaneously optimizing the lightweight and energy-saving performance of traditional fuel vehicles to capture downstream segmented application markets, leading to cut-throat competition for core industry market share. As a key growth engine for the industry, the export market is transmitting external competition back into the domestic market. Meanwhile, the issue of product homogenization across the industry has not been effectively alleviated, and market involution continues to deepen.

2. New Energy Market Competition Risks

In the second half of 2026, the penetration rate of the new energy commercial vehicle market will maintain a steady upward trend, and competition in this sector will continue to intensify, putting greater pressure on the consolidation and expansion of the Company's new energy business. The R&D and technological upgrading of new energy vehicle models require sustained, substantial investment of capital and specialized manpower. With the industry's technology iteration cycle continually shortening, if the Company fails to build differentiated competitive barriers in core technical domains such as critical powertrains and in-vehicle intelligent systems, it will continuously face intense competitive pressure from peers. In addition, price volatility of core raw materials in the upstream supply chain remains uncertain, while implementing and scaling innovative business models—such as new energy vehicle operations and leasing—presents considerable challenges. As entrants in various segmented application segments continue to multiply, multiple factors will pose heightened challenges to the Company's new energy business in the second half of the year.

3. Operational Risks in Overseas Market Expansion

In the second half of 2026, uncertainties surrounding overseas business expansion will increase. On the demand side, the momentum of global economic recovery remains sluggish, with market demand in multiple countries staying depressed. On the trade side, several nations continue to raise vehicle import tariffs, and the scope of carbon border adjustment policies keeps expanding, directly driving up the comprehensive costs of complete vehicle exports. On the compliance side, multiple countries are accelerating the implementation of stringent new motor vehicle emission regulations; expenditures on regulatory compliance and model adaptations for overseas markets continue to rise, pushing up compliance costs. Geopolitically, volatile international relations, coupled with frequent adjustments in national trade and industrial policies, have elevated the risk of overseas regulatory penalties. Compounded by significant variations in regional demand, regulations, and technical standards across overseas markets, the complexity of localized operations and management remains high, which will constrain the achievement of the Company's overseas sales and profitability targets in the second half of the year.

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

First, deepen industry insights and comprehensively strengthen overall product competitiveness. Aligning closely with its medium- to long-term strategic plan, the Company will accurately identify structural growth opportunities in the market, make every effort to solidify its core base in the existing market, and concentrate internal resources to ensure the orderly achievement of its annual operational targets. The Company will continue to refine core product performance, enhance the pricing premium of complete vehicles, and establish synergistic mechanisms across R&D, marketing, and the aftermarket to build well-rounded, differentiated competitive advantages. It will further cultivate the automotive aftermarket domain, explore value-added services for existing clients, and tap new growth drivers across multiple tiers. On the overseas front, the Company will increase the rollout of highly adapted, high-margin vehicle models, continually expand into overseas niche markets, and steadily increase regional coverage of its flagship products. It will carry out lean

operations across the entire overseas marketing value chain and leverage key performance indicators to drive cost reduction and efficiency gains across all business units, thereby offsetting cost pressures arising from industry competition.

Second, consolidate the foundation of the new energy vehicle (NEV) business and reinforce competitive advantages in this segment. The Company will continue to leverage the product strengths of its current NEV models, precisely capture market demand across segmented application scenarios in the second half of the year, and roll out innovative marketing campaigns to ensure the steady fulfillment of NEV operational targets. It will conduct in-depth field research on end-user scenarios on an ongoing basis, dynamically optimizing product solutions to meet diverse market demands. The Company will deepen synergy with upstream and downstream partners across the supply chain, utilizing long-term agreements (LTAs) and joint procurement to hedge against cost pressures caused by price fluctuations of core raw materials. Leveraging auto finance tools, it will refine the full life-cycle business layout for NEVs and steadily enhance the profit quality of new businesses. In addition, it will establish dynamic monitoring mechanisms for capital allocation and operational data in the NEV business, improve the end-to-end risk early warning and resolution system, and achieve early identification and mitigation of risks across R&D, production, and sales, ensuring that overall operational risks in the NEV segment remain strictly controllable.

Third, refine the overseas governance and control system and steadily elevate international market competitiveness. The Company will continue to channel more R&D resources toward dedicated overseas models, strengthen capabilities in overseas regulatory benchmarking and localized technical adaptation, and improve complete vehicles' adaptability to diverse regional operating scenarios. It will improve standardized management mechanisms for overseas distribution channels and increase investment in regional brand promotion to support ongoing business expansion. It will routinely monitor and interpret industrial, trade, and emission regulations across target countries to deploy compliant products in advance. The Company will accelerate the implementation of localized overseas KD (Knocked Down) assembly projects and establish deeply aligned partnerships with regional channel distributors. It will also refine the full-cycle foreign exchange risk management system, employing diversified financial instruments to hedge against exchange rate volatility. Furthermore, the Company will formulate tiered, classified contingency plans for overseas security emergencies and routinely conduct safety education for overseas personnel, systematically mitigating potential risks concerning geopolitics, policies, operations, and personnel, thereby steadily enhancing overall operational resilience across overseas markets.

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...” The Company has formulated the “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. The “Proposal on Establishing the ‘Market Capitalization Management System’” has been reviewed and approved at the 21st meeting of the 10th Board of Directors of the Company.

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

Whether the Company disclosed the Announcement on the “Improvement of Both Quality and Return” action plan.

☒Yes ☐No

To implement the guiding principles established at the Political Bureau Meeting of the CPC Central Committee to “invigorate capital markets and boost investor confidence” and at the Executive Meeting of the State Council to “vigorously enhance the quality and investment value of listed companies, and adopt more forceful and effective measures to stabilize the market and confidence,” the Company has formulated the Action Plan for “Dual Improvement in Quality and Returns” to protect the interests of all shareholders, strengthen investor confidence, and promote the Company’s long-term, sound, and sustainable development. The Company has been proactively advancing the measures outlined in the plan. For details, please refer to the Announcement on the Action Plan for “Dual Improvement in Quality and Returns” (Announcement No.: 2024-014), the Progress Announcement on the Action Plan for “Dual Improvement in Quality and Returns” (Announcement No.: 2025-034), and the Progress Announcement on the Action Plan for “Dual Improvement in Quality and Returns” (Announcement No.: 2026-015) published by the Company in Securities Times, China Securities Journal, and on CNINFO (<http://www.cninfo.com.cn>) on March 2, 2024, March 29, 2025, and March 28, 2026, respectively.

The Company will consistently take high-quality development as its main theme, anchoring its development around the three strategic pillars of “Technology Jiefang, Green Jiefang, and Global Jiefang.” It will maintain focus on operations, improve quality and reduce costs, prioritize sales volume, expand its light-duty vehicle business, and deeply cultivate overseas markets. The Company is resolutely committed to market expansion, incremental volume growth, and driving volume growth through superior quality, thereby accelerating the expansion of the Jiefang brand’s market scale. In the first half of the year, the Company strictly adhered to the requirements of the Company Law, the Securities Law, and the relevant rules of the Shenzhen Stock Exchange, deepened the development of its corporate governance structure, and successfully completed the re-election of the new Board of Directors. Concurrently, it gave full play to the gatekeeping and review role of the special meetings of independent directors in key areas. The Company has established a new governance framework with the Shareholders’ Meeting as the highest organ of power, the Board of Directors as the decision-making organ, specialized committees as decision-support organs, the Audit and Risk Control Committee as the supervisory organ, and executive management as the execution organ. With well-defined powers and responsibilities and efficient synergy among all governance bodies, a solid foundation has been laid for the Company’s compliant operations and sound decision-making.

The Company attaches great importance to reasonable returns for investors and strictly executes its shareholder dividend return plans and profit distribution policies. Based on its actual business conditions, the Company formulated the 2025 Annual Profit Distribution Plan as follows: Based on a total of 4,921,280,975 shares, a cash dividend of CNY 0.45 (tax inclusive) was distributed to all shareholders for every 10 shares held, resulting in a total cash dividend distribution of CNY 221,457,643.87 (tax inclusive), with the remaining undistributed profits carried forward to the next accounting year. The Company did not convert capital reserve into share capital. The ex-dividend and ex-rights date for this distribution plan was July 8, 2026.

In addition, the Company attaches great importance to investor relations management, establishing multi-dimensional, comprehensive investor communication channels through corporate disclosures, brokerage strategy conferences, investor interactions, EasyIR (Hudongyi), telephone hotlines, and emails. The Company held the 2025 Annual Performance Briefing on April 10, 2026, and participated in the “Online Collective Investor Reception Day for Listed Companies in Jilin Jurisdiction” on May 19, 2026. Executive management actively listened to opinions and suggestions, addressed concerns raised by investors, and comprehensively presented the enterprise’s corporate value and growth potential.

Section IV Corporate Governance, Environment, and Social Responsibility

I. Changes in Directors and Senior Management of the Company

☒Applicable ☐Not applicable

Name	Position	Type	Date	Reason
Zhao Fuquan	Independent director	Elected	June 29, 2026	Re-election
Shen Jinjun	Independent director	Elected	June 29, 2026	Re-election
Wang Xu	Independent director	Elected	June 29, 2026	Re-election
Mao Zhihong	Independent director	Departure from office upon term expiration	June 29, 2026	Re-election
Han Fangming	Independent director	Departure from office upon term expiration	June 29, 2026	Re-election
Dong Zhonglang	Independent director	Departure from office upon term expiration	June 29, 2026	Re-election
Wang Jianxun	Secretary of the Board of Directors	Departure from office	Thursday, January 22, 2026	Personal reasons
Yu Changxin (Acting)	Secretary of the Board of Directors	Appointed	Thursday, January 22, 2026	Job transfer
Yu Changxin (Acting)	Secretary of the Board of Directors	Termination of appointment	Friday, April 17, 2026	Job transfer
Yang Li	Secretary of the Board of Directors	Appointed	Friday, April 17, 2026	Job transfer

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

☐Applicable ☒Not applicable

The Company plans not to distribute cash dividends, not to issue bonus shares, and not to convert capital reserve into share capital for the semi-annual period.

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

☐Applicable ☒Not applicable

During the reporting period, the Company had no equity incentive plan, employee stock ownership plan, or other employee incentive measures, nor their implementation.

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 Transmission Branch	http://36.135.7.198:9015/index
3	FAW Jiefang Automotive Co., Ltd. Transmission Branch (Axle New Plant)	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=../sps/views/yfpl/views/yfplHomeNew/index.js
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=../sps/views/yfpl/views/yfplHomeNew/index.js
9	FAW Jiefang Automotive Co., Ltd. Sichuan Branch	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510681MABQ7AKG4Y&uniqueCode=ef29d76e7549427c&date=2025&type=true&isSearch=true
10	FAW Jiefang Dalian Diesel Engine Co., Ltd.	https://qyxxpl.ywzh.lnsthj.cn:8802/home/companiesreport?enterId=682078508085253&publishdataId
11	FAW Jiefang Automotive Co., Ltd. Liuzhou Branch Liudong Base	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/portal/index.html#/home/enterpriseInfo?XTXH=8a49e0e4-68ad-48bd-803e51d27d2651ab&XH=1744689574547030986240&year=2025

V. Social Responsibility

In the first half of the year, FAW Jiefang consistently adhered to the development philosophy of “Harmonious Coexistence among People, Vehicles, and Society,” actively devoted itself to philanthropy, fulfilled the corporate social responsibilities of a central state-owned enterprise (SOE), and undertook its mission and obligations. It further developed the “Jiefang Navigator of Love” philanthropic brand, caring for truck drivers, and co-produced the promotional documentary “Gathering Glimmers into a Torch, Navigating with Love” with People’s Daily Online, vividly recounting heartwarming stories of freight professionals and resonating broadly with society. Regarding youth development, the Company coordinated domestic and overseas initiatives in parallel: domestically, it provided assistance to underprivileged students in the Qingdao region; internationally, it carried out aid activities in countries such as the Philippines and Vietnam, conveying corporate warmth through practical actions. Concurrently, FAW Jiefang proactively promoted rural revitalization. On the one hand, it encouraged employees to participate in poverty-alleviation consumption, prioritizing agricultural and sideline products from assisted areas under equal conditions. On the other hand, addressing the needs of its targeted assistance area, Zhenlai County, it established a pairing-assistance and co-construction partnership with the local Characteristic Industry Development Center, injecting lasting momentum into rural revitalization through a series of innovative measures.

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 Unfulfilled Beyond the Time Limit by the End of the Reporting Period

☐Applicable ☒Not applicable

1. During the reporting period, there were no commitments made by the Company's actual controllers, shareholders, related parties, purchasers, the Company, or other related commitment makers during the reporting period, nor any commitments that remained unfulfilled beyond the time limit by the end of the reporting period.

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 Removal of Accounting Firm

Whether the semi-annual financial report has been audited

☐ Yes ☒ No

The Company's semi-annual report is unaudited.

V. Description of the Board of Directors 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 Previous 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 had no major litigation or arbitration matters during the reporting period.

Other litigation matters

☒Applicable ☐Not applicable

Basic Information about Litigation (Arbitration)	Amount Involved (CNY 10 thousand)	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 litigation not reaching the major disclosure standard	15,079.79	Including estimated liabilities of CNY 65.7419 million	Case not closed	No significant impact	Case not closed by the end of the reporting period	——	——
	569.42	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 in Daily Operations**

☑Applicable ☐Not applicable

Related Transaction Party	Correlation	Type of Related Transaction	Content of Related Transaction	Pricing Principle of Related Transaction	Price of Related Transaction	Amount of Related Transaction (CNY 10 thousand)	Proportion to the Amount of Similar Transactions	Approved Transaction Amount (CNY 10 thousand)	Whether it Exceeds the Approved Amount	Settlement Method of Related Transaction	Available Market Value of Similar Transactions	Date of Disclosure	Disclosure Index
Jiefang Times New Energy Technology Co., Ltd.	Joint venture of the Company	Sales of goods	Sales of goods	Market price	Market price	165,716.70	4.41%	420,000	No	Cash + bill settlement	165,716.70	Wednesday, February 4, 2026	https://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800&sjsBond=false#latestAnnouncement
Total				--	--	165,716.70	--	420,000	--	--	--	--	--
Details of large sales returns				N/A									
Actual performance in the reporting period, if the total amount of daily related transactions to be incurred in the current period is estimated by category				For details about the actual performance of related transactions in the reporting period, please see Item XIV “Related Parties and Related Transactions” in Section VIII of this report.									
Reasons for large difference between transaction price and market reference price				N/A									

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 thousand)	Deposit Interest Rate Range	Opening Balance (CNY 10 thousand)	Amount Incurred in Current Period		Closing Balance (CNY 10 thousand)
					Total Deposit Amount in the Current Period (CNY 10 thousand)	Total Withdrawal Amount in the Current Period (CNY 10 thousand)	
First Automobile Finance Co., Ltd.	The same ultimate controlling party	3,000,000	0.3%-1.87%	1,144,903.90	22,994,447.31	22,617,815.47	1,521,535.74

Credit Granting or Other Financial Businesses

Related Parties	Correlation	Business Type	Total Amount (CNY 10 thousand)	Actual Amount Incurred (CNY 10 thousand)
First Automobile Finance Co., Ltd.	The same ultimate controlling party	Other financial businesses	1,530,000	52,126.66

Note: The closing balance includes the principal and interest of actual deposits in the finance company.

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 3, 2026, the 34th meeting of the 10th Board of Directors of the Company reviewed and approved the Proposal on Estimated Amount of Daily Related Transactions in 2026 and Proposal on Estimated Amount of Financial Business with First Automobile Finance Co., Ltd. in 2026, which were reviewed and approved by the First Extraordinary Shareholders' Meeting of the Company in 2026.

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 2026	Wednesday, February 4, 2026	CNINFO (http://www.cninfo.com.cn)
Announcement on estimated amount of financial business with First Automobile Finance Co., Ltd. in 2026	Wednesday, February 4, 2026	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 lease, please refer to Note 15 "Investment Property", Note 16 "Fixed Assets", and Note 20 "Right-of-Use Assets" in VII "Notes to Items in Consolidated Financial Statements" of Section VIII "Financial Report", and 5 "Related Party Transactions" in XIV "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 thousand

Product Category	Risk Characteristics	The Balance of Entrusted Financial Management in the Reporting Period	Amount of Overdue Receivables
Bank Wealth	PR1, R1 low risk, low risk	0	0

Management Products			
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Specific circumstances of the Company, acting as a single principal, entrusting financial institutions to conduct asset management, or investing in high-risk entrusted wealth management products with lower security and poorer liquidity

☐Applicable ☒Not applicable

4. Other Major Contracts

☐Applicable ☒Not applicable

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

XIII. Registration Form of Reception, Investigation, Communication, Interview and Other Activities in the Reporting Period

☑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
March 30, 2026	Shanghai meeting room	Field Research	Organization	Brighter Investment, UBS, Broad Fund, Soochow Securities, GF Securities, Sealand Securities, Guolian Minsheng Securities, Guotai Haitong Securities, Guoyuan Securities, Hangzhou Huishi Private Fund Management Co., Ltd., Huachuang Securities, Huaifu Securities, Huatai Baoxing Fund Management Co., Ltd., Huatai Securities, Huaxi Securities, Kaiyuan Securities, Kunyang Fund, Shanxi Securities, Tianfeng Securities, Wantai Huarui Investment & Management Co., Ltd., Industrial Securities, Great Wall Securities, CICC, China Securities Co., Ltd., CITIC Securities	Operation and development planning of the Company, no relevant information is provided	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gsz0000800&sjstsBond=false#research
April 10, 2026	P5w.net “Investor Relations Interactive Platform” (https://ir.p5w.net)	Network platform for online communication	Others	Investors participating in FAW Jiefang 2025 Annual Performance Presentation	Operation and development planning of the Company, no relevant information is provided	
April 30, 2026	Meeting room of the Company	Telephone communication	Organization	Baoying Fund, Dongxing Securities, GF Securities, Guodu Securities, Sinolink Securities, Guotai Haitong Securities, Huachuang Securities, Huaifu Securities, Value Partners, Harvest Fund, Insight Capital, Jingxi Investment, Kaiyuan Securities, Qingrong Assets, Huaxi Securities, UBS Securities, Tianxiang Investment, Wantai Huarui Investment & Management Co., Ltd., Southwest Securities,	Operation and development planning of the Company, no relevant information is provided	

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				Huatai Securities, Huayuan Securities, Hangzhou Huishi Private Fund Management Co., Ltd., Industrial Securities, Yadong Investment, Yuexin Assets, CICC, China Securities Co., Ltd., Aviva-cofco Life Insurance Co., Ltd., China Post Securities, Caitong Securities, China Eastern Air Catering Investment, Soochow Securities, Sealand Securities, Sinolink Fund		
May 19, 2026	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	

XIV. 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.

XV. 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	
	Quantity	Scale	Issue of New Shares	Bonus Shares	Share Transferred from Accumulation Fund	Others	Subtotal	Quantity	Scale
I. Restricted shares	442,792	0.01%				203,150	203,150	645,942	0.01%
1. Shares held by the state									
2. Shares held by the state-owned legal person									
3. Shares held by other domestic enterprises	442,792	0.01%				203,150	203,150	645,942	0.01%
Including: shares held by domestic legal person									
Shares held by domestic natural person	442,792	0.01%				203,150	203,150	645,942	0.01%
4. Shares held by foreign enterprises									
Including: shares held by overseas legal person									
Shares held by overseas natural person									
II. Unrestricted shares	4,920,838,183	99.99%				-203,150	-203,150	4,920,635,033	99.99%
1. CNY ordinary shares	4,920,838,183	99.99%				-203,150	-203,150	4,920,635,033	99.99%
2. Foreign shares listed in China									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	4,921,280,975	100.00%				0	0	4,921,280,975	100.00%

Reasons for changes in shares

☒Applicable ☐Not applicable

During the reporting period, locked-up shares held by directors, senior management and others were restricted from trading in accordance with relevant regulations.

Approval of share changes

☐Applicable ☒Not applicable

Transfer of shares changes

☐Applicable ☒Not applicable

Implementation progress of share repurchase

☐Applicable ☒Not applicable

Implementation Progress of Reducing Shareholding in 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

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
Li Sheng	47,713		24,300	72,013	Executive lockup	The shares held are released from restriction annually in accordance with relevant regulations.
Yu Changxin			24,825	24,825	Executive lockup	The shares held are released from restriction annually in accordance with relevant regulations.
Wang Hao			24,975	24,975	Executive lockup	The shares held are released from restriction annually in accordance with relevant regulations.
Wang Zhiyu			24,375	24,375	Executive lockup	The shares held are released from restriction annually in accordance with relevant regulations.
Wang Jianyu	47,713		24,075	71,788	Executive lockup	The shares held are released from restriction annually in accordance with relevant

						regulations.
Yang Li			24,300	24,300	Executive lockup	The shares held are released from restriction annually in accordance with relevant regulations.
Other Senior Executives and Personnel	347,366	10,604	66,904	403,666	Executive lockup	The shares held are released from restriction annually in accordance with relevant regulations.
Total	442,792	10,604	213,754	645,942	--	--

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	70,483			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	Nature of Shareholders	Share Proportion	Number of Shares Held at the End of the Reporting Period	Increase and Decrease in the Reporting Period	Number of Restricted Shares Held	Number of Unrestricted Shares Held	Pledge, Marking or Freezing	
							Status of Shares	Quantity
China FAW Co., Ltd.	State-owned legal person	62.19%	3,060,649,901	0	0	3,060,649,901	N/A	0
FAW Bestune Auto Co., Ltd.	State-owned legal person	15.94%	784,500,000	0	0	784,500,000	N/A	0
National Manufacturing Transformation and Upgrading Fund Co., Ltd.	State-owned legal person	1.36%	67,164,179	0	0	67,164,179	N/A	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.80%	39,405,181	-8,999,534	0	39,405,181	N/A	0
Duanmu Xiaoyi	Domestic natural person	0.77%	37,780,532	6,442,631	0	37,780,532	N/A	0
Qu Hongzhen	Overseas natural person	0.73%	36,096,590	0	0	36,096,590	N/A	0
Jilin Province Private Equity Co., Ltd.	State-owned legal person	0.34%	16,573,152	0	0	16,573,152	N/A	0
Liang Jianhui	Domestic natural person	0.29%	14,231,400	0	0	14,231,400	N/A	0
Li Weiwei	Domestic natural person	0.15%	7,234,400	7,187,800	0	7,234,400	N/A	0

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Chao Guo	Domestic natural person	0.13%	6,356,858	-2,084,900	0	6,356,858	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, investors such as National Manufacturing Transformation and Upgrading Fund Co., Ltd. and Jilin Province Private Equity Co., Ltd. became the Company’s top ten shareholders due to the Company’s issuance of shares to specific objects.						
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		Quantity		
China FAW Co., Ltd.			3,060,649,901	CNY ordinary shares		3,060,649,901		
FAW Bestune Auto Co., Ltd.			784,500,000	CNY ordinary shares		784,500,000		
National Manufacturing Transformation and Upgrading Fund Co., Ltd.			67,164,179	CNY ordinary shares		67,164,179		
Hong Kong Securities Clearing Company Ltd.			39,405,181	CNY ordinary shares		39,405,181		
Duanmu Xiaoyi			37,780,532	CNY ordinary shares		37,780,532		
Qu Hongzhen			36,096,590	CNY ordinary shares		36,096,590		
Jilin Province Private Equity Co., Ltd.			16,573,152	CNY ordinary shares		16,573,152		
Liang Jianhui			14,231,400	CNY ordinary shares		14,231,400		
Li Weiwei			7,234,400	CNY ordinary shares		7,234,400		
Chao Guo			6,356,858	CNY ordinary shares		6,356,858		
Description of affiliated relationship or concerted action between the top 10 shareholders of unrestricted shares, and between the top 10 shareholders of unrestricted shares and the top 10 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 participation in financing bonds business of the top 10 shareholders with ordinary shares	Duanmu Xiaoyi, a domestic natural person, holds 37,780,532 shares of the Company through the customer credit trading guarantee securities account of China Securities Co., Ltd.; Qu Hongzhen, an overseas natural person, holds 36,096,590 shares of the Company through the customer credit trading guarantee securities account of CITIC Securities Company Limited; Liang Jianhui, a domestic natural person, holds 14,231,400 shares of the Company through the customer credit trading guarantee securities account of CICC Wealth Management Securities Co., Ltd.; Chao Guo, a domestic natural person, holds 6,356,700 shares of the Company through the customer credit trading guarantee securities account of Minsheng Securities Co., Ltd.
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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.

