

FAW JIEFANG GROUP CO., LTD.

Semi-annual Report 2022



August 31, 2022

Section I Important Notes, Contents and Definitions

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

Hu Hanjie, the person in charge of the Company, Ou Aimin, the person in charge of accounting, and Si Yuzhuo, the person in charge of the accounting organization (chief accountant) declare that they guarantee the authenticity, accuracy and completeness of the financial report in this semi-annual report.

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

Names of Directors not Present in Person	Positions of Directors not Present in Person	Reasons for not Present in Person	Name of the Trustee
Yang Xiao	Director	Work	Li Hongjian
Bi Wenquan	Director	Work	Li Hongjian

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

The Company has described the risks that the Company may face in the future development and the countermeasures in detail in the section of management discussion and analysis, which shall be noted by investors. *China Securities Journal*, *Securities Times* and CNINFO (<http://www.cninfo.com.cn>) are the information disclosure media selected by the Company. All information of the Company is subject to that published in the above selected media. Investors are kindly requested to pay attention to investment risks.

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

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List of Documents for Future Reference

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

(II) Originals of all company documents and announcements publicly disclosed on the website designated by China Securities Regulatory Commission in the reporting period.

Interpretation

Item	Refers to	Definition
The Company, FAW Jiefang	Refers to	FAW JIEFANG GROUP CO., LTD.
Jiefang Limited	Refers to	FAW JIEFANG AUTOMOTIVE CO., LTD.
FAW Car	Refers to	FAW Car Co., Ltd.
Car Limited	Refers to	FAW Bestune Car Co., Ltd.
FAW	Refers to	China FAW Co., Ltd.
Finance company	Refers to	First Automobile Finance Co., Ltd.
Sanguard Insurance	Refers to	Sanguard Automobile Insurance Co., Ltd.
Board of Directors	Refers to	Board of Directors of FAW JIEFANG GROUP CO., LTD.
Shareholders' meeting	Refers to	Shareholders' Meeting of FAW JIEFANG GROUP CO., LTD.
Board of Supervisors	Refers to	Board of Supervisors of FAW JIEFANG GROUP CO., LTD.
SASAC	Refers to	State-owned Assets Supervision and Administration Commission of the State Council
CSRC	Refers to	China Securities Regulatory Commission
China Securities Depository and Clearing Corporation Limited (CSDC)	Refers to	Shenzhen Branch, China Securities Depository and Clearing Corporation Limited
Major asset restructuring	Refers to	After FAW Car transfers all assets and liabilities except the equity and some reserved assets of Finance Company and Sanguard Insurance to Car Limited, 100% equity of Car Limited is used as the sold assets and replaced with the equivalent part of 100% equity of Jiefang Limited held by FAW. The difference is purchased by FAW Car from FAW by issuing shares and paying cash.
Reporting period	Refers to	January 1, 2022-June 30, 2022
CNY, CNY 10,000, CNY 100 million	Refers to	CNY, CNY 10,000, CNY 100 million

Section II Company Profile and Main Financial Indicators

I. Company Profile

Stock abbreviation	FAW Jiefang	Stock code	000800
Stock exchanges on which shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	FAW JIEFANG GROUP CO., LTD.		
Chinese abbreviation of the Company	FAW Jiefang		
English name of the Company	FAW JIEFANG GROUP CO., LTD.		
English abbreviation of the Company	FAW Jiefang		
Legal representative of the Company	Hu Hanjie		

II. Contact Person and Contact Information

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Wang Jianxun	Yang Yuxin
Address	No. 2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province	No. 2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province
Tel.	0431-80918881 0431-80918882	0431-80918881 0431-80918882
Fax	0431-80918883	0431-80918883
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 postal code, website and e-mail address of the Company have changed in the reporting period

Applicable Not applicable

The registered address, office address and postal code, website and e-mail address of the Company have not changed in the reporting period; please refer to the Annual Report 2021 for details.

2. Information disclosure and preparation location

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

Applicable Not applicable

The name of the information disclosure newspaper selected by the Company, the website designated by the China Securities Regulatory Commission for publishing the semi-annual report, and the reparation location of the Company's semi-annual report have not changed in the reporting period, please see the Annual Report 2021 for details.

3. Other relevant information

Whether other relevant information has changed in the reporting period

Applicable Not applicable

IV. Main Accounting Data and Financial Indicators

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

Yes No

	This Reporting Period	Same Period of Last Year	Increase/Decrease in This Reporting Period over the Same Period of Last Year
Operating income (CNY)	22,871,535,261.56	78,600,163,121.16	-70.90%
Net profit attributable to shareholders of the listed company (CNY)	170,153,887.32	3,268,978,566.54	-94.79%
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (CNY)	-106,246,804.18	3,156,099,004.55	-103.37%
Net cash flows from operating activities (CNY)	1,443,137,726.63	15,525,714,363.17	-90.70%
Basic earnings per share (CNY/share)	0.0366	0.7047	-94.81%
Diluted earnings per share (CNY/share)	0.0366	0.7047	-94.81%
Weighted average return on equity	0.65%	12.46%	Decreased by 11.81%
	At the End of this	At the End of Last	Increase/Decrease at

	Reporting Period	Year	the End of this Reporting Period over the End of Last Year
Total assets (CNY)	69,181,380,718.15	69,765,943,932.81	-0.84%
Net assets attributable to shareholders of the listed company (CNY)	23,488,321,388.03	26,242,240,723.26	-10.49%

V. Differences in Accounting Data under Domestic and Foreign Accounting Standards

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

Applicable Not applicable

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

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

Applicable Not applicable

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

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

Applicable Not Applicable

Unit: CNY

Item	Amount	Description
Profits or losses on disposal of non-current assets (including the write-off part of the provision for impairment of assets withdrawn)	42,431.19	It refers to the net gain on disposal of non-current assets.
Government subsidies included in current profits and losses (except for those closely related to normal business operations of the Company, conforming to national policies and regulations, and continuously enjoyed according to certain standard quota or quantity)	227,954,740.41	
Reversal of impairment provision for receivables subject to separate impairment test	12,000,000.00	It mainly refers to the reversal of impairment provision for receivables subject to separate impairment test.
Non-operating income and expenses other than the above	91,843,871.67	They mainly refer to the net non-operating income and expenses
Less: amount affected by income tax	55,440,351.77	
Total	276,400,691.50	

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

Applicable Not applicable

There is no specific condition of other profit and loss items meeting definition of non-recurring profit and loss for the Company.

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

Applicable Not applicable

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

Section III Management Discussion and Analysis

I. Main Businesses of the Company in the Reporting Period

(I) Main business

The Company is a commercial vehicle manufacturer which produces heavy, medium and light trucks, 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 "China's first and world-class" provider of intelligent transportation solutions, focusing on the main production lines, insisting on innovation-driven and reform-driven, and creating leading advantages.