IV. Changes in Shareholdings of Directors and Senior Management

☑Applicable ☐Not applicable

Name	Position	Employment Status	Number of Shares Held at the Beginning of the Period (Share)	Number of Shares Increased in the Current Period (Share)	Number of Shares Reduced in the Current Period (Share)	Number of Shares Held at the End of the Period (Share)	Number of Restricted Shares Granted at the Beginning of the Period (Share)	Number of Restricted Shares Granted in the Current Period (Share)	Number of Restricted Shares Granted at the End of the Period (Share)
Li Sheng	Chairman of the Board	In-service	63,617	32,400		96,017	63,617		63,617
Yu Changxin	Director and General Manager	In-service		33,100		33,100			
Wang Hao	Employee Director	In-service		33,300		33,300			
Wang Zhiyu	Deputy General Manager	In-service		32,500		32,500			
Wang Jianyu	Deputy General Manager	In-service	63,617	32,100		95,717	63,617		63,617
Yang Li	Secretary of the Board of Directors	In-service		32,400		32,400			
Total	--	--	127,234	195,800	0	323,034	127,234	0	127,234

V. Changes in Controlling Shareholder or Actual Controller

If the Company has previously disclosed that the actual controller is planning a change of control which has not yet been completed, please explain the progress of the change of control.

☐Applicable ☑Not applicable

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

Whether the semi-annual report has been audited

☐ Yes ☒ No

The Company's semi-annual financial report is unaudited.

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.

Tuesday, June 30, 2026

Unit: CNY

Item	Closing Balance	Opening Balance
Current assets:		
Monetary capital	30,013,365,020.61	22,325,269,010.05
Settlement reserve fund		
Loans to banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets	1,977,854.70	
Notes receivable	22,931,011.03	584,654,660.00
Accounts receivable	9,134,363,996.17	5,275,130,370.45
Accounts receivable financing	4,360,450,827.39	6,556,062,093.60
Prepayments	469,348,587.30	139,082,917.93
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	1,274,176,640.38	1,391,631,269.91
Including: interests receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	16,826,097,343.27	13,415,413,449.26
Including: Data resources		
Contract assets	67,221,841.72	70,941,700.86
Held-for-sale assets		
Current portion of non-current assets	339,978,871.98	355,532,986.69

Item	Closing Balance	Opening Balance
Other current assets	955,595,569.40	1,157,140,694.91
Total current assets	63,465,507,563.95	51,270,859,153.66
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	45,654,920.96	44,977,617.32
Long-term equity investments	1,348,671,029.39	1,353,025,361.23
Other equity instruments investments	67,726,054.80	210,703,161.60
Other non-current financial assets		
Investment properties	37,318,677.53	44,712,225.12
Fixed assets	10,350,689,872.93	10,993,086,978.42
Project under construction	177,573,657.43	131,371,243.36
Productive biological assets		
Oil and gas assets		
Right-of-use assets	30,852,168.77	60,896,263.98
Intangible assets	2,393,524,253.53	2,286,284,523.47
Including: Data resources		
Development expenditures	511,824,474.29	641,106,331.24
Including: Data resources		
Goodwill		
Long-term deferred expenses	273,416.80	74,286.06
Deferred Income tax assets	3,227,984,587.75	3,105,779,697.90
Other non-current assets	618,607,966.44	2,362,921,423.03
Total non-current assets	18,810,701,080.62	21,234,939,112.73
Total assets	82,276,208,644.57	72,505,798,266.39
Current liabilities:		
Short-term loans	50,000,000.00	50,000,000.00
Borrowing from the central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	26,125,894,588.59	12,809,740,164.11
Accounts payable	19,142,666,708.94	21,550,325,781.23
Advance receipts	3,651,044.74	826,097.22
Contract liabilities	3,389,838,133.23	2,603,137,668.68

Item	Closing Balance	Opening Balance
Financial assets sold under agreement to repurchase		
Deposits taking and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	438,475,845.96	1,083,725,750.16
Taxes payable	186,507,504.45	167,273,861.22
Other payables	1,475,128,473.57	2,544,536,206.49
Including: interests payable		
Dividends payable	221,629,143.89	171,500.02
Handling charges and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	428,435,225.71	525,893,395.61
Other current liabilities	35,988,525.01	66,560,308.63
Total current liabilities	51,276,586,050.20	41,402,019,233.35
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	136,000,000.00	136,000,000.00
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liabilities	454,779.16	1,690,109.49
Long-term payables		
Long-term employee compensation payable	631,451,808.24	630,482,718.02
Estimated liabilities	700,903,534.38	668,680,940.39
Deferred income	2,755,712,727.22	2,846,844,806.70
Deferred income tax liabilities	593,550.84	594,286.27
Other non-current liabilities		
Total non-current liabilities	4,225,116,399.84	4,284,292,860.87
Total liabilities	55,501,702,450.04	45,686,312,094.22
Owner's equities:		
Share capital	4,921,280,975.00	4,921,280,975.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserves	11,956,861,871.80	11,955,912,510.16

Item	Closing Balance	Opening Balance
Less: treasury shares		
Other comprehensive incomes	-554,871,229.73	-387,288,724.63
Special reserves	240,596,328.88	243,304,714.89
Surplus reserves	3,205,602,868.01	3,205,602,868.01
General risk provision		
Undistributed profits	6,617,774,160.87	6,532,766,397.35
Total equity attributable to owners of the parent company	26,387,244,974.83	26,471,578,740.78
Minority equity	387,261,219.70	347,907,431.39
Total owners' equity	26,774,506,194.53	26,819,486,172.17
Total liabilities and owner's equities	82,276,208,644.57	72,505,798,266.39

Legal Representative: Li Sheng Person in Charge of Accounting Work: Yu Changxin Person in Charge of the Accounting Institution: Yang Li

2. Balance Sheet of Parent Company

Unit: CNY

Item	Closing Balance	Opening Balance
Current assets:		
Monetary capital	454,904,581.87	571,979,553.04
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments	690,998.14	57,405.15
Other receivables	6,180,014,041.31	6,460,014,041.31
Including: interests receivable		
Dividends receivable		
Inventories		
Including: Data resources		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	1,054,774.70	987,186.63
Total current assets	6,636,664,396.02	7,033,038,186.13
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		

Item	Closing Balance	Opening Balance
Long-term equity investments	21,835,935,388.52	21,804,474,401.05
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	21,835,935,388.52	21,804,474,401.05
Total assets	28,472,599,784.54	28,837,512,587.18
Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	4,975,444.87	5,088,942.18
Advance receipts		
Contract liabilities		
Employee compensation payable		
Taxes payable	39,901.02	39,901.02
Other payables	694,169,841.96	853,949,657.23
Including: interests payable		
Dividends payable	221,629,143.89	171,500.02
Held-for-sale liabilities		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	699,185,187.85	859,078,500.43

Item	Closing Balance	Opening Balance
Non-current liabilities:		
Long-term loans	136,000,000.00	136,000,000.00
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	136,000,000.00	136,000,000.00
Total liabilities	835,185,187.85	995,078,500.43
Owner's equities:		
Share capital	4,921,280,975.00	4,921,280,975.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserves	13,797,364,225.24	13,797,364,225.24
Less: treasury shares		
Other comprehensive incomes	14,476,998.32	19,640,620.81
Special reserves		
Surplus reserves	1,969,779,748.05	1,969,779,748.05
Undistributed profits	6,934,512,650.08	7,134,368,517.65
Total owners' equity	27,637,414,596.69	27,842,434,086.75
Total liabilities and owner's equities	28,472,599,784.54	28,837,512,587.18

3. Consolidated Profit Statement

Unit: CNY

Item	First Half of 2026	First Half of 2025
I. Total operating income	37,570,961,164.48	28,078,705,058.07
Including: operating income	37,570,961,164.48	28,078,705,058.07
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	37,574,169,356.95	28,689,523,184.78
Including: operating cost	35,518,319,599.20	26,840,562,485.53

Item	First Half of 2026	First Half of 2025
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	116,659,516.77	138,903,052.31
Sales expenses	574,270,411.30	472,042,436.11
Administrative expenses	599,026,926.35	605,966,739.38
R&D expenses	931,299,712.95	884,897,695.04
Financial expenses	-165,406,809.62	-252,849,223.59
Including: interest expenses	4,340,940.59	1,611,404.27
Interest income	236,100,916.21	255,428,034.69
Add: Other incomes	397,621,334.84	524,635,067.40
Investment income (loss to be listed with “-”)	-9,147,032.05	-30,115,859.77
Including: income from investment in associates and joint ventures	4,716,865.18	18,178,157.63
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 “-”)	-48,878,159.33	-30,655,705.99
Asset impairment loss (loss to be listed with “-”)	-101,344,238.89	-151,608,226.07
Income from assets disposal (loss to be listed with “-”)	-5,512,843.79	154,614,688.74
III. Operating Profit (loss is listed with “-”)	229,530,868.31	-143,948,162.40
Add: non-operating income	10,369,626.23	11,324,153.35
Less: non-operating expenses	3,725,815.82	1,662,537.37
IV. Total Profit (total loss is listed with “-”)	236,174,678.72	-134,286,546.42
Less: income tax expenses	-99,636,305.10	-175,154,040.98
V. Net Profit (net loss is listed with “-”)	335,810,983.82	40,867,494.56
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss to be listed with “-”)	335,810,983.82	40,867,494.56
2. Net profit from discontinuing operations (net loss to be listed with “-”)		
(II) Classified by attribution of the ownership		
1. Net profit attributable to the parent company’s shareholders (net loss to be listed with “-”)	306,465,407.39	19,655,810.39
2. Minority interests (net loss to be listed with “-”)	29,345,576.43	21,211,684.17

Item	First Half of 2026	First Half of 2025
VI. Net after-tax amount of other comprehensive income	-157,574,293.22	61,192,422.39
Net after-tax amount of other comprehensive income attributable to the owners of the parent company	-167,582,505.10	53,512,228.41
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	-148,141,843.72	51,468,378.70
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	-5,163,622.49	1,904,514.70
3. Changes in fair value of investment in other equity instruments	-142,973,903.84	49,563,864.00
4. Changes in fair value of the Company's credit risk		
5. Others	-4,317.39	
(II) Other comprehensive incomes that will be reclassified into profits or losses	-19,440,661.38	2,043,849.71
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method		
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	-353,121.80	
6. Translation difference in foreign currency financial statements	-19,087,539.58	2,043,849.71
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders	10,008,211.88	7,680,193.98
VII. Total comprehensive income	178,236,690.60	102,059,916.95
Total comprehensive income attributable to the owners of parent company	138,882,902.29	73,168,038.80
Total comprehensive income attributable to minority shareholders	39,353,788.31	28,891,878.15
VIII. Earnings per share:		
(I) Basic income per share	0.0623	0.0040
(II) Diluted income per share	0.0623	0.0040

Legal Representative: Li Sheng Person in Charge of Accounting Work: Yu Changxin Person in Charge of the Accounting Institution: Yang Li

Profit Statement of Parent Company

Unit: CNY

Item	First Half of 2026	First Half of 2025
I. Operating income		
Less: operating costs		
Taxes and surcharges		-496,286.41
Sales expenses		
Administrative expenses	873,174.90	303,554.67

Item	First Half of 2026	First Half of 2025
R&D expenses		
Financial expenses	-4,060,690.39	-603,115.67
Including: interest expenses	240,644.44	17,012.29
Interest income	4,304,355.36	624,863.91
Add: Other incomes	29,150.85	121,677.32
Investment income (loss to be listed with “-”)	18,385,109.96	2,203,459.15
Including: income from investment in associates and joint ventures	4,755,109.96	2,203,459.15
Gains on Derecognition of Financial Assets Measured at Amortized Cost (loss is 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 “-”)		
Asset impairment loss (loss to be listed with “-”)		
Income from assets disposal (loss to be listed with “-”)		
II. Operating profit (loss to be listed with “-”)	21,601,776.30	3,120,983.88
Add: non-operating income		0.66
Less: non-operating expenses		
III. Total Profit (total loss is listed with “-”)	21,601,776.30	3,120,984.54
Less: income tax expenses		
IV. Net profit (net loss to be listed with “-”)	21,601,776.30	3,120,984.54
(I) Net profit from continuing operations (net loss to be listed with “-”)		
(II) Net profit from discontinuing operations (net loss to be listed with “-”)		
V. Net after-tax amount of other comprehensive incomes	-5,163,622.49	1,904,514.70
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	-5,163,622.49	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	-5,163,622.49	1,904,514.70
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		
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method		
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		

Item	First Half of 2026	First Half of 2025
5. Cash flow hedging reserve		
6. Translation difference in foreign currency financial statements		
7. Others		
VI. Total comprehensive income	16,438,153.81	5,025,499.24
VII. Income per share:		
(I) Basic income per share		
(II) Diluted income per share		

5. Consolidated Cash Flow Statement

Unit: CNY

Item	First Half of 2026	First Half of 2025
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	29,874,549,732.68	33,622,023,561.91
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	189,364,275.97	355,567,798.16
Other cash received relating to operating activities	1,231,467,377.33	729,190,041.58
Subtotal of cash inflows from operating activities	31,295,381,385.98	34,706,781,401.65
Cash paid for goods and services	20,885,270,011.70	22,598,319,244.50
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	2,571,689,208.84	2,685,058,298.28

Item	First Half of 2026	First Half of 2025
Taxes paid	484,102,734.83	636,112,769.58
Cash paid for other operating activities	876,746,363.43	1,152,002,068.58
Subtotal of cash outflows from operating activities	24,817,808,318.80	27,071,492,380.94
Net cash flows from operating activities	6,477,573,067.18	7,635,289,020.71
II. Cash flows from investment activities:		
Cash received from the return of investment	19,281,000,000.00	22,200,000,000.00
Cash received from acquirement of investment income	26,758,269.45	217,657,522.00
Net cash received from fixed assets disposal, intangible assets and other long-term assets	3,668,349.39	88,370,290.58
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investment activities	400,000,000.00	
Subtotal of cash inflows from investment activities	19,711,426,618.84	22,506,027,812.58
Cash paid to acquire fixed assets, intangible assets and other long-term assets	258,933,227.97	468,913,194.46
Cash paid to acquire investments	19,293,250,000.00	22,200,000,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities	300,000,000.00	
Subtotal of cash outflows from investment activities	19,852,183,227.97	22,668,913,194.46
Net cash flows from investment activities	-140,756,609.13	-162,885,381.88
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	504,394.44	247,096,174.17
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	806,322.16	1,227,805.50
Subtotal of cash outflows from financing activities	1,310,716.60	248,323,979.67
Net cash flows from financing activities	-1,310,716.60	-248,323,979.67
IV. Effects from change of exchange rate on cash and cash equivalents	-25,010,539.46	7,609,127.39
V. Net increase in cash and cash equivalents	6,310,495,201.99	7,231,688,786.55
Add: opening balance of cash and cash equivalents	19,663,237,066.02	19,391,201,104.68
VI. Closing balance of cash and cash equivalents	25,973,732,268.01	26,622,889,891.23

6、Cash Flow Statement of Parent Company

Unit: CNY

Item	First Half of 2026	First Half of 2025
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	2,350,118,081.77	801,706,960.00
Subtotal of cash inflows from operating activities	2,350,118,081.77	801,706,960.00
Cash paid for goods and services		
Cash paid to and on behalf of employees	200,471.42	189,000.00
Taxes paid	26,452.06	
Cash paid for other operating activities	2,448,485,985.02	479,889,102.72
Subtotal of cash outflows from operating activities	2,448,712,908.50	480,078,102.72
Net cash flows from operating activities	-98,594,826.73	321,628,857.28
II. Cash flows from investment activities:		
Cash received from the return of investment		
Cash received from acquirement of investment income	13,630,000.00	156,960,226.90
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	13,630,000.00	156,960,226.90
Cash paid to acquire fixed assets, intangible assets and other long-term assets		24,408,300.53
Cash paid to acquire investments	31,869,500.00	
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities		
Subtotal of cash outflows from investment activities	31,869,500.00	24,408,300.53
Net cash flows from investment activities	-18,239,500.00	132,551,926.37
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	240,644.44	247,096,174.17
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities	240,644.44	247,096,174.17
Net cash flows from financing activities	-240,644.44	-247,096,174.17
IV. Effects from change of exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-117,074,971.17	207,084,609.48
Add: opening balance of cash and cash equivalents	571,979,553.04	152,222,868.42
VI. Closing balance of cash and cash equivalents	454,904,581.87	359,307,477.90

7、Consolidated Statement of Changes in Owners’ Equity

Amount in the current period

Unit: CNY

Item	First Half of 2026														
	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 Risks Provision	Undistributed Profits	Others			Subtotal
		P	r	e											
		r	e	f											
		r	e	r											
		d	e	d											
		S	B												
		h	o												
		a	n												
		r	d												
		e	s												
I. Closing balance of the previous year	4,921,280,975.00				11,955,912,510.16		-387,288,724.63	243,304,714.89	3,205,602,868.01		6,532,766,397.35		26,471,578,740.78	347,907,431.39	26,819,486,172.17
Add: changes in accounting policies															
Correction of prior period errors															
Others															
II. Opening Balance of the current year	4,921,280,975.00				11,955,912,510.16		-387,288,724.63	243,304,714.89	3,205,602,868.01		6,532,766,397.35		26,471,578,740.78	347,907,431.39	26,819,486,172.17

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III. Increase/decrease in amount of the current period (decrease to be listed with “-”)					949,361.64		-167,582,505.10	-2,708,386.01			85,007,763.52		-84,333,765.95	39,353,788.31	-44,979,977.64
(I) Total comprehensive income					949,361.64		-167,582,505.10				306,465,407.39		139,832,263.93	39,353,788.31	179,186,052.24
(II) Invested and decreased capital of owners															
1. Ordinary 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															
(III) Profit distribution											-221,457,643.87		-221,457,643.87		-221,457,643.87
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)											-221,457,643.87		-221,457,643.87		-221,457,643.87
4. Others															
(IV) Internal carryover of															

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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							-2,708,386.01					-2,708,386.01		-2,708,386.01
1. Appropriation in the current period							8,627,113.68					8,627,113.68		8,627,113.68
2. Use in the current							11,335,499.69					11,335,499.69		11,335,499.69
(VI) Others														
IV. Closing balance of the current period	4,921,280,975.00				11,956,861,871.80	-554,871,229.73	240,596,328.88	3,205,602,868.01		6,617,774,160.87		26,387,244,974.83	387,261,219.70	26,774,506,194.53

Amount in the previous year

Unit: CNY

Item	First Half of 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	G e n e r a l R i s k P r o v i s i o n	Undistributed Profits			O t h e r s	Subtotal
P r e f e r e n c e S h a r e s		P r e f e r e n c e B o n d s	O t h e r s												
I. Closing 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															

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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/dec rease 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 comprehensi ve 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 shares invested by owners	-1,090,201.00				-4,993,120.58								-6,083,321.58		-6,083,321.58
2. Capital contributed by holders of other equity instruments															
3. Amounts of share- based payments recorded in															

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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														

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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. Closing balance of	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		

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the current period														
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8. Statement of Changes in Owners' Equity of Parent Company

Amount in the current period

Unit: CNY

Item	First Half of 2026											
	Share Capital	Other Equity Instruments			Capital Reserves	Less : Treasury Shares	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	Undistributed Profits	O t h e r s	Total Owners' Equity
		Preferred Shares	Perpetual Bond	Others								
I. Closing balance of the previous year	4,921,280,975.00				13,797,364,225.24		19,640,620.81		1,969,779,748.05	7,134,368,517.65		27,842,434,086.75
Add: changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening Balance of the current year	4,921,280,975.00				13,797,364,225.24		19,640,620.81		1,969,779,748.05	7,134,368,517.65		27,842,434,086.75
III. Increase/decrease in amount of the current period (decrease to be listed with "-")							-5,163,622.49			-199,855,867.57		-205,019,490.06
(I) Total comprehensive income							-5,163,622.49			21,601,776.30		16,438,153.81
(II) Invested and decreased capital of owners												
1. Ordinary 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												
(III) Profit distribution										-221,457,643.87		-221,457,643.87
1. Appropriation to surplus reserves												
2. Distribution to owners (or shareholders)										-221,457,643.87		-221,457,643.87
3. Others												

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(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. Closing balance of the current period	4,921,280,975.00				13,797,364,225.24		14,476,998.32		1,969,779,748.05	6,934,512,650.08		27,637,414,596.69

Amount in the previous year

Unit: CNY

Item	First Half of 2025											
	Share Capital	Other equity instruments			Capital Reserves	Less: Treasury Shares	Other Comprehensive Incomes	Special Reserve s	Surplus Reserves	Undistributed Profits	O th er s	Total Owners' Equity
		P r e f e r r e d S h a r e s	Perp etua l Bon d	O th er s								

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I. Closing balance of the previous year	4,922,371,176.00				13,802,357,345.82	6,246,851.73	12,671,266.92		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	12,671,266.92		1,968,725,127.44	7,370,940,980.89		28,070,819,045.34
III. Increase/decrease 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 and decreased capital of owners	-1,090,201.00				-4,993,120.58	-6,246,851.73						163,530.15
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												

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1. Appropriation in the current period											
2. Use in the current period											
(VI) Others											
IV. Closing balance of the current period	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

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 TGS [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 Co., Ltd. transferred all its assets and liabilities, except for the equity interests in First Automobile Finance Co., Ltd. and Sanguard Automobile Insurance Co., Ltd. and certain reserved assets, to FAW Bestune Co., Ltd. (now renamed as FAW Bestune Auto Co., Ltd.). Subsequently, FAW Car Co., Ltd. used the 100% equity in FAW Bestune as disposed assets to exchange for an equivalent portion of the 100% equity interest of FAW Jiefang Automotive Co., Ltd. held by China FAW Co., Ltd. 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 (ZJXK [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 Chinese name of FAW Car Co., Ltd. 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 Extraordinary General Meeting of Shareholders of 2021, and reviewed and approved the Proposal on the Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd. (Draft) and Its Summary, the Proposal on the Administrative Measures for the Implementation Assessment of the Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd., the Proposal on the Administrative Measures for Restricted Share Incentives of FAW Jiefang Group Co., Ltd., and the Proposal on Requesting the General Meeting of Shareholders 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 Participants and the Number of Shares to Be Granted under the Phase I Restricted Share Incentive Plan and the Proposal on the First Grant of Restricted Shares to the Incentive Participants of the Phase I Restricted Share Incentive Plan. 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 at the rank of senior chief engineer and above were granted the right 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 the 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. 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 and a Board of Directors, and has 8 wholly-owned subsidiaries, namely Jiefang Limited, FAW Jiefang Group

International Automobile Co., Ltd., Jiefang Saudi Arabia Co., Ltd., Jiefang Uzbekistan Co., Ltd., Jiefang Vietnam Co., Ltd., Jiefang Indonesia Co., Ltd., FAW Jiefang Uni-D Transportation Technology (Tianjin) Co., Ltd., and FAW Jiefang Lvdong Renewable Technology (Wuxi) Co., Ltd., and 2 non-wholly-owned subsidiaries, namely Jiefang Best Co., Ltd. and FAW (Africa) Investment Co., Ltd. FAW (Africa) Investment Co., Ltd. has 1 non-wholly-owned subsidiary, FAW Vehicle Manufacturing (South Africa) Co., Ltd. Jiefang Limited has 4 wholly-owned subsidiaries, namely FAW Jiefang (Qingdao) Automotive Co., Ltd., FAW Jiefang Dalian Diesel Engine Co., Ltd., FAW Jiefang Austria R&D Co., Ltd., and FAW Jiefang Automobile Sales Co., Ltd., and 1 non-wholly-owned subsidiary, Jiefang Motors Tanzania Ltd. The Company also has 10 associates, namely Sanguard Automobile Insurance Co., Ltd., FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd., FAW Changchun Ansteel Jiefang 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 has 1 joint venture, Jiefang Times New Energy Technology 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 27, 2026.

IV. Basis of Preparation for Financial Statements

1. Preparation Basis

The financial statements have been prepared in accordance with the “Accounting Standards for Business Enterprises – Basic Standard” and various specific accounting standards, application guidance, interpretations and other relevant provisions (collectively referred to as the “Accounting Standards for Business Enterprises”) promulgated by the Ministry of Finance, as well as the relevant provisions of the “Rules for Information Disclosure and Reporting by Companies that Publicly Issue Securities No. 15 – General Provisions on Financial Reports” issued by the China Securities Regulatory Commission (CSRC).

2.Continuing Operations

The financial statements have been prepared on a going concern basis.

V. Significant Accounting Policies and Accounting Estimates

Tips for specific accounting policies and accounting estimates:

The following disclosures have covered the specific accounting policies and accounting estimates formulated by the Company based on its actual production and operating characteristics.

Statement of Compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and truly and completely reflect the consolidated and parent company financial position of the Company as of June 30, 2026, and the consolidated and parent company operating results and cash flows for the six-month period ended June 30, 2026.

Accounting Period

The accounting year runs from January 1 to December 31 of each calendar year.

Operating Cycle

The operating cycle of the Company is 12 months.

Recording Currency

The Company adopts CNY as its reporting currency.

Methods for Determining Materiality Criteria and Selection Basis

☒Applicable ☐Not applicable

Item	Materiality Criteria
Receivables with significant provision for bad debts by individual item	Amount greater than CNY 10 million
Significant other receivables with bad debt provision accrued on an individual basis	Amount greater than CNY 10 million
Significant accounts payable aged over one year or overdue	Amount greater than CNY 10 million
Significant other payables aged over one year or overdue	Amount greater than CNY 10 million
Major projects under construction	10% of the absolute value of net profit or 10% of similar transactions
Significant capitalized R&D projects	10% of the absolute value of net profit or 10% of similar transactions

Accounting Treatment Method for Business Combination under Common Control and Not under Common Control

Business combinations involving enterprises under common control: The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the acquiree) obtained by the acquirer in a business combination shall be measured based on the carrying amounts of the acquiree's assets and liabilities in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired in the combination and the carrying amount of the consideration paid for the combination (or the total face value of shares issued) shall be used to adjust the share premium within capital reserve; any excess that cannot be offset against the share premium within capital reserve shall be used to adjust retained earnings.

Business combinations involving enterprises not under common control: The cost of combination shall be the fair value of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer to

obtain control of the acquiree at the acquisition date. The excess of the cost of combination over the acquirer's interest in the fair value of the identifiable net assets of the acquiree acquired in the combination shall be recognized as goodwill; the excess of the acquirer's interest in the fair value of the identifiable net assets of the acquiree acquired in the combination over the cost of combination shall be recognized in profit or loss for the current period. The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the combination that meet the recognition criteria shall be measured at fair value at the acquisition date.

Directly related expenses incurred for the business combination shall be recognized in profit or loss for the current period when incurred; transaction costs of issuing equity or debt securities for the business combination shall be included in the initial recognition amount of the equity or debt securities.

Criteria for Control and Preparation Method of Consolidated Financial Statements

Criteria for Determining Control

The scope of consolidation of the consolidated financial statements is determined on the basis of control, and encompasses the Company and all its subsidiaries. Control means that the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the returns.

Consolidation Procedures

The Company regards the entire enterprise group as a single accounting entity and prepares consolidated financial statements in accordance with uniform accounting policies to reflect the overall financial position, operating results, and cash flows of the enterprise group. The effects of internal transactions between the Company and its subsidiaries, and among subsidiaries, are eliminated. Where internal transactions indicate that impairment losses have occurred on the related assets, such losses shall be recognized in full. Where the accounting policies or accounting periods adopted by a subsidiary are inconsistent with those of the Company, necessary adjustments shall be made in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements.

The portions of a subsidiary's owners' equity, current net profit or loss, and current comprehensive income attributable to non-controlling interests are presented separately under the owners' equity section in the consolidated balance sheet, under the net profit line item in the consolidated income statement, and under the total comprehensive income line item, respectively. Where the current period losses attributable to the non-controlling interests of a subsidiary exceed the non-controlling interests' share in the subsidiary's owners' equity at the beginning of the period, the resulting balance shall be deducted from the non-controlling interests.

(1) Addition of subsidiaries or businesses

During the reporting period, for subsidiaries or businesses added through business combinations involving enterprises under common control, the operating results and cash flows of the subsidiary or business from the beginning of the combination period to the end of the reporting period shall be included in the consolidated financial statements. Meanwhile, the opening balances of the consolidated financial statements and the related items of the comparative statements shall be adjusted, as if the combined reporting entity had existed since the point in time when the ultimate controlling party first obtained control.

Where control is obtained over an investee under common control due to additional investments or other reasons, for the equity investment held before obtaining control over the acquiree, the relevant profit or loss, other comprehensive income, and other changes in net assets previously recognized during the period from the later of the date on which the original equity was acquired and the date on which the acquirer and the acquiree came under common control to the combination date shall be adjusted against the opening retained earnings of the comparative reporting period or profit or loss for the current period, respectively.

During the reporting period, for subsidiaries or businesses added through business combinations involving enterprises not under common control, they shall be included in the consolidated financial statements from the acquisition date based on the fair value of the identifiable assets, liabilities, and contingent liabilities determined as of the acquisition date.

Where control is obtained over an investee not under common control due to additional investments or other reasons, the equity interest previously held in the acquiree before the acquisition date shall be remeasured at its fair value as of the acquisition date, and the difference between the fair value and its carrying amount shall be recognized in investment income for the current period. The other comprehensive income that may be subsequently reclassified to profit or loss, and the other changes in owners' equity under the equity method, related to the equity interest in the acquiree held before the acquisition date, shall be transferred to investment income for the period in which the acquisition date falls.

(2) Disposal of subsidiaries

① General treatment method

Where control over an investee is lost due to the disposal of a portion of the equity investment or other reasons, the remaining equity investment shall be remeasured at its fair value as of the date on which control is lost. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity investment, and the sum of the share of the net assets of the former subsidiary continuously calculated from the acquisition date or the combination date at the original shareholding ratio plus the associated goodwill, shall be recognized in investment income for the period in which control is lost. The other comprehensive income that may be subsequently reclassified to profit or loss and the other changes in owners' equity under the equity method, related to the equity investment in the former subsidiary, shall be transferred to investment income for the current period upon the loss of control.

② Step-by-step disposal of subsidiaries

Where the equity investment in a subsidiary is disposed of in stages through multiple transactions until control is lost, and where the terms, conditions, and economic effects of the individual transactions for the disposal of the equity investment in the subsidiary meet one or more of the following criteria, it usually indicates that such multiple transactions constitute a package deal:

- i . These transactions are entered into simultaneously or with consideration of their mutual effects;
- ii . These transactions as a whole can achieve a complete commercial result only when taken together;
- iii . The occurrence of one transaction depends on the occurrence of at least one other transaction;
- iv . A transaction is uneconomic when viewed in isolation but economic when considered together with other transactions.

Where the individual transactions constitute a package deal, they shall be accounted for as a single transaction involving the disposal of the subsidiary and the loss of control; prior to the loss of control, the difference between the disposal consideration for each transaction and the corresponding share of the subsidiary's net assets attributable to the disposed investment shall be recognized as other comprehensive income in the consolidated financial statements, and shall be transferred in aggregate to profit or loss for the period in which control is lost upon the loss of control.

Where the individual transactions do not constitute a package deal, prior to the loss of control, they shall be accounted for as a partial disposal of the equity investment in the subsidiary without the loss of control; upon the loss of control, they shall be accounted for in accordance with the general treatment method for the disposal of subsidiaries.

(3) Acquisition of non-controlling interests in subsidiaries

The difference between the cost of the newly acquired long-term equity investment arising from the acquisition of non-controlling interests and the share of the subsidiary's net assets continuously calculated from the acquisition date or combination date at the newly increased shareholding ratio shall be used to adjust the share premium within capital reserve in the consolidated balance sheet; any excess that cannot be offset against the share premium within capital reserve shall be used to adjust retained earnings.

(4) Partial disposal of equity investment in a subsidiary without losing control

The difference between the disposal consideration and the corresponding share of the subsidiary's net assets continuously calculated from the acquisition date or combination date attributable to the disposed long-term equity investment shall be used to adjust the share premium within capital reserve in the consolidated balance sheet; any excess that cannot be offset against the share premium within capital reserve shall be used to adjust retained earnings.

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

Joint arrangements are classified as joint operations and joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items relating to its interest in a joint operation:

- (1) Its assets held solely, and its share of any jointly held assets;
- (2) Its liabilities incurred solely, and its share of any jointly incurred liabilities;
- (3) Its revenue from the sale of its share of the output arising from the joint operation;
- (4) Its share of the revenue from the sale of output by the joint operation;
- (5) Its expenses incurred solely, and its share of any expenses incurred jointly.

The Company accounts for its investments in joint ventures using the equity method; please refer to Item 19 "Long-term Equity Investments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII Financial Report for details.

Standards for Recognition of Cash and Cash Equivalents

Cash refers to the Company's cash on hand and deposits that are readily available for payment. Cash equivalents refer to short-term, highly liquid investments held by the Company that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Foreign Currency Transaction and Foreign Currency Statement Translation

Foreign Currency Transactions

Foreign currency transactions shall be recorded in CNY at the spot exchange rate prevailing on the date of the transaction as the translation rate.

On the balance sheet date, balances of foreign currency monetary items shall be translated at the spot exchange rate prevailing on the balance sheet date. The resulting exchange differences shall be recognized in profit or loss for the current period, except for those arising from specific-purpose foreign currency borrowings designated for the acquisition or construction of qualifying assets, which shall be treated in accordance with the capitalization principles for borrowing costs.

Translation of Foreign Currency Financial Statements

Asset and liability items in the balance sheet shall be translated at the spot exchange rate prevailing on the balance sheet date; owners' equity items, except for "Undistributed Profits", shall be translated at the spot exchange rate prevailing at the time of occurrence. Revenue and expense items in the income statement shall be translated at the spot exchange rate prevailing on the date of the transactions.

Upon disposal of a foreign operation, the exchange differences arising from the translation of the foreign currency financial statements of the foreign operation previously recognized in owners' equity shall be transferred to profit or loss for the period in which the disposal occurs.

Financial Instruments

The Company shall recognize a financial asset, a financial liability or an equity instrument when it becomes a party to the contractual provisions of a financial instrument.

Classification of Financial Instruments

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets, financial assets shall be classified at initial recognition into: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVTOCI), and financial assets measured at fair value through profit or loss (FVTPL).

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 business model objective is to hold financial assets in order to collect contractual cash flows;
- The contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company classifies financial assets that simultaneously meet the following conditions and have not been designated as financial assets at FVTPL as financial assets at FVTOCI (debt instruments):

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets;
- The contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

For investments in equity instruments that are not held for trading, the Company may, upon initial recognition, irrevocably designate them as financial assets measured at fair value through other comprehensive income (equity instruments). Such designation is made on an investment-by-investment basis, and the relevant investment shall meet the definition of an equity instrument from the issuer's perspective.

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 initial recognition, if doing so eliminates or significantly reduces an accounting mismatch, the Company may irrevocably designate a financial asset that would otherwise be classified as measured at amortized cost or measured at fair value through other comprehensive income as a financial asset measured at fair value through profit or loss.

Financial liabilities shall be classified at initial recognition into: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost.

A financial liability that meets one of the following conditions may be designated at initial measurement as a financial liability measured at fair value through profit or loss:

- 1) Such designation can eliminate or significantly reduce an accounting mismatch.
- 2) In accordance with a documented risk management or investment strategy of the Company, a group of financial liabilities, or a group of financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis, and information about such group is reported internally on that basis to key management personnel.
- 3) The financial liability contains an embedded derivative that needs to be separated independently.

Recognition Basis and Measurement Methods for Financial Instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc., and shall be initially measured at fair value, with related transaction costs included in the initial recognition amount; accounts receivable that do not contain a significant financing component, as well as accounts receivable for which the Company has elected not to consider the financing component of one year or less, shall be initially measured at the transaction price as defined in the contract.

Interest calculated using the effective interest method during the holding period shall be recognized in profit or loss for the current period.

Upon collection or disposal, the difference between the consideration obtained and the carrying amount of the financial asset shall be recognized in profit or loss for the current period.

(2) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets measured at fair value through other comprehensive income (debt instruments) include receivables financing, other debt investments, etc. They shall be initially measured at fair value, with related transaction costs included in the initial recognition amount. Such financial assets shall be subsequently measured at fair value. Changes in fair value, except for interest calculated using the effective interest method, impairment losses or gains, and foreign exchange gains and losses, shall be recognized in other comprehensive income.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income shall be transferred from other comprehensive income and recognized in profit or loss for the current period.

(3) Financial assets measured at fair value through other comprehensive income (equity instruments)

Financial assets measured at fair value through other comprehensive income (equity instruments) include investments in other equity instruments, etc. They are initially measured at fair value, and related transaction costs are included in the initial recognition amount. Such financial assets shall be subsequently measured at fair value, and changes in fair value shall be recognized in other comprehensive income. Dividends obtained shall be recognized in profit or loss for the current period.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income shall be transferred from other comprehensive income and recognized in retained earnings.

(4) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include trading financial assets, derivative financial assets, other non-current financial assets, etc. They are initially measured at fair value, and related transaction costs are recognized in profit or loss for the current period. The financial asset is subsequently measured at fair value, and changes in fair value are recognized in profit or loss for the current period.

(5) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities, derivative financial liabilities, etc. They are initially measured at fair value, and related transaction costs are recognized in profit or loss for the current period. The financial liability is subsequently measured at fair value, and changes in fair value are recognized in profit or loss for the current period.

Upon derecognition, the difference between its carrying amount and the consideration paid shall be recognized in profit or loss for the current period.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables, and shall be initially measured at fair value, with related transaction costs included in the initial recognition amount.

Interest calculated using the effective interest method during the holding period shall be recognized in profit or loss for the current period.

Upon derecognition, the difference between the consideration paid and the carrying amount of the financial liability is included in current profit or loss.

Basis for Derecognition of Financial Assets and Recognition Criteria and Measurement Methods for Transfer of Financial Assets

The Company derecognizes a financial asset when one of the following conditions is met:

- The contractual rights to collect the cash flows of the financial asset have terminated;
- The financial asset has been transferred, and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee;
- The financial asset has been transferred, and although the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, the Company has not retained control over the financial asset.

Where the Company modifies or renegotiates a contract with a counterparty and such modification constitutes a substantive modification, the original financial asset shall be derecognized, and a new financial asset shall be recognized in accordance with the modified terms.

When a transfer of a financial asset occurs, where substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset shall not be derecognized.

When determining whether the transfer of financial assets meets the aforementioned criteria for derecognition of financial assets, the principle of substance over form shall be applied.

The Company classifies the transfer of financial assets into transfers of entire financial assets and transfers of parts of financial assets. Where the entire transfer of a financial asset meets the criteria for derecognition, the difference between the following two amounts shall be recognized in profit or loss for the current period:

(1) The carrying amount of the transferred financial asset;

(2) The sum of the consideration received from the transfer and the cumulative changes in fair value previously recognized directly in owners' equity (in the case where the financial asset being transferred is a financial asset measured at fair value through other comprehensive income (debt instruments)).

Where the partial transfer of a financial asset meets the criteria for derecognition, the total carrying amount of the transferred financial asset shall be allocated between the derecognized portion and the portion that is not derecognized, based on their respective relative fair values, and the difference between the following two amounts shall be recognized in profit or loss for the current period:

(1) The carrying amount of the derecognized portion;

(2) The sum of the consideration for the derecognized portion and the amount of the cumulative changes in fair value previously recognized directly in owners' equity attributable to the derecognized portion (in the case where the financial asset being transferred is a financial asset measured at fair value through other comprehensive income (debt instruments)).

Where the transfer of a financial asset does not meet the criteria for derecognition, the financial asset shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

Derecognition of Financial Liabilities

Where the present obligation of a financial liability has been discharged in whole or in part, the financial liability or a portion thereof shall be derecognized; where the Company enters into an agreement with a creditor to replace an existing financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are substantively different from those of the existing financial liability, the existing financial liability shall be derecognized and the new financial liability shall be simultaneously recognized.

Where a substantive modification is made to all or part of the contractual terms of an existing financial liability, the existing financial liability or a portion thereof shall be derecognized, and simultaneously the financial liability with modified terms shall be recognized as a new financial liability.

Upon full or partial derecognition of a financial liability, the difference between the carrying amount of the derecognized portion of the financial liability and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) shall be recognized in profit or loss for the current period.

Where the Company repurchases a portion of a financial liability, on the repurchase date, the total carrying amount of the financial liability shall be allocated between the portion that continues to be recognized and the portion that is derecognized, based on their respective relative fair values. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) shall be recognized in profit or loss for the current period.

Methods for Determining the Fair Value of Financial Assets and Financial Liabilities

For financial instruments with an active market, the fair value shall be determined by the quoted prices in the active market. For financial instruments without an active market, the fair value shall be determined using valuation techniques. In performing valuations, the Company shall adopt valuation techniques that are applicable under current circumstances and are supported by sufficient available data and other information, shall select inputs consistent with the characteristics of the assets or liabilities that market participants would consider in transactions involving the relevant assets or liabilities, and shall prioritize the use of relevant observable inputs. Unobservable inputs shall be used only where relevant observable inputs are unavailable or it is impracticable to obtain them.

Impairment Testing Methods and Accounting Treatment for Financial Instruments

The Company shall perform impairment accounting on the basis of expected credit losses (ECL) for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), financial guarantee contracts, and other applicable instruments.

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.

For receivables and contract assets arising from transactions within the scope of “Accounting Standards for Business Enterprises No. 14 — Revenue” (ASBE 14), regardless of whether they contain a significant financing component, the Company shall always measure the loss allowances at an amount equal to lifetime expected credit losses.

For lease receivables arising from transactions within the scope of “Accounting Standards for Business Enterprises No. 21 — Leases” (ASBE 21), the Company has elected to always measure the loss allowances at an amount equal to lifetime expected credit losses.

For other financial instruments, the Company shall assess, on each balance sheet date, the changes in the credit risk of the relevant financial instruments since initial recognition.

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. Generally, where a financial instrument is overdue for more than 30 days, the Company shall consider that the credit risk of such financial instrument has increased significantly since initial recognition, unless there is conclusive evidence demonstrating that the credit risk of such financial instrument has not increased significantly since initial recognition.

Where the credit risk of a financial instrument is low as of the balance sheet date, the Company shall consider that the credit risk of such financial instrument has not increased significantly since initial recognition.

Where the credit risk of a financial instrument has increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to the lifetime expected credit losses of such financial instrument; where the credit risk of such financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to the 12-month expected credit losses of such financial instrument. The resulting increase or reversal of the loss allowance shall be recognized as an impairment loss or gain in profit or loss for the current period. For financial assets measured at fair value through other comprehensive income (debt instruments), the loss allowances shall be recognized in other comprehensive income, and impairment losses or gains shall be recognized in profit or loss for the current period, without reducing the carrying amount of such financial assets as presented in the balance sheet.

Where there is objective evidence indicating that a certain receivable has been subject to credit impairment, the Company shall make a provision for impairment on an individual basis for such receivable.

Other than the aforementioned receivables for which provision for bad debts has been made on an individual basis, the Company shall classify the remaining financial instruments into various portfolios based on their credit risk characteristics, and shall determine the expected credit losses on a portfolio basis. The portfolio categories and the basis for determining the ECL provision for the Company's notes receivable, accounts receivable, receivables financing, other receivables, contract assets, long-term receivables, etc. are as follows:

Item	Portfolio Categories
Notes receivable	Bank acceptance notes, commercial acceptance notes
Accounts receivable	Aging portfolio
Contract assets	Aging portfolio
Other receivables	Portfolio of guarantee deposits, security deposits and petty cash; aging portfolio
Long-term receivables	Receivables from installment sales of goods; other receivables

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.

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.

For long-term receivables classified into portfolios, with respect to receivables from installment sales of goods, the Company calculates expected credit losses by reference to historical credit loss experience, in combination with current conditions and forecasts of future economic conditions, through the default risk exposure and the lifetime expected credit loss rate.

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.

For debt investments and other debt investments, the Company calculates expected credit losses according to the nature of the investments, by various types of counterparties and risk exposures, through default risk exposures and the 12-month or lifetime expected credit loss rates.

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

Methods for Determining Expected Credit Losses of Other Receivables and Accounting Treatment

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

Classification and Cost of Inventories

Inventories are classified as: raw materials, self-produced semi-finished goods and work in progress, finished goods in stock, turnover materials, etc.

Inventories are initially measured at cost. Inventory costs include purchase costs, processing costs, and other expenditures incurred to bring the inventories to their current location and condition.

Valuation Method for Inventories Issued

The Company’s inventories are accounted for at the planned cost when acquired. The difference between planned costs and actual costs is accounted for through the cost variance account, and the cost variances attributable to inventories issued are carried forward periodically to adjust planned costs to actual costs.

Inventory system: The perpetual inventory system is adopted.

Amortization Method for Low-Value Consumables and Packaging Materials

(1) Low-value consumables are amortized using the immediate write-off method;

(2) Packaging materials are amortized using the immediate write-off method.

Recognition Criteria and Provision Method for Inventory Impairment

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. Where the cost of inventories exceeds their net realizable value, a provision for decline in value of inventories

shall be recognized. Net realizable value refers to the estimated selling price in the ordinary course of business, less the estimated costs to completion, the estimated selling expenses, and the related taxes and surcharges.