(II) Industry situation

In the first half of 2022, the frequent epidemic situation across the country as well as the influence of international conflicts and geopolitics brought about great uncertainties to the global economic recovery and the stability of commodity prices, supply chains and grain output. The demand is inhibited because the domestic logistics industry is in a serious "surplus" state and due to the impact of high oil and gas prices and the epidemic situation. The sales volume of commercial vehicle industry in the first half of 2022 was 1.702 million, which was reduced by 41.2% year-on-year, and the sales volume of medium and heavy truck industry was 437,000, which was reduced by 62.1% year-on-year. The commercial vehicle industry is highly mature and the competition is fierce. The current sluggish market has intensified the competition among leading enterprises in the industry and further reduced the living space of other enterprises. The concentration of market share in the industry continues to increase, resulting in the situation that the strong will remain strong.

(III) Operation situation

In the first half of 2022, when facing changes and challenges in the internal and external environment, and in addition to taking strict and careful normalized epidemic prevention and control measures, the Company made early deployment, overall planning, targeted policies, and rapid and

active adjustments, and also made unprecedented efforts to face the most severe situation and perform various key tasks steadily and vigorously, therefore, 85,000 medium and heavy trucks were sold, with a terminal market share of 25.6%, and an increase of 1.7 percentage points over 2021, maintaining the leading position in the industry; nearly 10,000 vehicles were sold in overseas markets, with a year-on-year increase of 42%. The main work in the first half of 2022 was as follows:

1. Focusing on the mainstream product line and creating leading advantages. In terms of platform products, the Company continued to create product advantages, and the three major platform product projects were promoted in order. In terms of series products, more than 100 series of new products such as J6V flat-floor tractors, J6L exclusive flat-floor trucks, 2022 new J6P dump trucks and new J6L series mixer trucks were launched; a sales volume of nearly 50,000 and a market share of more than 12% were achieved, with a leading position in the market segment. In terms of new energy products, more than 40 new energy heavy trucks were developed; 7 new medium trucks were developed and water-cooled battery switching was completed; more than 30 new light trucks were developed.

2. Adhering to innovation-driven development and building core advantages. In terms of technological innovation, the first heavy-duty commercial vehicle in-cylinder direct injection hydrogen engine in China was ignited successfully; the high-speed oil-cooled motor project completed the trial production of the first batch of functional prototypes in China and passed the performance test; the E/E architecture of the second-generation commercial vehicle was adapted to all models. In terms of business innovation, the planning of fleet management solutions for three scenarios: urban construction muck, intelligent refrigeration and intelligent mixing, was completed; the investigation of business types such as "second-hand vehicles" and "online freight platform" was completed, and the implementation of business type innovation was accelerated.

3. Adhering to change-driven development and improving the transformation ability. In terms of management reform, the company established the headquarters medium and heavy vehicles production line and released the IPD2.0 process successfully; the IPD reform of Qingdao medium and heavy vehicle product line and light vehicle product line was launched officially; integrated reform was promoted vigorously to realize the concentration of resources and unified planning in the IT field; attentions were paid to key areas such as marketing and Internet of Vehicles, the digital co-creation team plan was designed to provide great support to scenario planning. In terms of personnel

system reform, the construction of three teams was strengthened and more than 800 talents were introduced. Attentions were paid to value creation and incentives and constraints such as sales betting were implemented to effectively stimulate the motivation of all employees.

4. Focusing on winning the following "three battles" to improve the system, capability and implementation: (1) Market leadership: The Company sold 85,000 medium and heavy vehicles by seizing the opportunities of terminal market and focusing on a good sales performance in the first quarter, competition for the Winter Olympics and key markets; sold 15,000 light vehicles by focusing on two products, i.e. refrigeration and LINKTOUR; sold nearly 10,000 vehicles overseas by focusing on key markets, border trade, major customers and light trucks. (2) Profitability improvement: The Company strengthened cost reduction, especially material cost, and canceled and optimized more than 700 projects following the principle of "output reduction and efficiency increase"; carried out value creation in multiple dimensions, with nearly 3,000 proposals submitted by all employees. (3) Digital and intelligent transformation: The Company held the conference on the deployment of digital and intelligent transformation and upgrading to clarify the "1143" work framework, and comprehensively accelerated the transformation in 8 major fields; quickly responded to the digital construction of epidemic prevention and continuously reduced costs and increased efficiency; promoted digital and intelligent transformation and clarified the vision and path of digital and intelligent transformation by focusing the four fields of marketing, R&D, supply chain and operation and improving the digital capability in data, technology platform and network security.

In the second half of the year, the Company will continue to implement the spirit of General Secretary Xi Jinping's important speech during his visit to FAW, perform the "11236" annual key tasks in a stable way, continue to seize opportunities, occupy the terminal market and reduce inventory with an unprecedented will, reduce costs and expenses to the unprecedented extent, reduce risks and strengthen confidence with an unprecedented initiative, do a good job in regular epidemic prevention and control, complete annual operation and party building tasks, and lay a solid foundation for next year and winning the 14th Five-Year Plan.

II. Analysis of Core Competitiveness

The Company adheres to the corporate vision of "being the most proud commercial vehicle

enterprise and the most trustworthy commercial vehicle brand", the mission of "becoming the China's first and world-class provider of intelligent transportation solutions and building a more prosperous society", and the brand concept of "being trustworthy, intelligent and courageous, and benefiting the world"; 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 improves product competitiveness and service level rapidly.

1. Product research and development: Four major fields: heavy, medium, light and passenger vehicles are covered. Heavy trucks include six products: FAW Jiefang J7, J6P, J6V, Yingtu, JH6 and Han V. Medium trucks include three products: FAW Jiefang J6L, JK6 and Long V. Light trucks include three products: LINKTOUR, J6F and Hu V. Passenger vehicles include road vehicles, new energy buses, etc. The Company, which is guided by the idea of "leading technology, pioneering experience, integrated innovation, strengthened application and collaborative efficiency", builds a strong and complete independent research and development system ranging from foresight technology, engine, transmission, axle to complete vehicle; forms an efficient collaborative research and development team of nearly 2,500 people, with five core capabilities: technological innovation, performance development, lean design, trial production and test certification; creates five technical platforms of low carbonization, electrification, intelligence, informatization and high quality. It is one of the commercial vehicle enterprises that master the core technologies of world-class complete vehicles and three powertrains.

2. Marketing and procurement: The Company, which is customer value-oriented, has taken the lead in establishing a fully functional marketing service system. The marketing service network consisting of over 900 dealers, over 1,000 service stations, over 50 spare parts centers and nearly 100 spare parts dealers covers more than 200 prefecture-level cities in China, with a coverage rate of 96% prefecture-level cities with more than 1,000 vehicles, and an average service radius in China of 47.5 km. It provides users with 24-hour efficient and high-quality services, and takes lead in the industry. 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 signed contracts with top enterprises at home and abroad successively, including Huawei, Knorr-Bremse, ZF, Shell, VOSS, China Unicom, JD and PlusAI, to become strategic partners or establish joint ventures with them.

3. In terms of production and manufacturing, the Company has the most complete

manufacturing system in China covering raw materials and core components, key large assemblies and complete vehicles, and its processing and manufacturing level ranks first in the industry. The Company has five vehicle bases in Changchun, Qingdao, Chengdu/Guanghan, Liuzhou and Foshan, three assembly bases in Changchun, Wuxi and Dalian, and three new business bases in Suzhou, Nanjing and Tianjin.

4. Product export: The Company's products are exported to 80 countries and regions such as Southeast Asia, the Middle East, Latin America, Africa and Eastern Europe. It has more than 70 primary distributors and nearly 300 distributors in almost 40 countries and regions around the world. The export products include models such as J6, JH6 and Hu V.

III. Analysis of Main Business

General

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

Year-on-year Changes of Main Financial Data

Unit: CNY

	This Reporting Period	Same Period of Last Year	Year-on-year Increase and Decrease	Reason for Change
Operating income	22,871,535,261.56	78,600,163,121.16	-70.90%	The income is reduced mainly due to the decrease in sales volume in the current period.
Operating cost	21,115,050,469.61	71,861,081,519.02	-70.62%	The cost is reduced mainly due to the decrease in sales volume in the current period.
Selling expense	566,490,728.82	1,315,060,101.99	-56.92%	The expense is reduced mainly due to the decrease in sales volume in the current period.
Management cost	887,020,116.52	1,103,407,146.33	-19.61%	
Financial expense	-571,153,971.08	-519,020,299.28	-10.04%	

Income tax expense	-171,674.50	452,443,037.35	-100.04%	It is reduced mainly due to the decrease in profit in the current period.
R&D investment	1,016,316,222.64	1,239,379,205.08	-18.00%	
Net cash flows from operating activities	1,443,137,726.63	15,525,714,363.17	-90.70%	This is mainly due to the decrease in cash received from sales of goods and rendering of services in the current period.
Net cash flows from investing activities	-674,634,455.38	-697,102,414.01	3.22%	
Net cash flows from financing activities	-3,041,097,420.19	309,046,933.78	-1,084.02%	It mainly refers to the cash dividends paid in the current period.
Net increase in cash and cash equivalents	-2,272,594,148.94	15,137,658,882.94	-115.01%	It mainly refers to the cash dividends paid in the current period.
Taxes and surcharges	106,500,261.51	293,944,056.24	-63.77%	The tax is reduced mainly due to the decrease in sales volume in the current period.
Other incomes	230,047,050.32	123,839,818.59	85.76%	The income is increased mainly due to the increase in amortization of government subsidies in the current period.
Investment income	203,908,916.41	387,219,719.37	-47.34%	This is mainly due to the decrease in investment income recognized in the current period.
Credit impairment loss	-21,826,743.35	6,757,848.51	-422.98%	This is mainly due to the increase in the provision for impairment of receivables in the current period.
Income from assets disposal	42,431.19	-183,677.14	123.10%	This is mainly due to the increase in income from disposal of fixed assets in the current period.
Non-operating	104,058,106.26	30,755,399.12	238.34%	This is mainly due to the

income				increase in non-operating income in the current period.
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Major changes in the Company's profit composition or profit sources in the reporting period: There is no major change in the Company's profit composition or profit sources in 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	22,871,535,261.56	100%	78,600,163,121.16	100%	-70.90%
By Industries					
Automobile manufacturing industry	22,871,535,261.56	100.00%	78,600,163,121.16	100.00%	-70.90%
By Products					
Commercial vehicle	20,573,298,027.59	89.95%	74,407,776,667.41	94.67%	-72.35%
Spare parts and others	2,298,237,233.97	10.05%	4,192,386,453.75	5.33%	-45.18%
By Areas					
Northeast China, North China, Southwest China and Northwest China	11,576,136,202.31	50.61%	39,417,498,884.11	50.15%	-70.63%
East China, South China and South Central China	11,295,399,059.25	49.39%	39,182,664,237.05	49.85%	-71.17%

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

Applicable Not Applicable

Unit: CNY

	Operating income	Operating cost	Gross Profit Rate	Increase/Decrease of Operating	Increase/Decrease of Operating	Increase/Decrease of Gross Profit

				Income over the Same Period of Last Year	Cost over the Same Period of Last Year	Rate over the Same Period of Last Year
By Industries						
Automobile manufacturing industry	21,805,259,709.38	20,220,312,403.72	7.27%	-71.68%	-71.37%	Reduced by 0.98%
By products						
Commercial vehicle	20,573,298,027.59	19,087,210,663.60	7.22%	-72.35%	-72.17%	Reduced by 0.60%
Spare parts and others	1,231,961,681.79	1,133,101,740.12	8.02%	-52.24%	-44.55%	Reduced by 12.76%
By areas						
Northeast China, North China, Southwest China and Northwest China	11,036,454,415.32	10,286,125,703.14	6.80%	-71.41%	-71.11%	Reduced by 0.98%
East China, South China and South Central China	10,768,805,294.06	9,934,186,700.58	7.75%	-71.94%	-71.64%	Reduced by 0.97%

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

Applicable Not applicable

IV. Analysis of Non-main Business

Applicable Not applicable

V. Analysis of Assets and Liabilities

1. Major changes in asset composition

Unit: CNY

	At the End of this Reporting Period		End of Last Year		Increase/Decrease in Proportion	Description of Major Changes
	Amount	Proportion in Total Assets	Amount	Proportion in Total Assets		
Monetary capital	28,545,747,104.70	41.26%	30,761,262,721.40	44.09%	-2.83%	
Accounts receivable	2,033,585,686.23	2.94%	1,279,693,951.70	1.83%	1.11%	
Contractual assets	61,968,023.59	0.09%	53,047,687.72	0.08%	0.01%	
Inventory	9,035,457,594.09	13.06%	9,268,120,531.25	13.28%	-0.22%	
Investment real estate	159,534,670.00	0.23%	80,202,825.09	0.11%	0.12%	
Long-term equity investment	5,023,596,387.36	7.26%	4,766,734,671.74	6.83%	0.43%	
Fixed assets	9,005,998,503.41	13.02%	9,236,789,322.03	13.24%	-0.22%	
Project under construction	966,294,107.55	1.40%	965,997,208.23	1.38%	0.02%	
Right-of-use assets	121,039,384.71	0.17%	143,766,265.44	0.21%	-0.04%	
Contract liabilities	1,898,901,256.47	2.74%	2,700,642,475.91	3.87%	-1.13%	
Lease liabilities	95,066,903.44	0.14%	88,307,218.05	0.13%	0.01%	

2. Main overseas assets

Applicable Not applicable

3. Assets and liabilities measured at fair value

Applicable Not applicable

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

For details, please refer to Note 60 "Assets with restricted ownership or use right" in part VII "Notes to Items in Consolidated Financial Statements" of Section X - Financial Report.