For merchandise inventories directly held for sale, such as finished products, commodities in stock, and materials held for sale, in the normal course of production and operations, the net realizable value shall be determined as the estimated selling price less the estimated selling expenses and related taxes and surcharges. For material inventories that require further processing, in the normal course of production and operations, the net realizable value shall be determined as the estimated selling price of the finished products to be produced, less the estimated costs to completion, the estimated selling expenses, and the related taxes and surcharges. For inventories held for the purpose of fulfilling sales contracts or service contracts, the net realizable value shall be calculated based on the contract price; where the quantity of inventories held exceeds the quantity stipulated in the sales contract, the net realizable value of the excess inventories shall be calculated based on the prevailing selling price.

The Company makes provision for inventory depreciation reserves on an individual inventory item basis. For inventories of large quantities and low unit prices, the provision for decline in value of inventories shall be made by inventory category.

After the provision for decline in value of inventories has been recognized, where the factors that previously caused the write-down of inventory values no longer exist, such that the net realizable value of the inventories exceeds the carrying amount, the provision shall be reversed to the extent of the amount of the provision originally recognized, and the amount reversed shall be recognized in profit or loss for the current period.

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

(1) Criteria for Determining Joint Control and Significant Influence

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. Where the Company, together with other venturers, jointly controls an investee and has rights to the net assets of the investee, the investee shall be classified as a joint venture of the Company.

Significant influence refers to the power to participate in the financial and operating policy decisions of an investee, but does not constitute control over, or joint control of, the formulation of such policies. Where the Company is able to exert significant influence over an investee, the investee shall be classified as an associate of the Company.

(2) Determination of Initial Investment Cost

① Long-Term Equity Investments Arising from Business Combinations

For a long-term equity investment in a subsidiary arising from a business combination under common control, the initial investment cost shall be determined as the Company’s share of the carrying amount of the merged party’s owners’ equity as stated in the consolidated financial statements of the ultimate controlling party

on the combination date. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid shall be adjusted against the share premium under capital reserves; where the share premium under capital reserves is insufficient to offset the difference, the retained earnings shall be adjusted accordingly. Where the Company is able to exercise control over an investee under common control due to reasons such as additional investment, the difference between the initial investment cost of the long-term equity investment determined in accordance with the aforementioned principles and the sum of the carrying amount of the long-term equity investment prior to the combination plus the carrying amount of the newly paid consideration for the further acquisition of shares on the combination date shall be adjusted against the share premium. Where the share premium is insufficient for such offset, the retained earnings shall be adjusted accordingly.

For a long-term equity investment in a subsidiary arising from a business combination not under common control, the initial investment cost shall be the cost of combination determined on the acquisition date. Where the Company is able to exercise control over an investee not under common control due to reasons such as additional investment, the sum of the carrying amount of the previously held equity investment and the cost of the new investment shall be used as the initial investment cost.

② Long-Term Equity Investments Acquired through Means Other than Business Combinations

For a long-term equity investment acquired through cash payment, the initial investment cost shall be the actual purchase consideration paid.

For a long-term equity investment acquired through the issuance of equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(3) Subsequent measurement and recognition of profit or loss

① Long-Term Equity Investments Accounted for Using the Cost Method

The Company's long-term equity investments in subsidiaries shall be accounted for using the cost method, unless the investments meet the criteria for classification as held for sale. Except for cash dividends or profits declared but not yet distributed that are included in the actual price or consideration paid at the time of acquiring the investment, the Company shall recognize investment income for the current period based on its share of the cash dividends or profits declared for distribution by the investee.

② Long-Term Equity Investments Accounted for Using the Equity Method

Long-term equity investments in associates and joint ventures shall be accounted for using the equity method. Where the initial investment cost exceeds the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost of the long-term equity investment shall not be adjusted; where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the difference shall be recognized in profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

The Company shall recognize investment income and other comprehensive income respectively based on its entitled or attributable share of the net profit or loss realized and other comprehensive income of the investee, and adjust the carrying amount of the long-term equity investment accordingly; the Company shall calculate its entitled share based on the profits or cash dividends declared for distribution by the investee, and reduce the

carrying amount of the long-term equity investment correspondingly; for other changes in the investee's owners' equity other than net profit or loss, other comprehensive income, and profit distribution (hereinafter referred to as "other changes in owners' equity"), the Company shall adjust the carrying amount of the long-term equity investment and recognize such changes in owners' equity.

When recognizing its entitled share of the investee's net profit or loss, other comprehensive income, and other changes in owners' equity, the recognition shall be made based on the fair value of the investee's identifiable net assets at the time of obtaining the investment, and after making adjustments to the investee's net profit and other comprehensive income etc. in accordance with the Company's accounting policies and accounting periods.

Unrealized gains or losses on internal transactions between the Company and its associates or joint ventures shall be offset to the extent of the Company's proportionate share, and investment income shall be recognized on that basis, except where the assets invested or sold constitute a business. Unrealized losses on internal transactions with the investee that constitute asset impairment losses shall be recognized in full.

For net losses incurred by a joint venture or an associate, the Company shall recognize such losses to the extent of reducing the carrying amount of the long-term equity investment and other long-term interests that in substance constitute a net investment in the joint venture or associate to zero, except where the Company has an obligation to assume additional losses. Where the joint venture or associate subsequently realizes net profits, the Company shall resume recognizing its share of income after the income sharing amount has offset the previously unrecognized loss sharing amount.

③ Disposal of Long-Term Equity Investments

Upon the disposal of a long-term equity investment, the difference between its carrying amount and the actual consideration received shall be recognized in profit or loss for the current period.

Where a long-term equity investment accounted for using the equity method is partially disposed of and the remaining equity interest continues to be accounted for using the equity method, the other comprehensive income previously recognized under the equity method shall be transferred on a pro-rata basis on the same basis as would apply if the investee had directly disposed of the related assets or liabilities, and other changes in owners' equity shall be transferred on a pro-rata basis to profit or loss for the current period.

Where joint control or significant influence over the investee is lost due to the disposal of equity investments or other reasons, the other comprehensive income previously recognized in respect of the original equity investment accounted for using the equity method shall be accounted for on the same basis as would apply if the investee had directly disposed of the related assets or liabilities upon the discontinuation of the equity method, and other changes in owners' equity shall be transferred in full to profit or loss for the current period upon the discontinuation of the equity method.

Where control over an investee is lost due to reasons such as the disposal of a portion of the equity investments, in preparing the separate financial statements: Where the remaining equity interest is able to exercise joint control or exert significant influence over the investee, it shall be reclassified for accounting under the equity method, and such remaining equity interest shall be adjusted as if it had been accounted for under the equity method from the date of its initial acquisition. The other comprehensive income recognized

prior to obtaining control over the investee shall be transferred proportionately on the same basis as would apply if the investee had directly disposed of the related assets or liabilities, and other changes in owners' equity recognized as a result of applying the equity method shall be transferred proportionately to profit or loss for the current period. Where the remaining equity interest is unable to exercise joint control or exert significant influence over the investee, it shall be reclassified as a financial asset, and the difference between the fair value and the carrying amount as at the date of loss of control shall be recognized in profit or loss for the current period; all other comprehensive income and other changes in owners' equity recognized prior to obtaining control over the investee shall be transferred in full.

Where the equity investment in a subsidiary is disposed of in stages through multiple transactions until control is lost, and such transactions constitute a package deal, the various transactions shall be accounted for as a single transaction for the disposal of the equity investment in the subsidiary and the loss of control; the difference between the consideration received from each disposal prior to the loss of control and the carrying amount of the long-term equity investment corresponding to the equity disposed of shall first be recognized in the separate financial statements as other comprehensive income, and then transferred in aggregate to profit or loss for the period in which control is lost. Where the transactions do not constitute a package deal, each transaction shall be accounted for separately.

20. Investment Properties

Measurement mode of investment properties: cost method

Depreciation or amortization method

Investment property refers to property held to earn rentals or for capital appreciation, or both, including land use rights that have been leased out, land use rights held for transfer upon appreciation, and buildings that have been leased out (including buildings self-constructed or developed for the purpose of being leased out upon completion, as well as buildings under construction or development that are intended to be leased out in the future).

Subsequent expenditures related to investment property shall be included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Company and the cost can be measured reliably; otherwise, such expenditures shall be recognized in profit or loss for the current period as incurred.

The Company adopts the cost model to measure its existing investment property. For investment property measured using the cost model—buildings held for leasing out, the same depreciation policy as that applied to the Company's fixed assets shall be adopted; for land use rights held for leasing out, the same amortization policy as that applied to intangible assets shall be applied.

21. Fixed Assets

(1) Recognition conditions

Recognition and Initial Measurement of Fixed Assets

Fixed assets refer to tangible assets held for the production of goods, the rendering of services, leasing, or for operational and administrative purposes, with a useful life exceeding one accounting year. A fixed asset shall be recognized when the following conditions are simultaneously met:

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

Fixed assets shall be initially measured at cost (taking into account the impact of estimated decommissioning and restoration costs).

Subsequent expenditures related to a fixed asset shall be included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the cost can be measured reliably; the carrying amount of the replaced part shall be derecognized. All other subsequent expenditures shall be recognized in profit or loss for the current period as incurred.

(2) Depreciation method

Category	Depreciation Method	Depreciation Period	Residual Rate	Annual Depreciation Rate
Houses and Buildings	Straight-line method	20	3-5	4.85-4.75
Machinery equipment	Straight-line method	10	0-3	10.00-9.70
Transportation equipment	Straight-line method	4-10 years	0-5	25.00-9.50
Electronic equipment	Straight-line method	3	0-5	33.33-31.67
Office equipment	Straight-line method	5	3-5	19.40-19.00
Others	Straight-line method	5	0-5	20.00-19.00

Depreciation of fixed assets shall be calculated on a category basis using the straight-line method, and the depreciation rate shall be determined based on the category of fixed assets, the estimated useful life, and the estimated residual value ratio. For fixed assets for which impairment provisions have been made, the depreciation amounts in future periods shall be determined based on the carrying amount net of the impairment provisions and the remaining useful life. Where the individual components of a fixed asset have different useful lives or provide economic benefits to the Company in different ways, different depreciation rates or depreciation methods shall be adopted and depreciation shall be calculated separately for each component.

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

Construction in progress shall be measured at actual costs incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization, and other necessary expenditures incurred to bring the construction in progress to its intended state of use. Construction in progress shall be transferred to fixed assets when it reaches its intended state of use, and depreciation shall commence from the following month.

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 a qualifying asset shall be capitalized and included in the cost of the relevant assets; other borrowing costs shall be recognized as expenses when incurred and charged to profit or loss for the current period.

Qualifying assets refer to assets — such as fixed assets, investment property, and inventories — that require a substantial period of time for acquisition, construction, or production activities to reach their intended state of use or sale.

(2) Capitalization period of borrowing costs

The capitalization period refers to the period from the commencement of capitalization of borrowing costs to the cessation of capitalization, excluding any period during which capitalization is suspended.

Capitalization of borrowing costs shall commence when the following conditions are simultaneously met:

① Expenditures on the asset have been incurred, which include expenditures in the form of cash payments, transfers of non-cash assets, or the assumption of interest-bearing debt for the acquisition, construction, or production of a qualifying asset;

② Borrowing costs have been incurred;

③ Acquisition, construction, or production activities that are necessary to bring the asset to its intended state of use or sale have commenced.

Capitalization of borrowing costs shall cease when the qualifying asset under acquisition, construction, or production reaches its intended state of use or sale.

Suspension of Capitalization

Where the acquisition, construction, or production of a qualifying asset is subject to an abnormal interruption and the interruption lasts for a continuous period of more than 3 months, capitalization of borrowing costs shall be suspended; however, where the interruption is a necessary procedure for the qualifying asset under acquisition, construction, or production to reach its intended state of use or sale, capitalization of borrowing costs shall continue. Borrowing costs incurred during the interruption period shall be recognized in profit or loss for the current period until the acquisition, construction, or production activities resume, after which capitalization of borrowing costs shall continue.

(3) Calculation Methods for the Capitalization Rate and Capitalized Amount of Borrowing Costs

For specific borrowings obtained for the acquisition, construction, or production of a qualifying asset, the capitalized amount of borrowing costs shall be determined as the actual borrowing costs incurred on the specific borrowings during the current period, less any interest income earned on unused borrowing funds deposited in banks or any investment income earned from temporary investments of such funds.

For general borrowings utilized for the acquisition, construction, or production of a qualifying asset, the amount of borrowing costs from general borrowings to be capitalized shall be determined by multiplying the weighted average amount of cumulative asset expenditures in excess of the specific borrowings by the capitalization rate of the general borrowings utilized. The capitalization rate shall be determined based on the weighted average actual interest rate of the general borrowings.

During the capitalization period, exchange differences arising from the principal and interest of specific foreign currency borrowings shall be capitalized and included in the cost of the qualifying asset. Exchange

differences arising from the principal and interest of foreign currency borrowings other than specific foreign currency borrowings shall be recognized in profit or loss for the current period.

24. Intangible Assets

(1) Service life and its determination basis, estimate, amortization method or review procedure

Valuation Method for Intangible Assets

The Company shall initially measure intangible assets at cost upon acquisition;

The cost of externally acquired intangible assets includes the purchase price, relevant taxes and surcharges, and other expenditures directly attributable to bringing the asset to its intended use.

Subsequent Measurement

Upon acquisition of an intangible asset, its useful life shall be analyzed and determined.

Intangible assets with finite useful lives shall be amortized over the period during which they are expected to generate economic benefits for the Company; where it is not possible to foresee the period during which an intangible asset will generate economic benefits for the Company, it shall be classified as an intangible asset with an indefinite useful life and shall not be amortized.

Estimation of Useful Lives of Intangible Assets with Finite Useful Lives

Item	Estimated Useful Life	Amortization Method
Land use right	50	Straight-line method
Software	2-10 years	Straight-line method
Non-patented technology	5-10 years	Straight-line method

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

Scope of Collection of Research and Development Expenditures

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.

Specific Criteria for Distinguishing Between the Research Phase and the Development Phase

Expenditures on the Company's internal research and development projects shall be classified into research phase expenditures and development phase expenditures.

Specific Conditions for Capitalization of Development Phase Expenditures

The expenditures at the research stage are included in current profits and losses when incurred. Expenditures in the development phase that simultaneously meet the following conditions shall be recognized as intangible assets; development phase expenditures that fail to meet the following conditions shall be charged to profit or loss for the current period:

- ① It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- ② The Company has the intention to complete the intangible asset and to use or sell it;

③ The way in which the intangible asset will generate economic benefits can be demonstrated — including evidence that a market exists for the products produced using the intangible asset or for the intangible asset itself; where the intangible asset is to be used internally, its usefulness can be demonstrated;

④ There are adequate technical, financial, and other resources available to support the completion of the development of the intangible asset, and the Company has the ability to use or sell the intangible asset;

⑤ The expenditures attributable to the development phase of the intangible asset can be reliably measured.

Where it is not possible to distinguish between research phase expenditures and development phase expenditures, all research and development expenditures incurred shall be charged to profit or loss for the current period.

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).

Expenses incurred during the planning stage prior to project commencement shall be directly charged to profit or loss for the current period, and expenses incurred in the stage following project commencement shall be included in development phase expenditures.

25.Impairment of Long-term Assets

Where there are indications of impairment as at the balance sheet date for long-term assets such as long-term equity investments, investment property measured using the cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives, an impairment test shall be performed. Where the results of the impairment test indicate that the recoverable amount of an asset is lower than its carrying amount, an impairment provision shall be recognized for the difference and charged to impairment losses. The recoverable amount shall be the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. Impairment provisions shall be calculated and recognized on an individual asset basis. Where it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount shall be determined at the level of the asset group to which the asset belongs. An asset group is the smallest group of assets that is capable of generating cash inflows independently.

For goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets that have not yet reached a state ready for use, an impairment test shall be performed at least at the end of each year, regardless of whether there is any indication of impairment.

The Company shall perform impairment testing on goodwill. The carrying amount of goodwill arising from a business combination shall be allocated, from the acquisition date, to the relevant asset groups on a reasonable basis; where it is difficult to allocate goodwill to the relevant asset groups, it shall be allocated to the relevant groups of asset groups. The relevant asset group or group of asset groups refers to an asset group or group of asset groups that is expected to benefit from the synergies of the business combination.

When performing an impairment test on the relevant asset group or group of asset groups containing goodwill, where there are indications of impairment in the asset group or group of asset groups related to

goodwill, an impairment test shall first be performed on the asset group or group of asset groups excluding goodwill. The recoverable amount shall be calculated and compared with the relevant carrying amount, and the corresponding impairment loss shall be recognized accordingly. Subsequently, an impairment test shall be performed on the asset group or group of asset groups containing goodwill, by comparing its carrying amount with its recoverable amount. Where the recoverable amount is lower than the carrying amount, the impairment loss shall first be applied to reduce the carrying amount of goodwill allocated to the asset group or group of asset groups, and then shall be allocated pro rata to reduce the carrying amounts of the other individual assets within the asset group or group of asset groups based on their respective proportionate carrying amounts.

Once the above asset impairment losses are recognized, they shall not be reversed in subsequent accounting periods.

26. Long-term Deferred Expenses

Long-term prepaid expenses refer to various expenses that have been incurred but are to be borne by the current and subsequent periods, with an amortization period of more than one year.

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's obligation to transfer goods or render services to a customer, for which consideration has been received or is receivable from the customer, shall be presented as a contract liability. Contract assets and contract liabilities under the same contract shall be presented on a net basis.

28. Employee Compensation

(1) Accounting method of short-term compensation

During the accounting period in which employees render services to the Company, the Company shall recognize the short-term employee benefits actually incurred as a liability, and charge such liability to profit or loss for the current period or to the cost of the relevant asset.

For social insurance premiums and housing provident fund contributions paid by the Company on behalf of employees, as well as labor union funds and employee education funds accrued in accordance with regulations, the corresponding amount of employee benefits shall be determined based on the prescribed accrual basis and accrual ratios during the accounting period in which the employees render services to the Company.

Employee welfare expenses incurred by the Company shall be charged to profit or loss for the current period or to the cost of the relevant asset based on the actual amount when incurred; non-monetary benefits shall be measured at fair value.

(2) Accounting method of post-employment benefits

Defined contribution plan

The Company makes basic pension insurance and unemployment insurance contributions for its employees in accordance with the relevant regulations of the local government. During the accounting period in which employees render services to the Company, the amount payable shall be calculated based on the locally prescribed contribution base and contribution rate, recognized as a liability, and charged to profit or loss for the

current period or to the cost of the relevant asset. In addition, the Company participates in enterprise annuity plans approved by the relevant national authorities. The Company contributes to the annuity plans at a certain percentage of total employee wages, and the corresponding expenditures shall be charged to profit or loss for the current period or to the cost of the relevant asset.

Defined benefit plan

The Company shall attribute the benefit obligations arising from defined benefit plans to the periods in which employees render services, in accordance with the formula determined under the projected unit credit method, and shall charge them to profit or loss for the current period or to the cost of the relevant asset.

The deficit or surplus arising from the present value of the defined benefit obligations less the fair value of the defined benefit plan assets shall be recognized as a net defined benefit liability or net defined benefit asset. Where there is a surplus in the defined benefit plan, the Company shall measure the net defined benefit asset at the lower of the surplus and the asset ceiling.

All defined benefit obligations, including those expected to be settled within twelve months after the end of the annual reporting period in which the employees render services, shall be discounted at market yields, as at the balance sheet date, on government bonds or on high-quality corporate bonds traded in an active market whose currency and term are consistent with those of the defined benefit obligations.

Service costs arising from defined benefit plans and the net interest on the net defined benefit liability or net defined benefit asset shall be charged to profit or loss for the current period or to the cost of the relevant asset; changes arising from the remeasurement of the net defined benefit liability or net defined benefit asset shall be recognized in other comprehensive income and shall not be reclassified to profit or loss in subsequent accounting periods. Upon termination of the original defined benefit plan, the amounts previously recognized in other comprehensive income shall be transferred in full to retained earnings within equity.

Upon settlement of the defined benefit plan, a settlement gain or loss shall be recognized as the difference between the present value of the defined benefit obligation as determined on the settlement date and the settlement price.

(3) Accounting method of termination benefits

When the Company provides termination benefits to employees, the employee benefit liabilities arising from such termination benefits shall be recognized at the earlier of the following two dates and charged to profit or loss for the current period: (1) when the Company can no longer unilaterally withdraw the termination benefits offered under a plan to terminate the employment relationship or a redundancy proposal; (2) when the Company recognizes the costs or expenses related to a restructuring that involves the payment of termination benefits.

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

Other long-term employee benefits provided by the Company to its employees that satisfy the conditions for classification as a defined contribution plan shall be accounted for in accordance with the above provisions relating to defined contribution plans. Those that satisfy the conditions for classification as a defined benefit plan shall be accounted for in accordance with the above provisions relating to defined benefit plans; however, the “changes arising from the remeasurement of the net defined benefit liability or net defined benefit asset”

component of the related employee benefit costs shall be charged to profit or loss for the current period or to the cost of the relevant asset.

29. Provisions

The Company shall recognize a provision when an obligation related to a contingency simultaneously meets all of the following conditions:

- ① The obligation is a present obligation assumed by the Company;
- ② The fulfillment of the obligation is likely to result in an outflow of economic benefits from the Company;
- ③ The amount of the obligation can be reliably measured.

A provision shall be initially measured at the best estimate of the expenditure required to settle the related present obligation.

In determining the best estimate, the Company shall take into consideration factors such as the risks, uncertainties, and the time value of money associated with the contingency. Where the impact of the time value of money is material, the best estimate shall be determined by discounting the relevant future cash outflows.

Where the required expenditure falls within a continuous range and each outcome within such range is equally likely to occur, the best estimate shall be determined as the midpoint of that range; in other cases, the best estimate shall be determined as follows:

·Where the contingency involves a single item, the best estimate shall be determined at the most likely outcome.

·Where the contingency involves multiple items, the best estimate shall be calculated based on all possible outcomes and their associated probabilities.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement shall be separately recognized as an asset when it is virtually certain that the reimbursement will be received, provided that the amount so recognized shall not exceed the carrying amount of the provision.

At each balance sheet date, the Company shall review the carrying amount of each provision. Where there is conclusive evidence that such carrying amount does not reflect the current best estimate, the carrying amount shall be adjusted to the current best estimate.

30.Share-based Payment

A share-based payment of the Company is a transaction in which the Company grants equity instruments or incurs liabilities determined on the basis of equity instruments in exchange for services rendered by employees or other parties. The Company's share-based payments are classified into equity-settled share-based payments and cash-settled share-based payments.

Equity-Settled Share-Based Payments and Equity Instruments

Where equity-settled share-based payments are made in exchange for services rendered by employees, such payments shall be measured at the fair value of the equity instruments granted to the employees. For share-

based payment transactions that vest immediately upon grant, the fair value of the equity instruments shall be charged to the relevant costs or expenses on the grant date, with a corresponding increase in capital reserve. For share-based payment transactions that vest only upon completion of services during the vesting period or upon the achievement of specified performance conditions, at each balance sheet date during the vesting period, the Company shall, based on the best estimate of the number of equity instruments expected to vest and at the grant-date fair value, charge the services received during the current period to the relevant costs or expenses, with a corresponding increase in capital reserve.