VI. Investment Analysis

1. Overall

Applicable Not applicable

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) Investment in derivatives

Applicable Not applicable

The Company has no derivative investment in the reporting period.

5. Use of raised funds

Applicable Not applicable

The Company does not use raised funds in the reporting period.

VII. Sale of Major Assets and Equity

1. Sale of major assets

Applicable Not applicable

The Company does not sell major assets in 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% Net Profit of the Company

Unit: CNY

Company Name	Company Type	Main Business	Registered Capital	Total Assets	Net Assets	Operating income	Operating Profit	Net Profit
FAW JIEFANG AUTOMOTIVE CO., LTD.	Subsidiaries	Development, manufacturing and sales of complete vehicles and parts	CNY 1,080,301.25	67,583,672,280.41	22,181,594,194.18	22,871,535,261.56	-213,519,399.21	-121,503,853.04
First Automobile Finance Co., Ltd.	Joint-stock companies	Handling of financial business within the Group and other financial businesses approved by the People's Bank of China	CNY 260,000	161,798,938,446.29	22,538,947,163.89	3,422,338,661.73	1,859,399,149.62	1,405,479,645.81

Acquisition and disposal of subsidiaries in the reporting period

Applicable Not applicable

Description of main holding and joint-stock companies: none

IX. Structured Entities Controlled by the Company

Applicable Not applicable

X. Risks Faced by the Company and Countermeasures

(I) Market competition risk

Risk description: The state of stock competition in the domestic commercial vehicle market will not change under the effect of factors such as international political situation, economic situation, and domestic market demand. The Company will face greater market competition pressure in the second half of the year with foreign automobile enterprises accelerating their deployment in the domestic market and the increase of wait-and-see mood in commercial vehicle consumption.

Countermeasures: The Company shall seize market opportunities, launch key campaigns in hot areas and compete for growth; optimize inventory structure, strengthen inventory management, and promote rapid digestion of difficult inventory; enrich financial products, strengthen preventive measures, and prevent and control financial risks accurately; focus on key areas and accelerate the construction of private networks; improve product development and cover market segment; improve the channel capability comprehensively. All the above measures are taken to improve the Company's competitiveness in the market.

(II) Risk of international environmental change

Risk description: In the second half of the year, the Company will face more uncertainty in developing international businesses due to the severe international situation, the global epidemic situation and geopolitical conflicts which are intertwined, the acceleration of Federal Reserve in interest rate increase, higher downward risk of the world economy, and the increase of ocean freight.

Countermeasures: The Company shall win key battles and make breakthroughs in key markets to make sure to reach the set goals; focus on star projects, promote channel layout, deepen professional cooperation, and achieve breakthroughs in border trade; focus on advantageous fields, keep up with key projects, and promote breakthroughs in big customers; increase policy support, improve product development, and move the business team to critical areas.

(III) Policy risk

Risk description: The impact on the industry will be more obvious due to the issuance of the regulations on fuel consumption limits of heavy commercial vehicles in the fourth stage and the implementation of the new regulations on blue-license light trucks in the second half of the year. In addition, various policies will bring about more variations to the commercial vehicle market due to environmental factors such as the promotion of multimodal transportation.

Countermeasures: The Company shall deeply study and judge the industry changes caused by policy implementation in the second half of the year according to the research results of existing policies and regulations; pay attention to the new trend of the industry and use other new policies to hedge risks; launch products that meet the requirements of the new policy in time to seize the market opportunity.

(IV) Risk of raw material price fluctuation

Risk description: The prices of some important raw materials continue to fluctuate due to factors such as the epidemic situation and the national dual control policy on energy consumption. In the second half of the year, the prices of important raw materials may rise, which will affect the efficient and stable state of the existing supply chain and increase the cost.

Countermeasures: The Company shall establish reasonable reserves to resist the adverse effects of price fluctuations according to the price change trend of key raw materials; promote the awareness of internal competition and cooperation, and optimize the procurement cost of bulk raw materials by improving the management mechanism; optimize the upstream cooperation mechanism, formulate and implement optimization strategies, and ensure quality and efficiency while optimizing cost.

Section IV Corporate Governance

I. Information on Annual Shareholders' Meeting and Extraordinary Shareholders' Meeting Held in the Reporting Period

1. Shareholders' meeting in the reporting period

Session	Meeting Type	Participation Ratio of Investors	Date	Date of Disclosure	Meeting Resolution
First extraordinary shareholders' meeting of 2022	Extraordinary shareholders' meeting	84.94%	February 16, 2022	February 17, 2022	Reviewed and approved the <i>Proposal on Estimated Amount of Daily Related Transactions in 2022</i> , the <i>Proposal on Estimated Amount of Financial Business with First Automobile Finance Co., Ltd. in 2022</i> , the <i>Proposal on Change of Registered Capital of the Company</i> and the <i>Proposal on Amending the Articles of Association</i> .
2021 annual shareholders' meeting	Annual shareholders' meeting	83.82%	April 29, 2022	April 30, 2022	Reviewed and approved the <i>2021 Annual Work Report of the Board of Directors</i> , the <i>2021 Annual Work Report of the Board of Supervisors</i> , the <i>2021 Annual Financial Statements</i> , the <i>2021 Profit Distribution Plan</i> , the <i>2021 Annual Report and its Summary</i> , and the <i>Proposal on Electing Li Hongjian as the Non-independent Director of the Company</i> .

2. Preferred shareholders with resumed voting rights request to convene an extraordinary shareholders' meeting

Applicable Not applicable

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

Applicable Not Applicable

Name	Position	Type	Date	Cause
Li Hongjian	Director	Elected	April 29, 2022	
Liu Changqing	Director	Quit	March 29, 2022	Job changes

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

Applicable Not applicable

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

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

Applicable Not Applicable

1. Equity incentive

(1) 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 respectively, reviewed and approved the *Proposal on Granting Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan to Incentive Objects*, and granted 3,721,601 restricted shares to 33 incentive objects. On January 6, 2022, The Company issued the *Announcement on Completion of Registration of Grant of Reserved Part of Restricted Shares in Phase I Restricted Share Incentive Plan* on CNINFO (<http://www.cninfo.com.cn>).