Where the terms of an equity-settled share-based payment are modified, the services received shall be recognized at a minimum as if the terms had not been modified. In addition, any modification that increases the fair value of the equity instruments granted, or any change that is favorable to the employees on the modification date, shall be recognized as an increase in the services received.

Where equity instruments granted are canceled during the vesting period, the Company shall treat such cancellation as an acceleration of vesting, and shall immediately charge to profit or loss for the current period the amount that would otherwise have been recognized over the remaining vesting period, with a corresponding increase in capital reserve. However, where new equity instruments are granted and are identified, on the grant date of such new equity instruments, as replacements for the canceled equity instruments, the replacement equity instruments so granted shall be accounted for in the same manner as a modification of the terms and conditions of the original equity instruments.

Cash-Settled Share-Based Payments and Equity Instruments

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. For share-based payment transactions that are vested immediately upon grant, the Company recognizes the fair value of the liability incurred in the relevant cost or expense on the grant date, with a corresponding increase in liabilities. For share-based payment transactions that vest only upon completion of services during the vesting period or upon the achievement of specified performance conditions, at each balance sheet date during the vesting period, the Company shall, based on the best estimate of the vesting outcome and at the fair value of the liability assumed by the Company, charge the services received during the current period to the relevant costs or expenses, with a corresponding increase in liabilities. 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.

Where the Company modifies the terms and conditions of a cash-settled share-based payment agreement so as to reclassify it as an equity-settled share-based payment, on the modification date (whether such modification occurs during or after the vesting period), the Company shall measure the equity-settled share-based payment at the fair value of the equity instruments granted on that date, recognize the services already received in capital reserve, and simultaneously derecognize the liability recognized for the cash-settled share-based payment as at the modification date, with any difference between the two amounts charged to profit or loss for the current period. Where the modification results in an extension or shortening of the vesting period, the Company shall apply the accounting treatment based on the modified vesting period.

31. Income

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

The Company shall recognize revenue when it has satisfied its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods or services. Obtaining control of the relevant goods or services refers to the ability to direct the use of the goods or services and obtain substantially all of the remaining economic benefits from them.

Where a contract contains two or more performance obligations, the Company shall, at contract inception, allocate the transaction price to each separate performance obligation on a relative stand-alone selling price basis for the goods or services promised under each such performance obligation. The Company shall measure revenue at the transaction price allocated to each separate performance obligation.

The transaction price refers to the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company shall determine the transaction price based on the contract terms and its past customary practices, taking into account the effects of factors such as variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to the customer. The Company shall include variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where a contract contains a significant financing component, the Company shall determine the transaction price at the amount that would be payable if the customer had paid cash at the time of obtaining control of the goods or services, and shall amortize the difference between such transaction price and the contract consideration over the contract period using the effective interest rate method.

A performance obligation is satisfied over time if it meets any one of the following criteria. Otherwise, it is satisfied at a point in time:

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

For a performance obligation satisfied over time, the Company shall recognize revenue over that period by measuring the progress towards complete satisfaction of that performance obligation, except where such progress cannot be reasonably determined. The Company shall determine the progress of satisfaction by using either the output method or the input method, taking into consideration the nature of the goods or services. Where the progress of satisfaction cannot be reasonably determined but the costs incurred are expected to be recoverable, the Company shall recognize revenue only to the extent of the costs incurred, until such time as the progress of satisfaction can be reasonably determined.

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 the customer has obtained control of the goods or services, the Company shall consider the following indicators:

- The Company has a present right to payment for the goods or services, i.e., the customer has a present obligation to pay for the goods or services.
- The Company has transferred legal title to the asset to the customer, i.e., the customer has legal title to the asset;
- The Company has transferred physical possession of the asset to the customer, i.e., the customer has physical possession of the asset;
- The Company has transferred the significant risks and rewards of ownership of the asset to the customer, i.e., the customer has assumed the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset or service; etc.

The Company shall determine whether it acts as a principal or an agent in a transaction based on whether it controls the goods or services before they are transferred to the customer. Where the Company controls the specified goods or services before they are transferred to the customer, the Company is the principal and shall recognize revenue in the gross amount of consideration received or receivable; otherwise, the Company is an agent and shall recognize revenue in the amount of any fee or commission to which it expects to be entitled.

The specific revenue recognition methods and measurement methods are disclosed by business type.

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.

32. Contract Cost

Contract costs comprise contract fulfillment costs and contract acquisition costs.

Where costs incurred by the Company in fulfilling a contract are not within the scope of other applicable standards such as those relating to inventories, fixed assets, or intangible assets, and the following conditions are met, the Company shall recognize such costs as an asset (contract fulfillment costs):

- The costs relate directly to a contract or to an anticipated contract.
- The costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future;
- The costs are expected to be recovered.

Where the incremental costs of obtaining a contract are expected to be recoverable, the Company shall recognize them as an asset (contract acquisition costs).

An asset recognized in accordance with the above provisions shall be amortized on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates; however, where the amortization period of contract acquisition costs does not exceed one year, the Company shall charge such costs to profit or loss for the current period when incurred.

Where the carrying amount of an asset related to contract costs exceeds the difference between the following two items, the Company shall make an impairment provision for the excess amount and recognize it as an asset impairment loss:

1. The remaining consideration that the Company expects to receive in exchange for the transfer of goods or services to which the asset relates;
2. The costs that the Company estimates it will incur in transferring those goods or services.

Where the factors giving rise to impairment in prior periods subsequently change, such that the aforementioned difference exceeds the carrying amount of the asset, the Company shall reverse the previously recognized impairment provision and charge the reversal to profit or loss for the current period, provided that the reversed carrying amount of the asset shall not exceed the carrying amount that would have been determined on the reversal date had no impairment provision been recognized.

33. Government Subsidies

Type

Government grants refer to monetary assets or non-monetary assets received by the Company from the government free of charge, and are classified into asset-related government grants and income-related government grants.

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 grants refer to government grants received by the Company for the purpose of acquiring, constructing, or otherwise forming long-term assets. Income-related government grants refer to government grants other than asset-related government grants.

Where the government documents do not specifically designate the object of a government grant, the portion of the grant that can form long-term assets and corresponds to the value of such assets shall be classified as an asset-related government grant, and the remainder shall be classified as an income-related government grant. Where it is difficult to distinguish between the two, the government grant shall be classified in its entirety as an income-related government grant.

Timing of Recognition

Government grants shall be recognized when the Company is able to satisfy the conditions attached thereto and it is virtually certain that the grants will be received.

Accounting Treatment

Asset-related government grants shall either be offset against the carrying amount of the related assets or be recognized as deferred income. Where recognized as deferred income, such grants shall be allocated to profit or loss on a reasonable and systematic basis over the useful life of the related assets (grants related to the Company's ordinary course of business shall be recognized in other income; grants not related to the Company's ordinary course of business shall be recognized in non-operating income).

Income-related government grants intended to compensate the Company for related costs, expenses, or losses to be incurred in future periods shall be recognized as deferred income, and shall be charged to profit or

loss (grants related to the Company's ordinary course of business shall be recognized in other income; grants not related to the Company's ordinary course of business shall be recognized in non-operating income) or offset against the related costs, expenses, or losses in the periods in which such costs, expenses, or losses are recognized. Income-related government grants intended to compensate the Company for related costs, expenses, or losses already incurred shall be directly recognized in profit or loss for the current period (grants related to the Company's ordinary course of business shall be recognized in other income; grants not related to the Company's ordinary course of business shall be recognized in non-operating income) or offset against the related costs, expenses, or losses.

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 Tax Assets and Deferred Tax Liabilities

Income tax includes current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events that are directly recognized in owners' equity (including other comprehensive income), the Company shall recognize current income tax and deferred tax in profit or loss for the current period.

Deferred tax assets and deferred tax liabilities are recognized based on the differences between the tax bases of assets and liabilities and their carrying amounts (i.e., temporary differences).

Deferred tax assets shall be recognized for deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The Company shall recognize deferred tax assets for deductible tax losses and tax credits that can be carried forward to subsequent years, to the extent that it is probable that future taxable profit will be available against which such deductible tax losses and tax credits can be utilized.

Deferred tax liabilities shall be recognized for all taxable temporary differences, except in the specific circumstances described below.

The specific circumstances in which deferred tax assets or deferred tax liabilities are not recognized include:

- The initial recognition of goodwill;
- A transaction or event that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (or deductible tax losses), and for which the initial recognition of the assets and liabilities does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities shall be recognized for taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except where the Company is able to control the timing of the reversal of the temporary differences and it is probable that such temporary differences will not reverse in the foreseeable future. Deferred tax assets shall be recognized for deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, to the extent that it is probable that the temporary

differences will reverse in the foreseeable future and sufficient taxable profit will be available against which such deductible temporary differences can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities shall be measured at the tax rates that are expected to apply to the period when the related assets are recovered or the related liabilities are settled, in accordance with the provisions of tax laws.

At the balance sheet date, the Company reviews the book value of a deferred income tax asset. Where it is probable that sufficient taxable profit will not be available to allow the benefit of part or all of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset shall be written down accordingly. Any such write-down shall be subsequently reversed where it becomes probable that sufficient taxable income will be available.

Where the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously, current tax assets and current tax liabilities shall be presented on a net basis.

At the balance sheet date, deferred tax assets and deferred tax liabilities shall be presented on a net basis when both of the following conditions are met:

- The taxpaying entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

35. Lease

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

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. At the inception of a contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains multiple separate lease components, the Company shall separate the contract and account for each lease component separately. Where a contract contains both lease and non-lease components, the lessee and the lessor shall separate the lease components from the non-lease components.

The Company as Lessee

Right-of-use assets

At the commencement date, the Company shall recognize a right-of-use asset for all leases other than short-term leases and leases of low-value assets. The right-of-use asset shall be initially measured at cost. The cost comprises:

the amount of the initial measurement of the lease liability;

lease payments made on or before the lease commencement date, from which any lease incentives enjoyed (if any) needed to be deducted;

any initial direct costs incurred by the Company;

an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which the underlying asset is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received, but excluding costs attributable to the production of inventories.

The Company shall subsequently depreciate the right-of-use asset on a straight-line basis. Where it is reasonably certain that the Company will obtain ownership of the underlying asset by the end of the lease term, the right-of-use asset shall be depreciated over the remaining useful life of the underlying asset. Otherwise, the right-of-use asset shall be depreciated over the shorter of the lease term and the remaining useful life of the underlying asset.

The Company shall determine whether a right-of-use asset is impaired and shall account for any identified impairment loss in accordance with the principles set out in Section 25 “Impairment of Long-term Assets” herein.

Lease liabilities

At the commencement date, the Company shall recognize a lease liability for all leases other than short-term leases and leases of low-value assets. The lease liability shall be initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments comprise:

Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

Variable lease payments that depend on an index or rate;

Amounts expected to be payable by the Company under residual value guarantees;

The exercise price of a purchase option if the Company is reasonably certain to exercise that option;

Payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The Company shall use the interest rate implicit in the lease as the discount rate. Where the interest rate implicit in the lease cannot be readily determined, the Company shall use its incremental borrowing rate as the discount rate.

The Company shall calculate interest on the lease liability in each period during the lease term at a constant periodic rate of interest, and shall charge such interest to profit or loss for the current period or to the cost of the related asset.

Variable lease payments not included in the measurement of the lease liability shall be recognized in profit or loss for the period in which the event or condition that triggers those payments occurs, or included in the cost of the related asset as applicable.

After the commencement date, where any of the following circumstances occur, the Company shall remeasure the lease liability and adjust the carrying amount of the corresponding right-of-use asset accordingly. Where the carrying amount of the right-of-use asset has been reduced to zero and a further reduction in the measurement of the lease liability is required, any remaining amount of the remeasurement shall be recognized in profit or loss for the current period:

Where there is a change in the assessment of an option to purchase the underlying asset, an option to extend the lease, or an option to terminate the lease, or where the actual exercise of the aforementioned options differs from the original assessment, the Company shall remeasure the lease liability at the present value of the revised lease payments discounted using a revised discount rate;

Where there is a change in the in-substance fixed payments, a change in the amounts expected to be payable under a residual value guarantee, or a change in the index or rate used to determine the lease payments, the Company shall remeasure the lease liability at the present value of the revised lease payments discounted using the unchanged (original) discount rate. However, where the change in lease payments results from a change in floating interest rates, a revised discount rate shall be used to discount the revised lease payments.

Short-term Leases and Leases of Low-value Assets

Where the Company elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, the related lease payments shall be recognized in profit or loss or the cost of the related asset on a straight-line basis over the lease term. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A lease of a low-value asset is a lease for which the underlying asset is of low value when new. Where the Company subleases, or expects to sublease, the underlying asset, the head lease does not qualify as a lease of a low-value asset. For the purposes of the Company, a lease of a low-value asset refers to a lease for which the value of a single underlying asset, when new, is less than CNY 40 thousand.

Lease change

Where a lease is modified and both of the following conditions are met, the Company shall account for the lease modification as a separate lease:

The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope, adjusted to reflect the circumstances of the particular contract.

Where a lease modification is not accounted for as a separate lease, on the effective date of the modification, the Company shall reallocate the consideration in the modified contract, redetermine the lease term, and remeasure the lease liability at the present value of the revised lease payments discounted using a 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

At the inception date of the lease, the Company shall classify each lease as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Title may or may not eventually be transferred. An operating lease refers to a lease other than a finance lease. When the Company acts as an intermediate lessor, it shall classify the sublease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

Accounting Treatment for Operating Leases

Lease payments from operating leases shall be recognized as lease income on a straight-line basis over the lease term. Initial direct costs incurred by the Company in obtaining an operating lease shall be added to the carrying amount of the underlying asset and recognized as an expense over the lease term on the same basis as the lease income. Variable lease payments not included in the lease payments shall be recognized as income in profit or loss for the period in which they are earned. Where an operating lease is modified, the Company shall account for the modification as a new lease from the effective date of the modification, and any prepaid or accrued lease payments relating to the original lease shall be treated as part of the lease payments of the new lease.

Accounting Treatment for Finance Leases

At the commencement date, the Company shall recognize finance lease receivables for finance leases and derecognize the underlying asset. On initial measurement of the finance lease receivables, the Company shall record such receivables at an amount equal to the net investment in the lease. The net investment in the lease equals the sum of the unguaranteed residual value and the present value of the lease payments not yet received at the commencement date, discounted at the interest rate implicit in the lease.

The Company calculates and recognizes interest income for each period over the lease term at a constant periodic interest rate. Derecognition and impairment of finance lease receivables are accounted for in accordance with “Section VIII Financial Report V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments” in this note.

Variable lease payments not included in the measurement of the net investment in the lease shall be recognized in profit or loss in the period in which they are earned.

Where a finance lease is modified and both of the following conditions are met, the Company shall account for the lease modification as a separate lease:

The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope, adjusted to reflect the circumstances of the particular contract.

Where a finance lease modification is not accounted for as a separate lease, the Company shall account for the modified lease according to the following circumstances:

If the modification had been in effect at the inception date of the lease and the lease would have been classified as an operating lease, the Company shall account for the lease modification as a new lease from the effective date of the modification, and shall measure the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the modification;

If the modification had been effective on the lease commencement date and the lease would have been classified as a finance lease, the Company accounts for it in accordance with the policies regarding the modification or renegotiation of contracts in “Section VIII Financial Report V. Significant Accounting Policies and Accounting Estimates - 11. Financial Instruments”.

36. Other Significant Accounting Policies and Accounting Estimates

Work Safety Expenses and Maintenance & Simple Reproduction Expenses

In accordance with the provisions of CZ [2022] No. 136, the Company accrues work safety expenses on a monthly basis in equal amounts, using a progressive regression method, with the actual operating revenue of the previous year as the accrual basis. 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 expenses and maintenance & simple reproduction expenses shall, upon accrual, be charged to the cost of the related products or to profit or loss for the current period, and shall be simultaneously credited to 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. At the same time, 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.

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 2026

☐Applicable ☒Not applicable

VI. Taxes

1. Main Taxes and Tax Rates

Tax Category	Tax Basis	Tax Rate
VAT	Output VAT is calculated on the basis of revenue from sales of goods and taxable services as determined in accordance with applicable tax laws. After deducting the input VAT creditable for the current period, the balance represents the VAT payable.	18%, 15%, 13%, 9%, 6%, 5%
Urban maintenance and construction tax	Calculated and paid based on the VAT actually paid	7%, 5%, 3%
Corporate income tax	Taxable income	25%
Education surcharges	Calculated and paid based on the VAT actually paid	3%
Local educational	Calculated and paid based on the VAT actually	2%

surcharges	paid	
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.

Pursuant to the second batch of High and New Technology Enterprise (HNTE) filing list for 2024 issued by Dalian Municipal Government on December 24, 2024 (Certificate No.: GR202421200987), FAW Jiefang Dalian Diesel Engine Co., Ltd., a subsidiary of the Company, has been recognized as a High and New Technology Enterprise with a validity period of three years, during which it is subject to corporate income tax at a preferential rate of 15%.

(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	Closing Balance	Opening Balance
Cash on hand	1,605,480.61	1,828,617.96
Bank deposit	14,774,146,087.11	10,852,193,765.21
Other monetary capital	22,256,018.10	22,207,584.57
Deposit in finance companies	15,215,357,434.79	11,449,039,042.31
Total	30,013,365,020.61	22,325,269,010.05
Including: total amount deposited abroad	1,145,586,031.51	593,126,699.86

2. Derivative financial assets

Unit: CNY

Item	Closing Balance	Opening Balance
Forward foreign exchange settlement and sale	1,977,854.70	
Total	1,977,854.70	

3. Notes Receivable

(1) Classified presentation of notes receivable

Unit: CNY

Item	Closing Balance	Opening Balance
Commercial acceptance notes	22,931,011.03	584,654,660.00
Total	22,931,011.03	584,654,660.00

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

Unit: CNY

Category	Closing 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	22,953,965.00	100.00%	22,953.97	0.10%	22,931,011.03	585,340,000.00	100.00%	685,340.00	0.12%	584,654,660.00
Including :										
Total	22,953,965.00	100.00%	22,953.97	0.10%	22,931,011.03	585,340,000.00	100.00%	685,340.00	0.12%	584,654,660.00

Name of category for which bad debt provision is accrued on a portfolio basis: Commercial acceptance bills

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	22,953,965.00	22,953.97	0.10%
Total	22,953,965.00	22,953.97	

Description of the basis for determining this portfolio:

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

☐Applicable ☒Not applicable

(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				Closing Balance
		Provision	Recovery or Reversal	Write-off	Others	
Commercial acceptance bill	685,340.00	-662,386.03				22,953.97
Total	685,340.00	-662,386.03				22,953.97

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	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	6,405,144,369.19	3,300,727,255.73
1-2 years	2,739,662,495.23	1,980,252,488.65
2-3 years	31,965,749.34	52,721,529.62
Over 3 years	310,285,993.58	260,578,970.27
3-4 years	88,592,754.30	56,330,191.95
4-5 years	58,116,854.77	24,104,043.53
Over 5 years	163,576,384.51	180,144,734.79
Total	9,487,058,607.34	5,594,280,244.27

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

Unit:

CNY

Category	Closing 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 on Proportion	
Accounts receivable with provision for bad debts on an individual basis	277,369,102.82	2.92%	219,536,184.21	79.15%	57,832,918.61	233,830,588.76	4.18%	212,773,844.79	90.99%	21,056,743.97
Including:										
Accounts receivable with provision for bad debts by portfolio	9,209,689,504.52	97.08%	133,158,426.96	1.45%	9,076,531,077.56	5,360,449,655.51	95.82%	106,376,029.03	1.98%	5,254,073,626.48
Including:										
Aging portfolio	9,209,689,504.52	97.08%	133,158,426.96	1.45%	9,076,531,077.56	5,360,449,655.51	95.82%	106,376,029.03	1.98%	5,254,073,626.48
Total	9,487,058,607.34	100.00%	352,694,611.17	3.72%	9,134,363,996.17	5,594,280,244.27	100.00%	319,149,873.82	5.70%	5,275,130,370.45

Name of category for bad debt provision accrued on an individual basis:

Unit: CNY

Name	Opening Balance		Closing Balance			
	Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts	Provision Proportion	Reasons for Provision
Customer 1	43,842,501.70	43,842,501.70	43,842,501.70	43,842,501.70	100.00%	It is highly probable that the amounts will not be

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						recovered
FAW-HONGTA Yunnan Automobile Co., Ltd.	43,170,001.84	43,170,001.84	43,170,001.84	43,170,001.84	100.00%	It is highly probable that the amounts will not be recovered
Customer 2			20,378,212.80	2,037,821.28	10.00%	It is highly probable that the amounts will not be recovered
Customer 3			15,398,082.72	4,619,424.82	30.00%	It is highly probable that the amounts will not be recovered
Customer 4	11,682,802.81	11,682,802.81	11,682,802.81	11,682,802.81	100.00%	It is highly probable that the amounts will not be recovered
Customer 5	10,977,059.71	10,977,059.71	10,977,059.71	10,977,059.71	100.00%	It is highly probable that the amounts will not be recovered
Customer 6	10,567,768.47	3,170,330.54	10,567,768.47	3,170,330.54	30.00%	It is highly probable that the amounts will not be recovered
Customer 7	9,843,235.14	2,829,335.13	9,843,235.14	2,829,335.13	28.74%	It is highly probable that the amounts will not be recovered
Aggregation of Other Entities	103,747,219.09	97,101,813.06	111,509,437.63	97,206,906.38	87.17%	It is highly probable that the amounts will not be recovered
Total	233,830,588.76	212,773,844.79	277,369,102.82	219,536,184.21		

Name of category for bad debt provision accrued on a portfolio basis: Bad debt provision accrued on a portfolio basis

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	6,360,677,972.65	17,820,543.58	0.28%
1-2 years	2,739,598,954.73	44,683,604.38	1.63%
2-3 years	22,610,887.25	2,824,243.83	12.49%
3-4 years	25,991,134.88	7,019,480.16	27.01%
Over 4 years	60,810,555.01	60,810,555.01	100.00%
Total	9,209,689,504.52	133,158,426.96	

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

(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				Closing Balance
		Provision	Recovery or Reversal	Write-off	Others	
Accounts receivable	319,149,873.82	36,790,300.76	903,825.46		2,341,737.95	352,694,611.17
Total	319,149,873.82	36,790,300.76	903,825.46		2,341,737.95	352,694,611.17

(4) Other accounts receivable and contractual assets from the top five borrowers classified based on the ending balance

Unit: CNY

Name of Unit	Closing Balance of Accounts Receivable	Closing Balance of Contractual Assets	Closing Balance of Accounts Receivable and Contractual Assets	Proportion in Total Closing Balance of Accounts Receivable and Contractual Assets	Closing Balance of Bad Debt Provision for Accounts Receivable and Impairment Provision for Contractual Assets
China FAW Group Import & Export Co., Ltd.	2,405,823,360.55		2,405,823,360.55	25.18%	12,201,759.12
Jiefang Times New Energy Technology Co., Ltd.	1,645,808,560.28		1,645,808,560.28	17.23%	2,156,262.00
Customer 1	183,853,911.39		183,853,911.39	1.92%	336,840.80
Customer 2	174,258,971.13		174,258,971.13	1.82%	600,725.32
Customer 3	141,901,708.18		141,901,708.18	1.49%	311,952.70
Total	4,551,646,511.53		4,551,646,511.53	47.64%	15,607,539.94