(2) 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 respectively, reviewed and approved the *Proposal on Adjusting the Repurchase Price of Restricted Shares in the Phase I Restricted Share Incentive*

Plan and the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, and agreed to repurchase and cancel 260,857 shares of all restricted shares granted to the original 2 incentive objects but not yet released from sale. On January 17, 2022, the Company issued the *Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares* on CNINFO (<http://www.cninfo.com.cn>).

2. Implementation of employee stock ownership plan

Applicable Not applicable

3. Other employee incentive measures

Applicable Not applicable

Section V Environmental and Social Responsibilities

I. Major Environmental Protection Problems

Whether the listed company and its subsidiaries are key pollutant discharging entities announced by the environmental protection authority

Yes No

Name of Company or Subsidiary	Names of Main Pollutants and Specific Pollutants	Discharge Mode	Number of Discharge Outlets	Distribution of Discharge Outlets	Discharge Concentration	Pollutant Discharge Standards Implemented	Total Discharge	Total Approved Discharge	Excessive Discharge
Truck Factory of FAW Jiefang Automotive Co., Ltd	Sewage: COD	Continuous or intermittent discharge of wastewater	4	1 for frame, cab and non-metal coating respectively, and 1 for general domestic sewage outlet	54mg/L	800mg/L	11.6632t	630.104t	No excessive discharge
	Waste gas: non-methane hydrocarbon	Continuous discharge during waste gas production	71	Frame, cab, roof of non-metallic coating workshop	2.8mg/m ³	120mg/m ³	7.53t	335.4t	No excessive discharge
Chengdu Branch of FAW JIEFANG AUTOMOTIVE CO., LTD.	Sewage: COD	Intermittent discharge	1	Southeast of the Company	41mg/L	500mg/L	0.3565 Ton	21.3t	No excessive discharge
	Waste gas: non-methane hydrocarbon	Continuous discharge during waste gas production	2	Roof of coating workshop	2.34mg/m ³	60mg/m ³	14.043t	75.91t	No excessive discharge
Transmission Branch (Transformation	Sewage: COD	Intermittent discharge of	2	1 in the northwest corner of substation 1 workshop and 1	57mg/L	500mg/L	1.9318t	10t	No excessive discharge

Name of Company or Subsidiary	Names of Main Pollutants and Specific Pollutants	Discharge Mode	Number of Discharge Outlets	Distribution of Discharge Outlets	Discharge Concentration	Pollutant Discharge Standards Implemented	Total Discharge	Total Approved Discharge	Excessive Discharge
Factory) of FAW JIEFANG AUTOMOTIVE CO., LTD.		wastewater		in the southwest corner of substation 2 workshop					
	Waste gas: non-methane hydrocarbon	Continuous discharge during waste gas production	5	4 for No. 1 workshop and 1 for the south outside No. 1 workshop	2.99mg/m ³	120mg/m ³	0.252t	-	No excessive discharge
Transmission Branch (Axle Factory) of FAW JIEFANG AUTOMOTIVE CO., LTD.	Sewage: COD	Intermittent discharge	6	2 for No. 1, No. 2 and No. 3 workshops respectively	312mg/L	500mg/L	1.51t	-	No excessive discharge
	Waste gas: non-methane hydrocarbon	Continuous discharge during waste gas production	20	8 for No. 1 workshop, 7 for No. 2 workshop, and 5 for No. 3 workshop	2.81mg/ m ³	120mg/L	1.03t	-	No excessive discharge
Changchun Intelligent Bus Branch of FAW JIEFANG AUTOMOTIVE CO., LTD.	Sewage: COD	Continuous or intermittent discharge of wastewater	1	South gate of sewage treatment station	39.5mg/L	500mg/L	0.8631t	4.575t	No excessive discharge
	Waste gas: non-methane hydrocarbon	Continuous discharge during waste gas production	12	Roof of painting and welding workshop of the Company	1.26mg/m ³	120mg/m ³	3.161t	49.5t	No excessive discharge
Engine Branch of FAW JIEFANG AUTOMOTIVE CO., LTD.	Waste gas: non-methane hydrocarbon	Intermittent discharge of waste gas	3	Workshop roof	1.62mg/m ³	120 mg/m ³	0.0264t	-	No excessive discharge

Name of Company or Subsidiary	Names of Main Pollutants and Specific Pollutants	Discharge Mode	Number of Discharge Outlets	Distribution of Discharge Outlets	Discharge Concentration	Pollutant Discharge Standards Implemented	Total Discharge	Total Approved Discharge	Excessive Discharge
Wuxi Diesel Engine Works of FAW JIEFANG AUTOMOTIVE CO., LTD.	Sewage: COD	Continuous discharge	3	1 for west gate and 2 for south gate	117mg/m ³	500mg/m ³	11.35t	25t	No excessive discharge
	Waste gas: nitrogen oxides, smoke and non-methane hydrocarbons	Continuous discharge during production	12	3 for assembly workshop, 5 for the R&D Department, 2 for QA Department, 2 for processing workshop and 1 for hazardous waste warehouse	84 mg/m ³ for nitrogen oxide, 2.62 mg/m ³ for non-methane hydrocarbon	240 mg/m ³ for nitrogen oxide, 120 mg/m ³ for non-methane hydrocarbon	10.74t for nitrogen oxide, 0.62t for VOC	27.2t for nitrogen oxide, 1.77t for VOC	No excessive discharge
Wuxi Diesel Engine Huishan Factory of FAW JIEFANG AUTOMOTIVE CO., LTD.	Sewage: COD	Continuous discharge	1	1 for north gate	44mg/m ³	500mg/m ³	1t	5.35t	No excessive discharge
	Waste gas: nitrogen oxide, non-methane hydrocarbon	Continuous discharge during production	6	Complex workshop	125 mg/m ³ for nitrogen oxide, 16.6 mg/m ³ for non-methane hydrocarbon	240 mg/m ³ for nitrogen oxide, 120 mg/m ³ for non-methane hydrocarbon	1.06t for nitrogen oxide, 0.07t for VOC	8.48t for nitrogen oxide, 1.62t for VOC	No excessive discharge
FAW Jiefang (Qingdao) Automotive Co., Ltd.	Sewage: COD, ammonia nitrogen	Continuous or intermittent discharge of wastewater	1	Outside the sewage treatment station of the Company	COD: 59.1 mg/L Ammonia nitrogen: 2.91 mg/L	COD: 500 mg/L; ammonia nitrogen: 45 mg/L	COD: 5.89t; Ammonia nitrogen: 0.358t	COD: 88.79t; Ammonia nitrogen: 5.11t	No excessive discharge

Name of Company or Subsidiary	Names of Main Pollutants and Specific Pollutants	Discharge Mode	Number of Discharge Outlets	Distribution of Discharge Outlets	Discharge Concentration	Pollutant Discharge Standards Implemented	Total Discharge	Total Approved Discharge	Excessive Discharge
	Waste gas: non-methane hydrocarbon	Continuous discharge during waste gas production	15	Roof of each workshop of the Company	4.68 mg/m ³	30mg/m ³	17.23t	164.98t	No excessive discharge
FAW Jiefang Dalian Diesel Engine Co., Ltd.	Sewage: COD, ammonia nitrogen	Continuous or intermittent discharge of wastewater	1	Outside the sewage treatment station of the Company	COD:58mg/L Ammonia nitrogen: 27 mg/L	COD: 500 mg/L; ammonia nitrogen: 45 mg/L	COD: 1.41t; Ammonia nitrogen: 0.4746t	COD: 88.79t; Ammonia nitrogen: 5.11t	No excessive discharge
	Waste gas: non-methane hydrocarbon and nitrogen oxide	Continuous discharge during waste gas production	5	Roof of the Company's workshop	Non-methane hydrocarbon: 4.57 mg/m ³ ; nitrogen oxide: 57 mg/m ³	Non-methane hydrocarbon: 120 mg/m ³ ; nitrogen oxide: 240 mg/m ³	Non-methane hydrocarbon: 1.3022t, nitrogen oxide: 0.859t	Non-methane hydrocarbon: 14.2t; nitrogen oxide: 11.967t	No excessive discharge

Construction and operation of pollution prevention facilities

1. Wastewater treatment:

(1) The Truck Factory of FAW JIEFANG AUTOMOTIVE CO., LTD. has three sewage treatment stations currently, namely, frame workshop sewage treatment station, coating workshop sewage treatment station and non-metallic coating sewage treatment station. ① The frame sewage treatment station has a treatment capacity of 300 tons/day, and mainly treats the electrophoresis process wastewater before it enters the frame workshop. ② The cab coating workshop sewage treatment station has a treatment capacity of 400 tons/day, and mainly treats the wastewater and painting wastewater before they enter the workshop. ③ The non-metallic line sewage treatment station has a treatment capacity of 240 tons/day, and mainly treats the painting wastewater before it enters the production line. The wastewater and domestic sewage pretreated by the above three sewage stations are discharged into the FAW Integrated Sewage Treatment Plant, and then discharged into the Changchun Western Suburbs Sewage Treatment Plant after reaching the Class III standard in the *Integrated Wastewater Discharge Standard* (GB8978-1996).

(2) The Chengdu Branch of FAW JIEFANG AUTOMOTIVE CO., LTD. has an internal sewage treatment station which is mainly used to treat the company's production and domestic wastewater, has a total treatment capacity of 300 tons/day, and adopts the SBR method for treatment. The sewage treatment station can operate continuously and stably. The sewage is discharged to the urban sewage treatment plant through the municipal pipe network for further treatment after reaching the standard.

(3) The Transmission Branch (Shaft Gear Park) of FAW JIEFANG AUTOMOTIVE CO., LTD. has an internal sewage treatment station which is used to treat the company's production wastewater, and has a total treatment capacity of 120 tons/day. The station is currently being repaired due to the failure of some facilities. There is an industrial sewage storage tank in each of the two workshops of the transmission branch gearbox workshop. A contract is signed with FAW for the disposal of industrial sewage, and the sewage is transferred by the FAW tanks every day to the comprehensive sewage treatment workshop for compliant disposal.

(4) There is an industrial sewage storage tank in each of the three workshops in the Transmission Branch (Axle Factory) of FAW JIEFANG AUTOMOTIVE CO., LTD., which signs a disposal contract with FAW to transfer the sewage by FAW tanks to the comprehensive treatment workshop for complaint disposal every day.

(5) The Changchun Intelligent Bus Branch of FAW JIEFANG AUTOMOTIVE CO., LTD. has an internal sewage treatment station which is used to treat the company's production and domestic wastewater, has a treatment capacity of 120 tons/day, and adopts the physicochemical + biochemical treatment process. The station can operate continuously and stably and realize real-time up-to-standard discharge. The sewage is discharged to the urban sewage treatment plant through the municipal pipe network for further treatment after reaching the standard.

(6) The industrial wastewater generated by the Engine Branch of FAW JIEFANG AUTOMOTIVE CO., LTD. is entrusted to FAW with disposal qualification for disposal.

(7) The Wuxi Diesel Engine Works of FAW JIEFANG AUTOMOTIVE CO., LTD. has an internal sewage treatment station which is used to treat the company's production and domestic wastewater, has a total treatment capacity of 3,000 tons/day, and runs 24 hours a day. The station adopts the physicochemical + biochemical treatment process, and can operate continuously and stably and realize real-time up-to-standard discharge. The sewage enters the urban sewage treatment plant through the municipal pipe network for further treatment after reaching the standard.

(8) The Wuxi Diesel Engine Huishan Factory of FAW JIEFANG AUTOMOTIVE CO., LTD. has an internal sewage treatment station which is used to treat the company's production and domestic wastewater, has a total treatment capacity of 1,000 tons/day, and runs 24 hours a day. The station adopts the physicochemical + biochemical treatment process, and can operate continuously and stably and realize real-time up-to-standard discharge. The sewage enters the urban sewage treatment plant through the municipal pipe network for further treatment after reaching the standard.

(9) FAW Jiefang Qingdao Automotive Co., Ltd. has an internal sewage treatment station which combines physicochemical method and biochemical method, and is mainly used to treat the phosphating wastewater, electrophoresis wastewater and degreasing wastewater discharged from daily production of the coating workshop, as well as the daily domestic sewage of the Company. The designed maximum daily treatment capacity of the station is 2,160 tons/day. The treated wastewater meets the index requirements of the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T 31962-2015), and reaches the *Water Quality Standard for Domestic Miscellaneous Water* (GB/T18290-2002) after being further treated by the MBR improvement equipment, thus reducing the sewage concentration significantly, increasing the reuse amount of recycled water, and saving water. The wastewater is discharged to Jimo sewage treatment station for detailed treatment through the sewage outlet after reaching the standard.

(10) The FAW Jiefang Dalian Diesel Engine Co., Ltd. has an internal sewage treatment station which is used to treat the company's production and domestic wastewater, has a total treatment capacity of 816 tons/day, and runs 24 hours a day. The station adopts the distillation pretreatment process for production wastewater and biochemical treatment process for comprehensive wastewater, and can operate continuously and stably and realize real-time up-to-standard discharge. The sewage enters the urban sewage treatment plant through the municipal pipe network for further treatment after reaching the standard.