5. Contract Assets

(1) Contractual assets

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book Balance	Provision for Bad Debts	Book Value	Book Balance	Provision for Bad Debts	Book Value
Contract assets	67,673,262.96	451,421.24	67,221,841.72	71,442,590.62	500,889.76	70,941,700.86
Total	67,673,262.96	451,421.24	67,221,841.72	71,442,590.62	500,889.76	70,941,700.86

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

Unit: CNY

Category	Closing 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	67,673,262.96	100.00%	451,421.24	0.67%	67,221,841.72	71,442,590.62	100.00%	500,889.76	0.70%	70,941,700.86
Including:										
Aging portfolio	67,673,262.96	100.00%	451,421.24	0.67%	67,221,841.72	71,442,590.62	100.00%	500,889.76	0.70%	70,941,700.86
Total	67,673,262.96	100.00%	451,421.24	0.67%	67,221,841.72	71,442,590.62	100.00%	500,889.76	0.70%	70,941,700.86

Name of category for which bad debt provision is accrued on a portfolio basis:

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Aging portfolio	67,673,262.96	451,421.24	0.67%
Total	67,673,262.96	451,421.24	

Description of the basis for determining this portfolio:

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

☐Applicable ☒Not applicable**(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	-31,521.58	17,946.94		
Total	-31,521.58	17,946.94		

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

Unit: CNY

Item	Closing Balance	Opening Balance
Notes receivable	4,360,450,827.39	6,556,062,093.60
Total	4,360,450,827.39	6,556,062,093.60

(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 bills	32,110,691,006.41	
Total	32,110,691,006.41	

7. Other Receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Other receivables	1,274,176,640.38	1,391,631,269.91
Total	1,274,176,640.38	1,391,631,269.91

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

Unit: CNY

Nature	Closing Book Balance	Opening Book Balance
Current account	732,674,060.28	824,659,856.88
Claim payment	254,276,421.72	334,971,419.71
Margin, deposit	24,866,475.04	32,890,443.24
Reserve fund	10,069,867.48	1,522,107.26
Export tax rebate	341,306,095.35	292,305,791.19
Others	6,699,655.41	5,782,820.39
Total	1,369,892,575.28	1,492,132,438.67

2) Disclosure by aging

Unit: CNY

Aging	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	691,535,457.43	891,664,767.81
1-2 years	173,724,758.13	55,307,717.81
2-3 years	48,010,000.00	96,389,137.89
Over 3 years	456,622,359.72	448,770,815.16
3-4 years	410,869,547.60	433,989,633.00
4-5 years	17,042,688.00	462,406.26
Over 5 years	28,710,124.12	14,318,775.90
Total	1,369,892,575.28	1,492,132,438.67

3) Disclosure by the method of provision for bad debts

☑Applicable ☐Not applicable

Unit: CNY

Category	Closing 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	54,673,642.70	3.99%	54,673,642.70	100.00%		54,673,642.70	3.66%	54,673,642.70	100.00%	
Including:										
Provision for bad debts made by portfolio	1,315,218,932.58	96.01%	41,042,292.20	3.12%	1,274,176,640.38	1,437,458,795.97	96.34%	45,827,526.06	3.19%	1,391,631,269.91
Including:										
Aging portfolio	1,315,218,932.58	96.01%	41,042,292.20	3.12%	1,274,176,640.38	1,403,594,845.47	94.07%	45,827,526.06	3.27%	1,357,767,319.41
Portfolio of guarantees, deposits, and petty cash reserves						33,863,950.50	2.27%			33,863,950.50
Total	1,369,892,575.28	100.00%	95,715,934.90	6.99%	1,274,176,640.38	1,492,132,438.67	100.00%	100,501,168.76	6.74%	1,391,631,269.91

Category name of bad debt provision accrued on an individual basis:

Unit: CNY

Name	Opening Balance		Closing Balance			
	Book Balance	Provision for Bad	Book Balance	Provision for Bad	Provision Proportion	Reasons for Provision

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		Debts		Debts		
Other receivables 1	53,118,196.29	53,118,196.29	53,118,196.29	53,118,196.29	100.00%	It is highly probable that the amounts will not be recovered
Other receivables 2	1,555,446.41	1,555,446.41	1,555,446.41	1,555,446.41	100.00%	It is highly probable that the amounts will not be recovered
Total	54,673,642.70	54,673,642.70	54,673,642.70	54,673,642.70		

-

Name of category for bad debt provision accrued on a portfolio basis: Bad debt provision accrued on a portfolio basis

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	691,535,457.43	5,513,629.84	0.80%
1-2 years	129,059,044.06	5,548,808.75	4.30%
2-3 years	48,010,000.00	427,289.00	0.89%
3-4 years	410,869,547.60	17,626,014.12	4.29%
4-5 years	17,042,688.00	3,224,520.00	18.92%
Over 5 years	18,702,195.49	8,702,030.49	46.53%
Total	1,315,218,932.58	41,042,292.20	

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, 2026	6,189,551.84	39,637,974.22	54,673,642.70	100,501,168.76
Balance on January 1, 2026 in the current period				
Provision in the Current Period	-675,922.00	-646,609.09		-1,322,531.09
Reversal in the current period		577,513.56		577,513.56
Write-off in the current period		2,885,189.21		2,885,189.21
Balance as of June 30, 2026	5,513,629.84	35,528,662.36	54,673,642.70	95,715,934.90

Basis for stage division and proportion of bad debt provision: For Stage 1 and Stage 2, bad debt provisions are made based on aging analysis, at a rate of 0.80% for Stage 1 and 5.70% for Stage 2. For accounts classified under Stage 3, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses of such accounts receivable.

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

☐Applicable ☒Not applicable

4) Other receivables written off in the current period

Unit: CNY

Item	Amount Written off
Current account	2,885,189.21

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

Unit: CNY

Name of Unit	Nature of Payment	Closing Balance	Aging	Proportion in total ending balance of other	Closing Balance of Provision for Bad Debts
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				receivables	
Customer 1	Funds for land purchase and reserve	410,862,800.00	3-4 years	29.99%	17,626,014.12
Customer 2	Export tax refund receivable	279,306,130.54	Within 1 year	20.39%	921,710.23
Customer 3	Receivables from disposal of assets	129,042,064.00	1-2 years	9.42%	5,548,808.75
Customer 4	Export tax refund receivable	61,999,964.81	0-6 months	4.53%	
Customer 5	New energy subsidy	48,010,000.00	2-3 years	3.50%	427,289.00
Total		929,220,959.35		67.83%	24,523,822.10

8. Advance Payment

(1) Presentation of advance payment by aging

Unit: CNY

Aging	Closing Balance		Opening Balance	
	Amount	Scale	Amount	Scale
Within 1 year	463,041,346.20	98.66%	117,553,190.64	84.52%
1-2 years	6,165,316.59	1.31%	14,008,226.93	10.07%
2-3 years	141,924.51	0.03%	196,210.66	0.14%
Over 3 years			7,325,289.70	5.27%
Total	469,348,587.30		139,082,917.93	

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

The aggregate closing balance of the top five prepayments grouped by prepayment counterparty amounted to CNY 345,563,253.31, representing 73.63% of the total closing balance of prepayments.

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	Closing 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	276,016,353.21	112,376.26	275,903,976.95	107,089,403.09	694,789.05	106,394,614.04
Goods in process	603,251,725.32	1,865,543.39	601,386,181.93	437,687,716.13	4,124,290.30	433,563,425.83
Goods in stock	12,632,133,774.07	108,480,883.52	12,523,652,890.55	10,584,120,202.88	196,982,278.91	10,387,137,923.97
Revolving material	244,601,925.40	28,699,883.84	215,902,041.56	265,751,386.82	44,429,158.03	221,322,228.79
Goods in stock	2,783,322.64		2,783,322.64			
Outsourced	3,275,589,685.60	69,120,755.96	3,206,468,929.64	2,335,686,262.76	68,691,006.13	2,266,995,256.63

semi-finished products						
Total	17,034,376,786.24	208,279,442.97	16,826,097,343.27	13,730,334,971.68	314,921,522.42	13,415,413,449.26

(2) Impairment provision of inventories and contract performance costs

Unit: CNY

Item	Opening Balance	Increase in the Current Period		Decrease in the Current Period		Closing Balance
		Provision	Others	Reverse or Charge-off	Others	
Raw material	694,789.05			582,412.79		112,376.26
Goods in process	4,124,290.30	715,745.39		2,974,492.30		1,865,543.39
Goods in stock	196,982,278.91	84,489,256.20		172,410,601.71	580,049.88	108,480,883.52
Revolving material	44,429,158.03	310,599.12		16,039,873.31		28,699,883.84
Outsourced semi-finished products	68,691,006.13	15,860,159.76		15,430,409.93		69,120,755.96
Total	314,921,522.42	101,375,760.47		207,437,790.04	580,049.88	208,279,442.97

10. Long-Term Receivables Due Within 1 Year

Unit: CNY

Item	Closing Balance	Opening Balance
Long-term receivables due within one year	339,978,871.98	355,532,986.69
Total	339,978,871.98	355,532,986.69

(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	Closing Balance	Opening Balance
Input VAT to be credited	335,492,024.74	661,738,191.96
Prepaid taxes	14,715.78	9,159,294.16
Input VAT to be certified	620,030,448.88	482,448,569.27
Others	58,380.00	3,794,639.52
Total	955,595,569.40	1,157,140,694.91

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	Closing Balance	Reason for Being Designated as Being Measured at Fair Value and Changes Included in Other Comprehensive Incomes
REFIRE	210,703,161.60		142,977,106.80		413,053,945.20		67,726,054.80	Investments designated for long-term holding for strategic purposes
Total	210,703,161.60		142,977,106.80		413,053,945.20		67,726,054.80	

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

Unit: CNY

Item	Closing Balance			Opening Balance			Discount Rate Range
	Book Balance	Provision for Bad Debts	Book Value	Book Balance	Provision for Bad Debts	Book Value	

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Sales of goods by installment	449,011,181.02	63,377,388.08	385,633,792.94	448,333,877.38	47,823,273.37	400,510,604.01	
Long-term receivables due within one year	-403,237,832.07	-63,258,960.09	-339,978,871.98	-403,237,832.06	-47,704,845.37	-355,532,986.69	
Total	45,773,348.95	118,427.99	45,654,920.96	45,096,045.32	118,428.00	44,977,617.32	

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

Unit: CNY

Category	Closing 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	449,011,181.02	100.00%	63,377,388.08	14.11%	385,633,792.94	448,333,877.38	100.00%	47,823,273.37	10.67%	400,510,604.01
Including:										
Aging portfolio	449,011,181.02	100.00%	63,377,388.08	14.11%	385,633,792.94	448,333,877.38	100.00%	47,823,273.37	10.67%	400,510,604.01
Total	449,011,181.02	100.00%	63,377,388.08	14.11%	385,633,792.94	448,333,877.38	100.00%	47,823,273.37	10.67%	400,510,604.01

Name of category for which bad debt provision is accrued on a portfolio basis: aging portfolio

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Long-term receivables	449,011,181.02	63,377,388.08	14.11%

Total	449,011,181.02	63,377,388.08	
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(3) Provision for bad debts provided, recovered or reversed in the current period

Unit: CNY

Category	Opening Balance	Change in the Current Period				Closing Balance
		Provision	Recovery or Reversal	Charge-off or Write-off	Others	
Aging portfolio	47,823,273.37	15,554,114.71				63,377,388.08
Total	47,823,273.37	15,554,114.71				63,377,388.08

14. Long-Term Equity Investments

Unit: CNY

Investee	Opening Balance (Book Value)	Opening Balance of Impairme nt Provision	Increase/Decrease in the Current Period								Closing Balance (Book Value)	Closi ng Balan ce of Impai rment Provi sion
			Additional Investment	Reduced Investment	Investment Gains or Losses Recognized under the Equity Method	Adjustment to Other Comprehensiv e Income	Changes in Other Equity	Cash Dividends and Profits are Declared to Be Paid	I m p a i r m e n t P r o v i s i o n	Others		
I. Joint ventures												

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Jiefang Times New Energy Technology Co., Ltd.	234,697,535.09				6,306,114.81						241,003,649.90	
Subtotal	234,697,535.09				6,306,114.81						241,003,649.90	
II. Associated enterprises												
Changchun Automotive Test Center Co., Ltd.	722,577,086.31				-3,363,299.38	-4,317.39	947,590.56				720,157,060.10	
Sanguard Automobile Insurance Co., Ltd.	191,533,503.96				4,755,109.96	-5,163,622.49					191,124,991.43	
FAW Changchun Ansteel Jiefang Steel Processing and Distribution Co., Ltd.	88,095,424.44				860,952.46		2,906.76				88,959,283.66	
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	42,352,052.96				2,311,751.98			4,963,067.38			39,700,737.56	
FAW Jiefang Fujie (Tianjin) Technology	37,707,963.64				-2,910,064.51	3,202.96	-1,135.68			107,245.64	34,907,212.05	

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Industry Co., Ltd.												
Foshan Diyi Yuansu New Energy Technology Co., Ltd.	24,002,864.75				-2,103,653.28						21,899,211.47	
Changchun Wabco Automotive Control System Co., Ltd.	12,058,930.08				-1,140,046.86						10,918,883.22	
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.												
Suzhou Zhito Technology Co., Ltd.												
SmartLink												
Subtotal	1,118,327,826.14				-1,589,249.63	-5,164,736.92	949,361.64	4,963,067.38		107,245.64	1,107,667,379.49	
Total	1,353,025,361.23				4,716,865.18	-5,164,736.92	949,361.64	4,963,067.38		107,245.64	1,348,671,029.39	

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

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	102,519,158.92	7,498,763.44		110,017,922.36
2. Increase in the current period	4,001,803.34			4,001,803.34
(1) Purchase				
(2) Transfer from inventories/fixed assets/construction in progress	4,001,803.34			4,001,803.34
(3) Increase due to business combination				
3. Decrease in the current period	1,836,578.74			1,836,578.74
(1) Disposal				
(2) Other transfer-out				
(3) Transferred back to fixed assets	1,836,578.74			1,836,578.74
4. Closing balance	104,684,383.52	7,498,763.44		112,183,146.96
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	63,594,213.99	1,711,483.25		65,305,697.24
2. Increase in the current period	11,319,064.47	76,286.46		11,395,350.93
(1) Provision or amortization	10,136,287.69	21,275.58		10,157,563.27
(2) Transferred from intangible assets and fixed assets	1,182,776.78	55,010.88		1,237,787.66
3. Decrease in the current period	1,836,578.74			1,836,578.74
(1) Disposal				
(2) Other transfer-out				
(3) Transferred back to fixed assets	1,836,578.74			1,836,578.74
4. Closing balance	73,076,699.72	1,787,769.71		74,864,469.43
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. Closing balance				

IV. Book value				
1. Closing book value	31,607,683.80	5,710,993.73		37,318,677.53
2. Opening book value	38,924,944.93	5,787,280.19		44,712,225.12

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

16. Fixed Assets

Unit: CNY

Item	Closing Balance	Opening Balance
Fixed assets	10,346,539,684.27	10,988,508,730.09
Disposal of fixed assets	4,150,188.66	4,578,248.33
Total	10,350,689,872.93	10,993,086,978.42

(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	6,991,527,118.65	18,879,969,173.35	179,661,253.88	802,081,548.99	80,830,226.90	1,478,485,713.24	28,412,555,035.01
2. Increase in the current period	8,375,001.00	105,309,498.29	1,833,384.84	1,927,396.85	371,648.50	6,028,061.07	123,844,990.55
(1) Purchase	2,275,565.73	3,716,434.93	1,833,384.84	28,096.12	332,412.73	222,123.89	8,408,018.24
(2) Transfer from construction in progress	6,099,435.27	101,593,063.36		1,844,119.68		5,805,937.18	115,342,555.49
(3) Other increases				55,181.05	39,235.77		94,416.82
3. Decrease in the current period	12,916,105.22	221,662,915.10	8,719,835.68	2,427,377.71	89,955.80	1,315,620.69	247,131,810.20
(1) Disposal or retirement	9,322,630.78	221,633,384.61	8,566,403.20	2,240,476.83	37,391.02	1,115,674.84	242,915,961.28
(2) Transferred to investment properties	3,582,147.30						3,582,147.30
(3) Other decreases	11,327.14	29,530.49	153,432.48	186,900.88	52,564.78	199,945.85	633,701.62
4. Closing balance	6,986,986,014.43	18,763,615,756.54	172,774,803.04	801,581,568.13	81,111,919.60	1,483,198,153.62	28,289,268,215.36
II. Accumulated depreciation							
1. Opening balance	2,944,533,626.38	12,317,992,425.34	141,690,634.18	712,412,303.42	50,372,865.73	1,240,113,700.60	17,407,115,555.65
2. Increase in the current period	161,247,275.54	525,940,316.67	8,675,558.41	29,004,218.75	4,576,035.73	34,429,824.47	763,873,229.57
(1) Provision	161,247,275.54	525,940,316.67	8,675,558.41	29,004,218.75	4,576,035.73	34,429,824.47	763,873,229.57
3. Decrease in the current period	9,351,222.87	215,389,454.25	7,673,942.54	2,387,402.78	62,525.01	1,275,486.13	236,140,033.58
(1) Disposal or retirement	9,042,951.86	215,386,504.37	7,522,543.46	2,240,476.83	36,269.29	1,273,906.71	235,502,652.52
(2) Other decreases	308,271.01	2,949.88	151,399.08	146,925.95	26,255.72	1,579.42	637,381.06
4. Closing balance	3,096,429,679.05	12,628,543,287.76	142,692,250.05	739,029,119.39	54,886,376.45	1,273,268,038.94	17,934,848,751.64
III. Impairment provision							
1. Opening balance		14,792,716.17			207.55	2,137,825.55	16,930,749.27
2. Decrease in the current		9,050,969.82					9,050,969.82

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period							
(1) Disposal or retirement		9,050,969.82					9,050,969.82
3. Closing balance		5,741,746.35			207.55	2,137,825.55	7,879,779.45
IV. Book value							
1. Closing book value	3,890,556,335.38	6,129,330,722.43	30,082,552.99	62,552,448.74	26,225,335.60	207,792,289.13	10,346,539,684.27
2. Opening book value	4,046,993,492.27	6,547,184,031.84	37,970,619.70	89,669,245.57	30,457,153.62	236,234,187.09	10,988,508,730.09

(2) Fixed assets without property ownership certificates

Unit: CNY

Item	Book Value	Reasons for Failure to Obtain the Certificate
Guanghan base project	244,246,858.43	Property ownership certificate to be processed after the government issues the completion acceptance and filing procedures
Equipment workshop works	321,285,838.43	The property ownership certificate has not yet been applied for

(3) Impairment testing of fixed assets□Applicable ☒Not applicable**(4) Disposal of fixed assets**

Unit: CNY

Item	Closing Balance	Opening Balance
Houses and Buildings	5,660.38	
Machinery equipment	3,431,288.26	4,089,685.63
Means of transport	55,318.57	70,688.57
Electronic equipment	20,054.22	12,750.00
Office equipment	331,494.43	86,291.45
Others	306,372.80	318,832.68
Total	4,150,188.66	4,578,248.33

17. Construction in Progress

Unit: CNY

Item	Closing Balance	Opening Balance
Project under construction	177,573,657.43	131,371,243.36
Total	177,573,657.43	131,371,243.36

(1) Construction in Progress

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
New and reconstructed investment project	797,236.97		797,236.97	167,885.85		167,885.85
Technical transformation investment project	176,776,420.46		176,776,420.46	131,203,357.51		131,203,357.51
Total	177,573,657.43		177,573,657.43	131,371,243.36		131,371,243.36

(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	Closing Balance	Proportion of Accumulated Investment in Constructions to Budget	Project Progress	Cumulative Amount of Capitalization	Including: Capitalized Interest Amount during the Cu	Capital Source

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									zed In te re st	re nt Per iod	C ur re nt P er io d	
Construction of an integrated business and finance platform	95,500,000.00	58,036,325.44	17,501,455.68			75,537,781.12	80.83%	90.00%				Self-funded
Medium and heavy-duty engine upgrade and renovation project	667,780,000.00	41,406,677.56	75,354,222.32	63,381,793.29		53,379,106.59	13.28%	60.07%				Self-funded
Heavy-duty MT gearbox assembly production preparation project	83,480,000.00	10,108,379.65		10,108,379.65			90.11%	100%				Proceeds + self-raised funds
FAW Jiefang Guanghan Base Phase II Logistics Center Construction Project	154,689,800.00		33,250,619.36			33,250,619.36	21.50%	30.57%				Self-funded
Total	1,001,449,800.00	109,551,382.65	126,106,297.36	73,490,172.94		162,167,507.07						

(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	121,363,874.54	54,247,787.61	17,370,803.03	192,982,465.18
2. Increase in the current period				
3. Decrease in the current period				
4. Closing balance	121,363,874.54	54,247,787.61	17,370,803.03	192,982,465.18
II. Accumulated depreciation				
1. Opening balance	83,381,445.26	32,336,283.16	16,368,472.78	132,086,201.20
2. Increase in the current period	24,400,416.73	5,478,032.34	165,646.14	30,044,095.21
(1) Provision	24,400,416.73	5,478,032.34	165,646.14	30,044,095.21
3. Decrease in the current period				
(1) Disposal				
4. Closing balance	107,781,861.99	37,814,315.50	16,534,118.92	162,130,296.41
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the				

current period				
(1) Disposal				
4. Closing balance				
IV. Book value				
1. Closing book value	13,582,012.55	16,433,472.11	836,684.11	30,852,168.77
2. Opening book value	37,982,429.28	21,911,504.45	1,002,330.25	60,896,263.98

(2) Impairment test of right-of-use assets□Applicable ☒Not applicable**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	2,566,742,282.93		676,501,976.01	650,665,103.55	3,893,909,362.49
2. Increase in the current period			196,987,859.17	14,432,966.67	211,420,825.84
(1) Purchase				13,725,901.14	13,725,901.14
(2) Internal R&D			196,987,859.17		196,987,859.17
(3) Increase due to business combination					
(4) Other increases				707,065.53	707,065.53
3. Decrease in the current period	174,194.33			8,146,051.77	8,320,246.10
(1) Disposal				5,072,492.28	5,072,492.28
(2) Other decreases	174,194.33			3,073,559.49	3,247,753.82
4. Closing balance	2,566,568,088.60		873,489,835.18	656,952,018.45	4,097,009,942.23
II. Accumulated amortization					
1. Opening balance	704,004,868.67		424,683,342.53	478,815,480.51	1,607,503,691.71
2. Increase in the current period	26,755,303.63		32,290,117.81	44,329,374.26	103,374,795.70
(1) Provision	26,755,303.63		32,290,117.81	44,305,804.94	103,351,226.38
(2) Other increases				23,569.32	23,569.32
3. Decrease in the current period	51,390.46			7,462,555.56	7,513,946.02
(1) Disposal				5,072,492.28	5,072,492.28
(2) Other decreases	51,390.46			2,390,063.28	2,441,453.74
4. Closing balance	730,708,781.84		456,973,460.34	515,682,299.21	1,703,364,541.39
III. Impairment					

provision					
1. Opening balance	121,147.31				121,147.31
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal					
4. Closing balance	121,147.31				121,147.31
IV. Book value					
1. Closing book value	1,835,738,159.45		416,516,374.84	141,269,719.24	2,393,524,253.53
2. Opening book value	1,862,616,266.95		251,818,633.48	171,849,623.04	2,286,284,523.47

Intangible assets developed internally through the Company's R&D activities accounted for 21.32% of the total intangible assets at the end of the current period.