2. Waste gas treatment:

(1) All waste gas treatment facilities in the Truck Factory of FAW JIEFANG AUTOMOTIVE CO., LTD. can operate continuously and stably. The dust generated by the plasma cutting machine in the stamping workshop is collected and filtered and then discharged through a 15m exhaust pipe. The CO₂ welding machine adopts a single-machine dust removal system, and the waste gas is discharged locally in the workshop after being treated by a single-machine dust collector. The waste gas generated by the treatment and drying process before entering the frame workshop is discharged through a 15m exhaust pipe after being treated by a direct combustion device. VOC waste gas from cab coating and non-metal coating is discharged after reaching the standard through hydrocyclone + dry filtration + zeolite runner adsorption and concentration + RTO (regenerative incineration).

(2) All waste gas treatment facilities of Chengdu Branch of FAW JIEFANG AUTOMOTIVE CO., LTD. can operate continuously and stably. The painting waste gas of the coated body is discharged after reaching the standard through hydrocyclone + dry filtration + zeolite runner adsorption and concentration + RTO (regenerative incineration). All welding fumes are discharged after reaching the standard and being treated by centralized and mobile dust removal systems.

(3) All waste gas treatment facilities of the Transmission Branch (Transformation Factory) of FAW JIEFANG AUTOMOTIVE CO., LTD. can operate continuously and stably. The painting waste gas generated from the coating line is discharged after reaching the standard and being treated by activated carbon adsorption and desorption catalytic combustion devices. All welding fumes are discharged after reaching the standard and being treated by centralized and mobile dust removal systems.

(4) All waste gas treatment facilities of the Transmission Branch (Axle Factory) of FAW JIEFANG AUTOMOTIVE CO., LTD. can operate continuously and stably, and all welding fumes are discharged after reaching the standard and being treated by centralized and mobile dust removal

systems. The VOC treatment facilities for the No. 3 workshop coating line have been installed and are currently in the stage of networking and commissioning.

(5) All welding fumes of Changchun Intelligent Bus Branch of FAW JIEFANG AUTOMOTIVE CO., LTD. are discharged after being treated by the centralized dust removal system and reaching the standard. The VOC treatment project has entered the equipment installation stage and is expected to be completed and put into use in October 2022.

(6) The Engine Branch of FAW JIEFANG AUTOMOTIVE CO., LTD. has three quenching machines generating waste gas and equipped with adsorption purification devices. The waste gas is discharged after reaching the standard and being treated.

(7) All waste gas treatment facilities of Wuxi Diesel Engine Works of FAW JIEFANG AUTOMOTIVE CO., LTD. can operate continuously and stably. The painting waste gas generated from coating is discharged after reaching the standard and receiving activated carbon adsorption and desorption + catalysis, and the waste gas generated from test run is discharged after reaching the standard and being treated by SCR treatment device.

(8) All waste gas treatment facilities of Wuxi Diesel Engine Huishan Factory of FAW JIEFANG AUTOMOTIVE CO., LTD. can operate continuously and stably. The painting waste gas generated from coating is discharged after reaching the standard and receiving activated carbon adsorption and desorption + catalysis, and the waste gas generated from test run is discharged after reaching the standard and being treated by SCR treatment device.

(9) All waste gas treatment facilities of FAW Jiefang (Qingdao) Automotive Co., Ltd. can operate continuously and stably. The painting waste gas generated by the plastic parts coating workshop, the cab coating workshop and the general assembly workshop is discharged after reaching the standard and being purified by paint mist, adsorbed by zeolite concentration runner and treated by RTO incineration device in the three workshops. The drying waste gas generated by the general assembly workshop is burned with low nitrogen, and discharged after reaching the standard and being treated by the quaternary combustion device. The drying waste gas generated by the coating workshop is burned with low nitrogen and discharged after reaching the standard and receiving TNV thermal incineration. All welding fumes are discharged after reaching the standard and being treated by filter cartridge dust collector.

(10) All waste gas treatment facilities of FAW Jiefang Dalian Diesel Engine Co., Ltd. can operate continuously and stably. The painting waste gas generated by coating is discharged after

reaching the standard and being treated by the water curtain paint mist treatment device, and the waste gas generated by test run is discharged after reaching the standard and being treated by the alkali liquor washing waste gas treatment device.

3. Noise control:

All noise reduction and shock absorption measures of branches and subsidiaries of the Company can meet the requirements of national laws and regulations, and the noise within the plant boundary meets the requirements of national emission regulations.

4. Hazardous waste disposal:

All branches and subsidiaries of the Company deliver 100% of hazardous wastes to organizations with hazardous waste transportation and disposal qualification for compliant transfer and disposal in strict accordance with the requirements of national laws, regulations and standards.

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

Environmental impact assessment is carried out, reply to the assessment is obtained, and all environmental protection requirements are implemented for the construction projects of J7 intelligent assembly line, Foshan new energy base and Guanghan base of the truck factory affiliated to the Company, and environmental protection acceptance is carried out after these projects are completed. The Company pays environmental protection tax in full on a quarterly basis according to the requirements of the tax law based on wastewater, waste gas and discharge.

Emergency plan for environmental emergencies

All branches and subsidiaries of the Company prepare their own emergency plans for environmental emergencies as required, which are approved and filed by the local ecological environment bureau. All organizations organize drills every year according to the emergency plans and further revise them, and have good emergency response capabilities for environmental emergencies.

Environmental self-monitoring plan

All branches and subsidiaries of the Company have prepared their own monitoring plans according to the requirements of pollutant discharge permits and regulations, and organized qualified monitoring organizations to monitor wastewater, waste gas, noise and soil in accordance with the requirements of the plans. The test report for the first half of 2022 shows that all monitoring indicators meet the requirements of all national emission regulations and standards.

Administrative Penalties due to Environmental Problems in the Reporting Period

Name of Company or Subsidiary	Cause for Penalties	Violations	Results of Penalties	Impact on Production and Operation of the Listed Company	Rectification Measures of the Company
None	None	None	None	None	None

Other environmental information that shall be disclosed

All branches and subsidiaries of the Company have been certified by the environmental management system (GB/T24001-2020), and carried out cleaner production audits in strict accordance with the requirements. As a responsible central enterprise, the Company strictly abides by the national requirements, has been practicing the concept of scientific development, builds a clean and green enterprise, and is committed to becoming a socialist ecological civilization benchmarking environment-friendly enterprise of "energy conservation, consumption reduction, emission reduction and efficiency improvement".

Measures taken to reduce carbon emissions in the reporting period and their effects

Applicable Not Applicable

FAW JIEFANG AUTOMOTIVE CO., LTD. pays close attention to energy conservation and carbon reduction, actively docks with the government's preferential energy policies, and completes the market-oriented transaction of green electricity for the first time. The Company organizes its branches and subsidiaries such as Changchun Special Vehicle Branch, Axle Branch, Wuxi Diesel Engine Works and FAW Jiefang (Qingdao) Automotive Co., Ltd. to start the clean energy application planning, and plans to implement 5 PV projects. It is estimated that 43.5MW clean energy can be connected to the grid for power generation to further reduce the carbon emission.