(2) Impairment testing of intangible assets

☐Applicable ☒Not applicable

22. Long-term Deferred Expenses

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Amortization Amount in the Current Period	Other Decreases	Closing Balance
Start-up costs	74,286.06	199,130.74			273,416.80
Total	74,286.06	199,130.74			273,416.80

23. Deferred Tax Assets and Deferred Tax Liabilities

(1) Deferred income tax assets not offset

Unit: CNY

Item	Closing Balance		Opening Balance	
	Deductible Temporary Difference	Deferred Income Tax Assets	Deductible Temporary Difference	Deferred Income Tax Assets
Impairment provision of assets	728,542,679.09	160,619,204.95	775,878,032.77	158,507,658.22
Unrealized gains of internal transactions	322,451,184.88	73,647,117.10	322,451,184.88	73,647,117.10
Deductible losses	14,325,983,071.49	2,352,460,750.93	13,958,566,650.04	2,347,598,363.35
Estimated liabilities	1,028,242,280.73	168,871,702.65	1,031,139,209.41	196,723,844.62
Deferred income –	524,577,672.29	107,684,103.77	518,347,372.61	107,910,350.35

government grants				
Assets depreciation differences			54,129.96	16,238.99
Lease liabilities	6,587,027.37	1,084,187.41	7,983,859.73	1,392,527.67
Accrued expenses	2,438,517,424.19	583,697,454.00	2,290,146,273.70	541,067,851.81
Employee compensation payable	76,251,154.26	11,854,751.01	94,922,683.27	15,029,861.21
Contract liabilities	566,476,043.47	86,167,446.95	558,137,107.28	85,969,638.33
Total	20,017,628,537.77	3,546,086,718.77	19,557,626,503.65	3,527,863,451.65

(2) Deferred income tax liabilities not offset

Unit: CNY

Item	Closing 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	1,166,973,730.27	223,417,322.58	1,417,506,057.59	272,294,678.03
Right-of-use assets	29,193,392.80	7,214,060.67	60,896,263.98	15,114,028.65
Accrued interest income	489,555,972.12	88,064,298.61	829,617,777.78	135,269,333.34
Total	1,685,723,095.19	318,695,681.86	2,308,020,099.35	422,678,040.02

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

Unit: CNY

Item	Closing Mutual Offset Amount of Deferred Tax Assets and Liabilities	Closing 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	318,102,131.02	3,227,984,587.75	422,083,753.75	3,105,779,697.90
Deferred income tax liabilities	318,102,131.02	593,550.84	422,083,753.75	594,286.27

(4) Details of unrecognized deferred tax assets

Unit: CNY

Item	Closing Balance	Opening Balance
Deductible Temporary Difference	559,568,096.78	490,033,723.19
Deductible losses	77,405,456.87	89,728,296.79
Total	636,973,553.65	579,762,019.98

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

Unit: CNY

Year	Closing Amount	Opening Amount	Remarks
2026	1,117,141.38	1,117,141.38	
2027	3,276,878.63	3,276,878.63	
2028	6,680,332.89	6,680,332.89	
2029	7,171,414.01	7,171,414.01	
2030	581,497.39	581,497.39	
2031	4,879,618.53		
2032	53,698,574.04	70,901,032.49	
Total	77,405,456.87	89,728,296.79	

24. Other current assets

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Advance payments for construction projects	317,280,883.11		317,280,883.11	244,088,089.69		244,088,089.69
Fixed deposits and accrued interest	301,327,083.33		301,327,083.33	2,118,833,333.34		2,118,833,333.34
Total	618,607,966.44		618,607,966.44	2,362,921,423.03		2,362,921,423.03

25. Assets with Restricted Ownership or Use Right

Unit: CNY

Item	Closing				Opening			
	Book Balance	Book Value	Restriction Type	Restriction	Book Balance	Book Value	Restriction Type	Restriction
Monetary capital	51,403,863.81	51,403,863.81	Withdrawal restricted	Housing maintenance fund, security deposit for three types of personnel	51,247,499.59	51,247,499.59	Withdrawal restricted	Housing maintenance fund, security deposit for three types of personnel
Intangible assets	1,920,659.75	960,661.30	Others	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 authorities.	1,846,858.87	1,072,038.65	Others	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 authorities.
Total	53,324,523.56	52,364,525.11			53,094,358.46	52,319,538.24		

26. Short-term Borrowings**(1) Classification of short-term borrowings**

Unit: CNY

Item	Closing Balance	Opening Balance
Credit loans	50,000,000.00	50,000,000.00
Total	50,000,000.00	50,000,000.00

27. Notes Payable

Unit: CNY

Category	Closing Balance	Opening Balance
Bank acceptance bill	26,125,894,588.59	12,809,740,164.11
Total	26,125,894,588.59	12,809,740,164.11

28. Accounts Payable**(1) Presentation of accounts payable**

Unit: CNY

Item	Closing Balance	Opening Balance
Payment for goods	17,195,831,886.40	19,831,192,964.14
Expenses and others	1,946,834,822.54	1,719,132,817.09
Total	19,142,666,708.94	21,550,325,781.23

29. Other Payables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividends payable	221,629,143.89	171,500.02
Other payables	1,253,499,329.68	2,544,364,706.47
Total	1,475,128,473.57	2,544,536,206.49

(1) Dividends payable

Unit: CNY

Item	Closing Balance	Opening Balance
Ordinary stock dividends	221,629,143.89	171,500.02
Total	221,629,143.89	171,500.02

(2) Other payables**1) Presentation of other payables by payment nature**

Unit: CNY

Item	Closing Balance	Opening Balance
Intercompany payables	293,768,784.84	250,480,926.86
Deposits and guarantees received	175,274,222.15	180,304,571.09
Expenses payable	141,107,746.26	1,215,617,066.06
Project funds payable	643,132,012.94	897,745,578.97
Repurchase obligations of	216,563.49	216,563.49

restricted shares		
Total	1,253,499,329.68	2,544,364,706.47

30. Advance Receipts**(1) Presentation of advance receipts**

Unit: CNY

Item	Closing Balance	Opening Balance
Rental fee	3,651,044.74	826,097.22
Total	3,651,044.74	826,097.22

31. Contract Liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Payment for goods	2,814,732,262.85	1,914,561,508.84
Others	611,094,395.39	755,136,468.47
Contract liabilities are included in other current liabilities	-35,988,525.01	-66,560,308.63
Total	3,389,838,133.23	2,603,137,668.68

32. Employee Compensation Payable**(1) Presentation of employee compensation payable**

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
I. Short-term compensation	994,523,050.19	2,195,674,759.81	2,809,081,694.66	381,116,115.34
II. Post-employment benefits - defined contribution plan	2,872,828.07	278,209,239.12	276,148,621.33	4,933,445.86
III. Termination benefits	39,179,871.90	9,247,277.10	23,388,712.76	25,038,436.24
IV. Other benefits due within one year	47,150,000.00	29,824.20	19,791,975.68	27,387,848.52
Total	1,083,725,750.16	2,483,161,100.23	3,128,411,004.43	438,475,845.96

(2) Presentation of short-term compensation

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
1. Wages, bonuses, allowances and subsidies	628,015,423.39	1,291,207,267.25	1,917,347,137.45	1,875,553.19
2. Employee welfare expenses		92,894,107.13	92,894,107.13	
3. Social insurance	3,950,508.12	436,582,389.76	437,429,805.06	3,103,092.82

premiums				
Including: medical insurance premiums	3,922,813.02	149,996,432.78	152,900,620.67	1,018,625.13
Work-related injury insurance premiums	27,695.10	8,376,717.86	8,380,563.06	23,849.90
4. Housing provident fund	211,871.00	218,903,441.13	218,964,946.13	150,366.00
5. Labor union funds and employee education funds	360,412,964.20	53,250,674.21	37,701,388.44	375,962,249.97
6. Other short-term compensations	1,932,283.48	102,836,880.33	104,744,310.45	24,853.36
Total	994,523,050.19	2,195,674,759.81	2,809,081,694.66	381,116,115.34

(3) Presentation of defined contribution plan

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
1. Basic endowment insurance	2,271,970.61	204,594,294.98	204,736,819.22	2,129,446.37
2. Unemployment insurance premiums	600,857.46	9,257,020.25	9,314,404.62	543,473.09
3. Payment of enterprise annuity		64,357,923.89	62,097,397.49	2,260,526.40
Total	2,872,828.07	278,209,239.12	276,148,621.33	4,933,445.86

33. Taxes Payable

Unit: CNY

Item	Closing Balance	Opening Balance
VAT	33,565,462.60	35,336,077.77
Corporate income tax	108,932,338.67	78,942,359.45
Individual income tax	4,697,011.44	6,889,857.47
Urban maintenance and construction tax	2,455,201.98	3,432,985.44
Property tax	9,561,184.16	10,465,370.93
Land use tax	4,454,304.27	4,719,417.56
Education surcharges	1,753,715.70	5,736,405.00
Other taxes	21,088,285.63	21,751,387.60
Total	186,507,504.45	167,273,861.22

34. Non-Current Liabilities Due Within One Year

Unit: CNY

Item	Closing Balance	Opening Balance
Lease liabilities due within one year	6,132,248.21	6,293,750.24
Estimated liabilities due within one year	422,302,977.50	519,599,645.37

Total	428,435,225.71	525,893,395.61
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35. Other Current Liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Output VAT to be transferred	35,988,525.01	66,560,308.63
Total	35,988,525.01	66,560,308.63

36. Long-term Debts**(1) Classification of long-term borrowings**

Unit: CNY

Item	Closing Balance	Opening Balance
Credit loans	136,000,000.00	136,000,000.00
Total	136,000,000.00	136,000,000.00

Explanation of classification of long-term borrowings: The Company's indirect controlling shareholder, China FAW Group Co., Ltd., provided state-owned capital operation budget funds to the Company through entrusted loans and entered into an entrusted loan agreement in the amount of CNY 136 million.

37. Lease Liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Lease payment	6,682,528.69	8,138,171.16
Unrecognized financing costs	-95,501.32	-154,311.43
Reclassified to non-current liabilities due within one year	-6,132,248.21	-6,293,750.24
Total	454,779.16	1,690,109.49

38. Long-term Employee Compensation Payable**(1) Long-term employee compensation payable**

Unit: CNY

Item	Closing Balance	Opening Balance
I. Post-employment welfare - net liabilities of defined benefit plan	609,467,556.53	625,080,000.00
II. Termination benefits	76,251,154.26	91,732,589.92
Long-term employee compensation payable due within one year	-54,266,902.55	-86,329,871.90
Total	631,451,808.24	630,482,718.02

39. Provisions

Unit: CNY

Item	Closing Balance	Opening Balance	Reason
Pending litigation	65,741,931.44	52,822,772.39	Contract disputes
Product quality assurance	617,934,607.65	586,381,172.71	Expenses for return, replacement and repair
Others	17,226,995.29	29,476,995.29	Social security expenses for dispatched workers,

			etc.
Total	700,903,534.38	668,680,940.39	

40. Deferred Income

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance	Reason
Gove rnme nt subsi dies	2,846,844,806.70	87,787,809.00	178,919,888.48	2,755,712,727.22	
Total	2,846,844,806.70	87,787,809.00	178,919,888.48	2,755,712,727.22	

41. Share Capital

Unit: CNY

	Opening Balance	Increase/Decrease (+/-)					Closing Balance
		Issue of New Shares	Bonus Shares	Share Transferred from Accumulation Fund	Others	Subtotal	
Total shares	4,921,280,975.00						4,921,280,975.00

42. Capital Reserves

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Capital premium (stock premium)	10,956,841,896.36			10,956,841,896.36
Other capital reserves	999,070,613.80	949,361.64		1,000,019,975.44
Total	11,955,912,510.16	949,361.64		11,956,861,871.80

43. Other Comprehensive Income

Unit: CNY

Item	Opening Balance	Amount Incurred in Current Period						Closing Balance
		Amount Incurred before Income Tax in the Current Period	Less: Current Profits or Losses Transferred from Other Comprehensive Income Recorded in the Previous Period	Less: Current Retained Earnings Transferred from Other Comprehensive Income Recorded in the Previous Period	Less: Income Tax Expenses	After-tax Amount Attributable to Parent Company	After-tax Amount Attributable to Minority Shareholders	
I. Other comprehensive incomes that cannot be reclassified into profits or losses	-281,194,953.76	-148,141,843.72				-148,141,843.72		-429,336,797.48
Including: changes arising from re-measurement of the defined benefit plan	-36,050,000.00							-36,050,000.00
Other comprehensive incomes that cannot be reclassified into profit or loss under the equity method	24,931,884.64	-5,164,736.92				-5,164,736.92		19,767,147.72
Changes in fair value of investment in other equity instruments	-270,076,838.40	-142,977,106.80				-142,977,106.80		-413,053,945.20
II. Other comprehensive incomes that will be reclassified into profits or losses	-106,093,770.87	-22,493,313.61				-19,440,661.38	-3,052,652.23	-125,534,432.25
Including: other comprehensive incomes that can be reclassified	-5,357,375.79							-5,357,375.79

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into profits or losses under the equity method								
Cash flow hedging reserve		-353,121.80				-353,121.80		-353,121.80
Translation difference in foreign currency financial statements	-100,736,395.08	-22,140,191.81				-19,087,539.58	-3,052,652.23	-119,823,934.66
Total other comprehensive incomes	-387,288,724.63	-170,635,157.33				-167,582,505.10	-3,052,652.23	-554,871,229.73

44. Special Reserves

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Work safety cost	243,304,714.89	8,627,113.68	11,335,499.69	240,596,328.88
Total	243,304,714.89	8,627,113.68	11,335,499.69	240,596,328.88

45. Surplus Reserve

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Statutory surplus reserve	2,908,076,376.30			2,908,076,376.30
Discretionary surplus reserves	297,526,491.71			297,526,491.71
Total	3,205,602,868.01			3,205,602,868.01

46. Undistributed Profits

Unit: CNY

Item	Current Period	Previous Period
Undistributed profits at the end of the previous period before adjustment	6,532,766,397.35	6,055,339,906.81
Undistributed profits at the beginning of the current period after adjustment	6,532,766,397.35	6,055,339,906.81
Add: net profit attributable to owners of parent company in the current period	306,465,407.39	19,655,810.39
Less: Common stock dividends payable	221,457,643.87	246,064,048.75
Undistributed profits at the end of the period	6,617,774,160.87	5,828,931,668.45

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 changes in accounting policies impact the opening undistributed profit by 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.

47. Operating Revenue and Operating Cost

Unit: CNY

Item	Amount Incurred in Current Period		Amount Incurred in the Previous Period	
	Income	Cost	Income	Cost
Main business	37,425,917,693.36	35,425,562,629.21	27,347,477,621.24	26,277,912,207.22
Other	145,043,471.12	92,756,969.99	731,227,436.83	562,650,278.31

business				
Total	37,570,961,164.48	35,518,319,599.20	28,078,705,058.07	26,840,562,485.53

Other description

Information related to transaction price allocated to remaining performance obligations: As of the end of the reporting period, the revenue corresponding to performance obligations under contracts signed but not yet performed or fully performed amounted to CNY 611,094,395.39, of which CNY 305,547,197.70 is expected to be recognized as revenue in 2026, and CNY 305,547,197.69 is expected to be recognized as revenue in 2027.

48. Taxes and Surcharges

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Urban maintenance and construction tax	8,141,854.91	26,376,149.77
Education surcharges	2,977,117.19	18,229,908.19
Property tax	41,986,937.41	38,494,307.30
Land use tax	21,177,594.69	21,474,951.70
Vehicle and vessel use tax	30,503.28	29,602.64
Stamp duty	41,654,951.32	34,150,809.65
Others	690,557.97	147,323.06
Total	116,659,516.77	138,903,052.31

49 Administrative Expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	410,674,292.57	418,204,175.92
Depreciation cost	64,424,344.28	43,027,324.67
Amortization of intangible assets	30,443,111.80	36,133,463.83
Information system service fee	23,212,938.00	10,809,383.60
Others	70,272,239.70	97,792,391.36
Total	599,026,926.35	605,966,739.38

50. Sales Expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	296,702,308.39	250,320,067.23
Packing cost	96,476,075.68	52,202,077.34
Travel expense	40,324,579.95	29,863,895.30
Rental fee	38,299,418.87	31,314,967.40
Storage fee	34,897,572.61	34,918,642.20
Others	67,570,455.80	73,422,786.64
Total	574,270,411.30	472,042,436.11

51. R&D Expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	637,458,890.99	599,512,737.98
Depreciation and amortization	142,338,767.68	120,745,264.01
Material expenses	50,549,967.15	66,118,813.01
Others	100,952,087.13	98,520,880.04
Total	931,299,712.95	884,897,695.04

52 Financial Expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Interest income	-236,100,916.21	-255,428,034.69
Exchange gain or loss	99,936,740.41	55,468,039.40
Others	-29,242,633.82	-52,889,228.30
Total	-165,406,809.62	-252,849,223.59

53. Other Income

Unit: CNY

Sources of other income	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Government subsidies	310,602,471.01	311,937,333.71
Additional Input VAT Credit	85,233,196.13	210,671,420.57
Commission for withholding individual income tax	1,565,833.69	2,026,313.12
Others	219,834.01	
Total	397,621,334.84	524,635,067.40

54. 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	4,716,865.18	18,178,157.63
Investment income from held-for-trading financial assets during the holding period	20,561,511.39	
Others	-34,425,408.62	-48,294,017.40
Total	-9,147,032.05	-30,115,859.77

55. Credit Impairment Loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bad debt losses of notes receivable	662,386.03	7,417.20
Bad debt losses of accounts	-35,886,475.30	-19,625,895.12

receivable		
Bad debt losses of other receivables	1,900,044.65	-2,372,431.37
Bad debt losses of long-term receivables	-15,554,114.71	-8,664,796.70
Total	-48,878,159.33	-30,655,705.99

56. 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	-101,375,760.47	-151,749,513.50
II. Loss from contractual asset impairment	31,521.58	141,287.43
Total	-101,344,238.89	-151,608,226.07

57. 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 disposal of fixed assets	-5,427,510.07	99,547,161.36
Gains or losses from disposal of intangible assets	-81,858.04	55,078,800.72
Others	-3,475.68	-11,273.34
Total	-5,512,843.79	154,614,688.74

58. 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
Gains from damage and retirement of non-current assets	87,391.68	169,347.64	87,391.68
Write-off of debts	1,436,052.46	2,799,051.01	1,436,052.46
Income from compensation, liquidated damages and fines	12,017,915.83	9,348,535.01	12,017,915.83
Others	-3,171,733.74	-992,780.31	-3,171,733.74
Total	10,369,626.23	11,324,153.35	10,369,626.23

59. 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	100,000.00	50,000.00	100,000.00
Losses from damage and retirement of non-current assets	49,896.77	731,252.92	49,896.77

Compensation, liquidated damages	3,567,029.07	246,305.40	3,567,029.07
Others	8,889.98	634,979.05	8,889.98
Total	3,725,815.82	1,662,537.37	3,725,815.82

60. 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	-99,636,305.10	37,702,597.83
Deferred income tax expense		-212,856,638.81
Total	-99,636,305.10	-175,154,040.98

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

Unit: CNY

Item	Amount Incurred in Current Period
Total profits	236,174,678.72
Income tax expense calculated at statutory/applicable tax rate	59,043,669.68
Effect of different tax rates applied to subsidiaries	-59,220,898.31
Effects of deductible temporary differences or deductible losses of deferred income tax assets unrecognized in the current period	1,219,904.63
Profit or loss of joint ventures and associated enterprises calculated by equity method	-1,183,040.77
Tax effect of additional deduction for research and development expenses	-96,915,571.56
Effect of using deductible losses and deductible temporary differences for which deferred tax assets were not recognized in previous periods	-2,580,368.77
Income tax expenses	-99,636,305.10

61. Other Comprehensive Income

Refer to Note 43 to VII “Notes to Consolidated Financial Statements” in Section VIII “Financial Report”.

62. Notes to the 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
Government subsidies received	113,554,223.11	247,352,138.68
Bank interest	598,021,461.70	299,977,105.90
Other current accounts	519,891,692.52	181,860,797.00
Total	1,231,467,377.33	729,190,041.58

Other cash paid related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous
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		Period
Out-of-pocket expenses	150,570,061.90	596,122,774.88
Current account	726,076,301.53	555,829,293.70
Donations	100,000.00	50,000.00
Total	876,746,363.43	1,152,002,068.58

(2) Cash related to investing activities

Cash received from other investment activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Inflows from maturity of time deposits	400,000,000.00	
Total	400,000,000.00	

Cash received from significant investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Withdrawal of structured deposits	19,281,000,000.00	22,200,000,000.00
Total	19,281,000,000.00	22,200,000,000.00

Other cash paid related to investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Fixed deposits	300,000,000.00	
Total	300,000,000.00	

Cash paid for important investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Cash paid for establishment of joint venture Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	12,250,000.00	
Purchase of structured deposits	19,281,000,000.00	22,200,000,000.00
Total	19,293,250,000.00	22,200,000,000.00

(3) 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
Principal and interest of lease liabilities	806,322.16	1,227,805.50
Total	806,322.16	1,227,805.50

Changes in liabilities arising from financing activities

☐Applicable ☒Not applicable

63. 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	335,810,983.82	40,867,494.56
Add: impairment provision of assets	150,222,398.22	182,263,932.06
Depreciation of fixed assets, depletion of oil and gas assets and productive biological assets	797,365,324.47	812,466,551.98
Depreciation of right-of-use asset	583,258.67	2,018,679.42
Amortization of intangible assets	69,206,420.47	50,497,998.86
Amortization of long-term deferred expenses		
Losses/gains on disposal of fixed assets, intangible assets and other long-term assets (gains expressed as "-")	5,512,843.79	-154,614,688.74
Loss from retirement of fixed assets (incomes to be listed with "-")	49,896.77	731,252.92
Loss from changes in fair value (incomes to be listed with "-")		
Financial expenses (incomes to be listed with "-")	340,061,805.70	-176,988,531.24
Investment losses (incomes to be listed with "-")	9,147,032.05	30,115,859.77
Decrease of deferred income tax assets (increase to be listed with "-")	-122,204,889.85	-219,435,316.21
Increases of deferred income tax liabilities (decrease to be listed with "-")	-735.43	6,617,429.24
Decrease in inventories (increase to be listed with "-")	-3,410,683,894.01	-2,152,169,519.08
Decrease in operating receivables (increase to be listed with "-")	-1,220,484,655.99	-2,363,012,740.41
Increase in operating items payable (decrease to be listed with "-")	9,616,827,743.99	11,613,064,643.88
Others	-93,840,465.49	-37,134,026.30
Net cash flows from operating activities	6,477,573,067.18	7,635,289,020.71
2. Major investment and financing activities not related to 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:		
Closing balance of cash	25,973,732,268.01	26,622,889,891.23
Less: opening balance of cash	19,663,237,066.02	19,391,201,104.68
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	6,310,495,201.99	7,231,688,786.55

(2) Composition of cash and cash equivalents

Unit: CNY

Item	Closing Balance	Opening Balance
I. Cash	25,973,732,268.01	19,663,237,066.02
Including: cash on hand	1,605,480.61	1,828,617.96
Bank deposits readily available for payment	25,972,126,787.40	19,661,407,007.16
Other monetary funds available for payment on demand		1,440.90
II. Closing balance of cash and cash equivalents	25,973,732,268.01	19,663,237,066.02

64. Foreign Currency Monetary Items**(1) Foreign currency monetary items**

Unit: CNY

Item	Foreign Currency Balance at the End of the Period	Exchange Rate	Closing Balance Converted into CNY
Monetary capital			1,320,272,389.23
Including: USD	51,354,339.20	6.7814	348,254,750.76
EUR	10,805,314.77	7.7671	83,925,960.35
HKD			
Rand	1,851,509,311.00	0.4173	772,588,905.07
Shilling	33,111,970,743.38	0.0026	86,038,081.37
Japanese Yen	78,051,576.00	0.0420	3,281,678.51
Rial	14,462,556.99	1.8104	26,183,013.17
Accounts receivable			2,265,226,003.57
Including: USD	288,718,977.35	6.8081	1,965,615,257.64
EUR			
HKD			
Shilling	15,733,398,518.91	0.0026	40,881,632.58
EUR	4,597,904.00	7.7671	35,712,380.16
Rand	534,459,601.10	0.4173	223,016,733.19
Long-term loans			
Including: USD			
EUR			
HKD			
Other receivables			48,331,784.17
Including: USD	7,036,297.52	6.8109	47,923,518.78
Shilling	38,272,145.67	0.0026	99,446.27
EUR	39,759.90	7.7671	308,819.12
Prepayments			8,171,343.40
Including: USD	200,827.67	6.8109	1,367,817.18
Shilling	2,079,347,558.70	0.0026	5,402,972.71
Rand	636,606.78	0.4173	265,640.22

Rial	626,891.96	1.8104	1,134,913.29
Accounts payable			874,357,433.25
Including: USD	114,901,802.16	7.1150	817,525,137.80
Shilling	31,414,666.33	0.0026	81,627.81
Rand	40,683,033.76	0.4173	16,977,029.99
EUR	83,500.00	7.7671	648,552.85
Rial	21,612,486.77	1.8103	39,125,084.80
Other payables			70,507,970.99
Including: USD	8,385.72	6.8109	57,114.30
Rand	167,683,799.62	0.4173	69,974,449.58
EUR	59,175.81	7.7671	459,624.43
Japanese Yen	399,160.00	0.0420	16,782.68
Contract liabilities			684,859,818.99
Including: Shilling	7,504,997,795.52	0.0026	19,500,971.90
EUR	6,687,449.03	7.9470	53,145,039.59
Rial	303,250.00	1.8104	548,998.04
USD	88,121,484.22	6.9412	611,664,809.46

(2) The nature of the lack of exchangeability of a currency and its financial impact, the spot exchange rate adopted and its estimation process, and the risks faced by the Company due to the lack of exchangeability of the currency

☐Applicable ☒Not applicable

(3) 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

(4) The lack of exchangeability between the functional currency of a foreign operation and the presentation currency of the Company

☐Applicable ☒Not applicable

65. 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

Unit: CNY

Item	Amount incurred from January to June 2026
Interest expense on lease liabilities	2,064,174.35
Short-term lease expenses under simplified treatment included in the cost of related assets or current profit or loss	13,594,148.22
Total cash outflow related to leases	806,322.16

Circumstances involving sale and leaseback transactions

(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
Operating lease income	13,780,619.35	
Total	13,780,619.35	

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

(3) Gains and losses recognized from sales of finance lease as a manufacturer or distributor

☐Applicable ☒Not applicable

VIII. R&D Expenditures

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Including: Expensed R&D expenditure	931,299,712.95	884,897,695.04
Capitalized R&D expenditure	67,706,002.22	116,913,852.20

1. R&D Projects Eligible for Capitalization

Unit: CNY

Item	Opening Balance	Increase in the Current Period		Decrease in the Current Period		Closing Balance
		Internal Development Expenditures	Others	Recognized as Intangible Assets	Transferred to Current Profits and Losses	
A2205	49,477,941.90	5,978,250.98				55,456,192.88
A2207	64,515,629.58	7,751,673.06				72,267,302.64
A2208	55,036,742.99	7,245,733.65				62,282,476.64
A2305	70,760,960.41	11,152,577.95		80,754,982.54		1,158,555.82
A2307	67,539,811.96	1,161,132.57				68,700,944.53
A2308	71,223,024.43	7,924,220.36				79,147,244.79
L126	49,796,992.67					49,796,992.67
L2405	22,390,692.74	10,219,667.28				32,610,360.02
T2208	51,168,342.19	3,624,925.59		54,171,020.27		622,247.51
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		
Z2407	31,129,373.52	896,536.27		31,651,686.58		374,223.21
Z2408		115,503.13		115,503.13		
Z2409	12,415,548.79	157,949.49		12,548,050.27		25,448.01
Z2431		464,306.26				464,306.26
Z2442	63,045,868.04	6,847,966.44				69,893,834.48
Z2443	15,656,761.59	3,367,583.24				19,024,344.83
Z2444		797,981.75		797,981.75		

Total	641,106,331.24	67,706,002.22		196,987,859.17		511,824,474.29
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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
A2205	Product validation	Friday, October 1, 2027	Production and sales	Friday, December 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2207	Product validation	Friday, October 1, 2027	Production and sales	Sunday, January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2208	Product validation	Friday, October 1, 2027	Production and sales	Sunday, January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2305	SOP	Tuesday, December 1, 2026	Production and sales	Wednesday, March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2307	Product validation	Friday, January 1, 2027	Production and sales	Wednesday, March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2308	Product validation	Friday, January 1, 2027	Production and sales	Wednesday, March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
T2208	SOP	Thursday, October 1, 2026	Production and sales	Sunday, January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
Z2407	SOP	Wednesday, July 1, 2026	Production and sales	Thursday, February 1, 2024	Being adopted by consideration and decision-making at the project review meeting
Z2442	Development phase	Tuesday, June 1, 2027	Production and sales	Saturday, June 1, 2024	Being adopted by consideration and decision-making at the project review meeting
T2209	SOP	Wednesday, July 1, 2026	Production and sales	Sunday, January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
L126	Product validation	Sunday, August 30, 2026	Production and sales	Sunday, April 7, 2024	Being adopted by consideration and decision-making at the project review meeting

IX. Changes in Consolidation Scope

1. Changes in Consolidation Scope for Other Reasons

Explanation of other changes in the scope of consolidation (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related information:

On March 11, 2026, the Company invested in the establishment of Jiefang Uzbekistan Co., Ltd.

On April 22, 2026, the Company invested in the establishment of Jiefang Indonesia Co., Ltd. and Jiefang Vietnam Co., Ltd.

X. 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

For other subsidiaries, please refer to Section VIII Financial Report, III. Basic Information of the Company.

2. Equities in Joint Ventures or Associated Enterprises**(1) 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.	212,525,020.51	12,905,169.61	225,430,190.12
SmartLink	40,848,272.30	-3,832,762.74	37,015,509.56
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.		1,387,840.30	1,387,840.30

XI. 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

Unit: CNY

Account Item	Opening Balance	New Government Grants Received during the Period	Amount Recognized in Non-Operating Income in the Current Period	Amount Transferred to Other Income in the Current Period	Other Changes	Closing Balance	Related to Assets / Related to Income
Deferred income	2,846,844,806.70	87,787,809.00		178,919,888.48		2,755,712,727.22	

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	310,602,471.01	311,937,333.71

XII. Risks Related to Financial Instruments

1. Various Risks Arising from Financial Instruments

The Company is exposed to various financial risks in the course of its operations: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). These financial risks and the risk management policies adopted by the Company to mitigate these risks are described below:

(1) Credit risk

Credit risk is the risk of financial loss to the Company arising from the failure of a counterparty to meet its contractual obligations.

The Company's credit risk primarily arises from cash and cash equivalents, accounts receivable, other receivables, non-current assets due within one year, 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 Company's cash and cash equivalents are primarily bank deposits placed with state-owned banks and other large and medium-sized listed banks with sound reputations and high credit ratings. The Company considers that there is no significant credit risk and that material losses due to bank defaults are highly unlikely.

In addition, for notes receivable, accounts receivable, financing receivables, contract assets and other receivables, the Company has established policies to control credit risk exposure. The Company assesses the creditworthiness of customers and sets appropriate credit periods based on their financial condition, the availability of third-party guarantees, credit history and other factors such as current market conditions. 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.

(2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations that are settled by delivering cash or other financial assets.

The Company's policy is to ensure that it has sufficient cash to repay debts as they fall due. Liquidity risk is managed centrally by the Company's finance department. The finance department ensures that the Company maintains sufficient funds to meet its obligations under all reasonably foreseeable circumstances by monitoring cash balances, readily marketable securities and rolling 12-month cash flow forecasts. The Company also continuously monitors compliance with borrowing agreement covenants and maintains commitments from major financial institutions to provide sufficient standby funding to meet short-term and long-term liquidity requirements.

The sources of the Company's working capital include funds generated from operating activities, bank loans and other loans. As of June 30, 2026, the Company had unused bank credit facilities of CNY 35.209 billion.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

① Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fixed-rate and floating-rate interest-bearing financial instruments expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the appropriate mix of fixed-rate and floating-rate instruments based on market conditions and maintains this mix through regular review.

② Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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, 2026, 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.

③ Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from exchange rate risk or interest rate risk.

The Company's exposure to other price risk arises primarily from investments in equity instruments.

XIII. 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	--	--	--	--
Equity instruments	67,726,054.80			67,726,054.80
Accounts receivable financing		4,360,450,827.39		4,360,450,827.39
Derivative financial assets		1,977,854.70		1,977,854.70
Total assets are measured at fair value on an ongoing basis	67,726,054.80	4,362,428,682.09		4,430,154,736.89
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

The Company's other equity instrument investments measured at Level 1 fair value comprise listed equity securities, with fair value determined based on quoted market prices.

3. Valuation Techniques and Qualitative and Quantitative Information about Key Parameters of Items Subject to Continuous and Non-Continuous Level II Fair Value Measurement

The receivables financing held by the Company consists of notes receivable that it intends to hold until maturity or endorse. Given their short remaining terms, their carrying amounts approximate their fair values.

The derivative financial assets held by the Company consist of forward foreign exchange contracts measured at fair value. In accordance with the principle of prudence, the Company takes the quotations of the transacting banks as valuation inputs and recognizes changes in the fair value of the forward foreign exchange contracts based on the difference between the exchange rates quoted by the banks at the balance sheet date and the contracted rates. During the life of the contracts, the counterparty credit risk did not change significantly, which had no material impact on the assessment of the hedge effectiveness of the derivatives designated in hedging relationships or on other financial instruments measured at fair value.

4. Valuation Techniques and Qualitative and Quantitative Information on Key Parameters for Items Measured at Level 3 Fair Value on a Recurring and Non-Recurring Basis

Any input value (non-observable input value) not based on observable market data is used for assets or liabilities.

XIV. Related Parties and Related Party 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 billion	62.19%	62.19%

Description of the Company's Parent Company

The ultimate controlling party of the Company is China FAW Group Co., Ltd.

Other notes: N/A

2. Subsidiaries of the Company

For details of subsidiaries of the Company, please refer to Article 1 in X "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 Article 2 in X "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
Changchun Automotive Test Center Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party
Sanguard Automobile Insurance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
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
SmartLink	Associated enterprise of the Company
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Associated enterprise of the Company
Jiefang Times New Energy Technology Co., Ltd.	Joint venture of the Company
Foshan Diyiyuansu New Energy Technology Co., Ltd.	Associated enterprise of the Company

4. Information on Other Related Parties

Names Of Other Related Parties	Relationship between Other Related Parties and the Company
FAW Bestune Auto Co., Ltd.	The same ultimate controlling party
FAW Harbin Light-Automobile Co., Ltd.	The same ultimate controlling party
FAW Foundry Co., Ltd.	The same ultimate controlling party
FAW Forging (Jilin) Co., Ltd.	The same ultimate controlling party
FAW Mold Technology (Changchun) Co., Ltd.	The same ultimate controlling party
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party
Faw (Dalian) Trade and Logistics Co., Ltd.	The same ultimate controlling party
FAW (Eastern Europe) Co., Ltd.	The same ultimate controlling party
FAW Qixin Power (Changchun) Technology Co., Ltd.	The same ultimate controlling party
Qiming Information Technology Co., Ltd.	The same ultimate controlling party
FAW Asset Management Co., Ltd.	The same ultimate controlling party
Changchun FAW International Tendering Co., Ltd.	The same ultimate controlling party
FAW Chuxing Technology Co., Ltd.	The same ultimate controlling party
FAW Zhixing Technology (Nanjing) Co., Ltd.	The same ultimate controlling party
FAW Fuhua Ecological Co., Ltd.	The same ultimate controlling party
FAW Changchun Automobile Trading Service Co., Ltd.	The same ultimate controlling party
FAW Automotive Culture (Changchun) Co., Ltd.	The same ultimate controlling party
FAW Southern (Shenzhen) Technology Development Co., Ltd.	The same ultimate controlling party
Cinda FAW Commercial Factoring Co., Ltd.	Other related parties
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Other related parties
Changchun FAW United Casting Co., Ltd.	Other related parties
Changchun Yidong Clutch Co., Ltd.	Other related parties
Fawer Auto Parts Co., Ltd.	Other related parties
China Unicom Smart Connection Technology Limited	Other related parties
FAW-FINDREAMS New Energy Technology Co., Ltd.	Other related parties
Changchun FAWSN Group Co., Ltd.	Other related parties
China Unicom FAW Communication Technology (Changchun) Co., Ltd.	Other related parties
United Fuel Cell System Research and Development (Beijing) Co., Ltd.	Other related parties
Changchun FAWAY Group Automobile Components Co., Ltd.	Other related parties
Jilin Auto City Garden Hotel Co., Ltd.	Other related parties
FAW Jingye Engine Co., Ltd.	Other related parties
Dalian Qingfeng Bus Co., Ltd.	Other related parties
Wuxi CRRC New Energy Automobile Co., Ltd.	Other related parties
FAW Changchun Comprehensive Utilization Co., Ltd.	Other related parties
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Other related parties
Changchun Sodexo Management Service Co., Ltd.	Other related parties
Shandong Pengxiang Automobile Co., Ltd.	Other related parties

Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd. (Consolidated)	Other related parties
Grammer Vehicle Parts (Harbin) Co., Ltd.	Other related parties
China Logistics Group Automotive Supply Chain Technology Co., Ltd.	Other related parties
FAW-HONGTA Yunnan Automobile Co., Ltd.	Other related parties

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 party	Purchases of goods, receipt of services, and energy	743,653,342.52	2,317,970,000.00	No	1,007,086,334.07
Other related parties	Goods purchase and reception of labor services	2,884,438,196.89	7,725,260,000.00	No	2,077,962,733.85

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	187,831,373.53	371,845,968.65
Other related parties	Sales of goods	2,797,042,742.52	1,690,043,424.43

Description of related-party transactions involving the purchase and sale of goods and the provision and receipt of 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
Changchun Automotive Test Center Co., Ltd.	Houses, Buildings and Land	6,279,778.09	
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Houses and Buildings	1,056,155.96	1,056,155.96
FAW	Houses and Buildings	774,875.72	774,875.72
Shandong Pengxiang Automobile Co., Ltd.	Houses and Buildings	377,350.46	386,020.18
Fawer Auto Parts Co., Ltd.	Houses and Buildings	197,702.76	197,702.76
China Unicom FAW Communication Technology (Changchun) Co., Ltd.	Houses, Buildings and Land	99,082.56	149,552.08

(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	2,120,100.00	3,224,900.00

(4) Other related transactions

Unit: CNY

① Interest income and interest expense

Related Parties	Transaction Content	Amount in the current period	Amount of the Previous Period
First Automobile Finance Co., Ltd.	Interest income	90,732,345.63	38,106,466.96

② Equity investment

Related Parties	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	12,250,000.00	

6. Receivables and Payables of Related Parties**(1) Receivables**

Unit: CNY

Project Name	Related Parties	Closing Balance		Opening Balance	
		Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts
Accounts receivable	The same ultimate controlling party	2,429,301,979.31	12,234,930.73	2,373,485,964.09	10,640,539.79
Accounts receivable	Other related parties	1,699,400,534.15	12,859,815.11	73,376,239.20	54,981,324.40
Other receivables	The same ultimate controlling party	495,475.85	503.06	24,813,270.79	810,080.79
Other receivables	Other related parties	287,114.48	199,328.70	859,943.04	202,749.07
Prepayments	The same ultimate controlling party	221,811,705.79		10,563,447.28	
Prepayments	Other related parties	56,246.72		2,017,504.50	

(2) Payables

Unit: CNY

Project Name	Related Parties	Closing Book Balance	Opening Book Balance
Accounts payable	The same ultimate controlling party	422,732,470.71	480,267,877.30
Accounts payable	Other related parties	988,511,645.93	1,450,076,897.20
Other payables	The same ultimate controlling party	86,341,540.20	44,553,599.58
Other payables	Other related parties	59,920,271.24	38,007,119.73
Contract liabilities	The same ultimate controlling party	5,762,033.07	9,379,944.33
Contract liabilities	Other related parties	114,590,919.07	136,806,117.69
Accounts received in advance	The same ultimate controlling party	387,437.84	149,838.00
Accounts received in advance	Other related parties	328,055.87	331,574.66
Lease liabilities	The same ultimate controlling party	3,895,408.85	
Lease liabilities	Other related parties	530,973.45	

XV. Commitments and Contingencies

1. Important Commitments

As of June 30, 2026, the Company has no commitments that should be disclosed.

2. Contingencies

(1) Significant contingencies existing as of the balance sheet date

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	Closing Balance	Opening Balance
Other receivables	6,180,014,041.31	6,460,014,041.31
Total	6,180,014,041.31	6,460,014,041.31

(1) Other receivables

1) Classification of other receivables by nature

Unit: CNY

Nature	Closing Book Balance	Opening Book Balance
Current account	6,180,473,047.57	6,460,473,047.57
Total	6,180,473,047.57	6,460,473,047.57

2) Disclosure by aging

Unit: CNY

Aging	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	6,180,014,041.31	6,460,014,041.31
Over 3 years	459,006.26	459,006.26
4-5 years	459,006.26	459,006.26
Total	6,180,473,047.57	6,460,473,047.57

3) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Closing 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	6,180,473,047.57	100.00%	459,006.26	0.01%	6,180,014,041.31	6,460,473,047.57	100.00%	459,006.26	0.01%	6,460,014,041.31
Including:										
Aging portfolio	6,180,473,047.57	100.00%	459,006.26	0.01%	6,180,014,041.31	6,460,473,047.57	100.00%	459,006.26	0.01%	6,460,014,041.31
Total	6,180,473,047.57	100.00%	459,006.26	0.01%	6,180,014,041.31	6,460,473,047.57	100.00%	459,006.26	0.01%	6,460,014,041.31

Name of category for which bad debt provision is accrued on a portfolio basis: aging portfolio

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Provision for bad debts made by portfolio	6,180,473,047.57	459,006.26	0.01%
Total	6,180,473,047.57	459,006.26	

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)	

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Balance as of January 01, 2026		459,006.26		459,006.26
Balance on January 1, 2026 in the current period				
Balance as of June 30, 2026		459,006.26		459,006.26

Basis for stage division and proportion of bad debt provision

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	Closing Balance	Aging	Proportion in Total Ending Balance of Other Receivables	Closing Balance of Provision for Bad Debts
FAW Jiefang Automotive Co., Ltd.	Current account	6,180,014,041.31	Within 1 year	99.99%	
Customer 1	Current account	459,006.26	4-5 years	0.01%	459,006.26
Total		6,180,473,047.57		100.00%	459,006.26

2. Long-Term Equity Investments

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Investment in subsidiaries	21,644,810,397.09		21,644,810,397.09	21,612,940,897.09		21,612,940,897.09
Investment in associated enterprises and joint ventures	191,124,991.43		191,124,991.43	191,533,503.96		191,533,503.96
Total	21,835,935,388.52		21,835,935,388.52	21,804,474,401.05		21,804,474,401.05

(1) Investment in subsidiaries

Unit: CNY

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Investee	Opening Balance (Book Value)	Opening Balance of Impairment Provision	Increase/Decrease in the Current Period				Closing Balance (Book Value)	Closing Balance of Impairment Provision
			Additional Investment	Reduced Investment	Impairment Provision	Others		
FAW Jiefang Automotive Co., Ltd.	20,953,356,596.39						20,953,356,596.39	
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	
Jiefang Best Co., Ltd.	1,925,727.36						1,925,727.36	
FAW Jiefang Lvdong Recycling Technology (Wuxi) Co., Ltd.	38,566,440.12						38,566,440.12	
FAW Jiefang Uni-D Transportation Technology (Tianjin) Co., Ltd.	90,000,000.00						90,000,000.00	
Jiefang Saudi Arabia Co., Ltd.			31,869,500.00				31,869,500.00	
Total	21,612,940,897.09		31,869,500.00				21,644,810,397.09	

(2) Investment in associated enterprises and joint ventures

Unit: CNY

Investee	Opening Balance (Book Value)	Openi ng Balan ce of Impai rment Provi sion	Increase/Decrease in the Current Period								Closi ng Balan ce of Impai rment Provi sion
			Ad dit ion al In ve st me nt	Re du ce d In ve st me nt	Investment Gains or Losses Recognized under the Equity Method	Adjustment to Other Comprehensive Income	Cha nge s in Oth er Equ ity	Cash Dividen ds and Profits Are Declare d to Be Paid	Impa irme nt Provi sion	Ot her s	

I. Joint ventures												
II. Associated enterprises												
Sanguard Automobile Insurance Co., Ltd.	191,533,503.96				4,755,109.96	-5,163,622.49					191,124,991.43	
Subtotal	191,533,503.96				4,755,109.96	-5,163,622.49					191,124,991.43	
Total	191,533,503.96				4,755,109.96	-5,163,622.49					191,124,991.43	

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	13,630,000.00	
Income from long-term equity investments accounted for using the equity method	4,755,109.96	2,203,459.15
Total	18,385,109.96	2,203,459.15

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	-5,512,843.79	It refers to the net loss 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)	310,602,471.01	
Gains and losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains and losses from disposal of financial assets and financial liabilities, other than those arising from effective hedging activities related to the Company's normal business operations.	20,561,511.39	This refers to the investment income arising from the disposal of held-for-trading financial assets.
Non-operating income and expenses other than the above	6,643,810.41	The net non-operating income and expenses.
Less: amount affected by income tax	58,996,064.81	
Amount affected by minority shareholder's equity (after-tax)	-422.30	
Total	273,299,306.51	--

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	1.15%	0.0623	0.0623
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit and loss	0.12%	0.0067	0.0067

3. Differences in Accounting Data under Domestic and Foreign Accounting Standards**(1) Differences in net profit and net assets between financial reports disclosed simultaneously under International Financial Reporting Standards (IFRS) and Chinese Accounting Standards (CAS)**

☐Applicable ☒Not applicable

(2) Differences in net profit and net assets between financial reports disclosed simultaneously under overseas accounting standards and Chinese Accounting Standards (CAS)

☐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.