Other information about environmental protection: none

II. Social Responsibility

The Company actively implements the important strategic deployment of the CPC Central Committee and the State Council on rural revitalization, implements the work requirements of FAW for targeted assistance, and provides targeted assistance to Zhenlai County in Jilin Province and Fengshan County in Guangxi Zhuang Autonomous Region to help them consolidate rural infrastructure, activate industrial development, improve education and consumption level, and continuously consolidate the achievements of poverty alleviation, thus making contributions to realizing rural revitalization.

Section VI Important Matters

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

Applicable Not applicable

For the Company, there is no commitment 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, or other commitments not fulfilled 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

For the Company, there is no non-operating occupation of funds by controlling shareholders and other related parties to the listed company.

III. Illegal External Guarantee

Applicable Not applicable

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

IV. Appointment and Dismissal of Accounting Firm

Has the semi-annual financial report been audited?

Yes No

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

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

Applicable Not applicable

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

Applicable Not applicable

VII. Matters Related to Bankruptcy Reorganization

Applicable Not applicable

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

VIII. Litigation Matters

Major litigation and arbitration matters

Applicable Not applicable

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

Other litigation matters

Applicable Not Applicable

Basic Information about Litigation (Arbitration)	Amount Involved (CNY 10,000)	Are There Estimated Liabilities	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	24,739.01	Including estimated liabilities of CNY 32,770,300	Case not closed	No significant impact	Case not closed by the end of the reporting period		
Summary of other litigation not reaching the major disclosure standard	56.10	No	Case closed	No significant impact	Completed		

IX. Punishment and Rectification

Applicable Not applicable

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

Applicable Not applicable

XI. Major Related Transactions

1. Related transactions related to daily operations

Applicable Not Applicable

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 10,000)	Proportion to the Amount of Similar Transactions	Approved Transaction Amount (CNY 10,000)	Is the Approved Amount Exceeded	Settlement Method of Related Transaction	Available Market Value of Similar Transactions	Date of Disclosure	Disclosure Index
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party	Sales of goods	Sales of goods	Market price	Market pricing	229,264.76	10.02%	343,417	No	Cash + bill settlement	229,264.76	January 28, 2022	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800#latestAnnouncement
Total				--	--	229,264.76	--	343,417	--	--	--	--	--
Details on the return of large goods				None									
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 XI "Related parties and related transactions" in Section X of this report.									
Reasons for large difference between transaction price and market reference price				Not applicable									

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

Applicable Not applicable

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

3. Related transactions of joint external investment

Applicable Not applicable

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

4. Related credit and debt transactions

Applicable Not Applicable

Whether there are non-operating related credit and debt transactions

Yes No

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

5. Transaction with related finance companies

Applicable Not Applicable

Deposit Business

Related Parties	Correlation	Maximum Daily Deposit Limit (CNY 10,000)	Deposit Interest Rate Range	Opening Balance (CNY 10,000)	Amount Incurred in Current Period		Ending Balance (CNY 10,000)
					Total Deposit Amount in the Current Period (CNY 10,000)	Total Withdrawal Amount in the Current Period (CNY 10,000)	
First Automobile Finance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party	3,000,000	0.35%-2.85%	2,265,311.07	19,646,176.20	19,822,347.55	2,089,139.72

Credit Granting or Other Financial Businesses

Related Parties	Correlation	Business Type	Total Price (in CNY 10,000)	Actual Amount Incurred (CNY 10,000)
First Automobile Finance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party	Other financial businesses	900,000	82,647.25

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 January 27, 2022, the 21st meeting of the 9th Board of Directors of the Company reviewed and approved the *Proposal on Estimated Amount of Daily Related Transactions in 2022* and the *Proposal on Estimated Amount of Financial Business with First Automobile Finance Co., Ltd. in 2022*, which were reviewed and approved by the first extraordinary shareholders' meeting of the Company in 2022.

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 2022	January 28, 2022	CNINFO (http://www.cninfo.com.cn)
Announcement on estimated amount of financial business with First Automobile Finance Co., Ltd. in 2022	January 28, 2022	CNINFO (http://www.cninfo.com.cn)

XII. Major Contracts and Their Performance

1. Trusteeship, contracting and lease

(1) Trusteeship

Applicable Not Applicable

Description of trusteeship

The *Entrustment Management Agreement* signed by Jiefang Limited with FAW and FAW Light Commercial Vehicle Co., Ltd. (hereinafter referred to as "FAW Light Vehicle Company"), shows that FAW will entrust Jiefang Limited to manage the FAW Harbin Light Automobile Co., Ltd. and FAW Hongta Yunnan Automobile Manufacturing Co., Ltd., which are affiliated to FAW Light

Vehicle Company. For main contents of relevant entrustment management agreement, please see the *Report on Major Assets Replacement, Shares Issuance and Cash Payment for Assets Purchase and Related Transactions of FAW Car Co., Ltd.*

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 trusteeship project that brings about profits and losses exceeding 10% of the total profit of 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 13 "Investment real estate", Note 14 "Fixed assets", and Note 18 "Right-of-use assets" in Notes to Items in Consolidated Financial Statements (VII) of Section X, and Note 5 "Related parties and related transactions" in Item XI "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 guarantee in the reporting period.

3. Entrusted financial management

Applicable Not applicable

The Company has no entrusted financial management in the reporting period.

4. Other major contracts

Applicable Not applicable

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

XIII. Other Major Matters to be Explained

Applicable Not applicable

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

XIV. Major Events of Subsidiaries

Applicable Not applicable

Section VII Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

	Before the Change		Increase/Decrease Made by the Change (+, -)					After the Change	
	Quantity	Scale	Issue of New Shares	Bonus	Share Transferred from Accumulation Fund	Others	Subtotal	Quantity	Scale
I. Restricted shares	3,238,899,791	69.64%	3,721,601			-260,857	3,460,744	3,242,360,535	69.67%
1. Shares held by the state									
2. Shares held by the state-owned legal person	3,197,912,134	68.76%						3,197,912,134	68.71%
3. Shares held by other domestic enterprises	40,987,657	0.88%	3,721,601			-260,857	3,460,744	44,448,401	0.96%
Including: shares held by domestic legal person									
Shares held by domestic natural person	40,987,657	0.88%	3,721,601			-260,857	3,460,744	44,448,401	0.96%
4. Shares held by foreign enterprises									
Including: shares held by overseas legal person									
Shares held by overseas natural person									
II. Unrestricted shares	1,411,754,078	30.36%						1,411,754,078	30.33%
1. CNY ordinary shares	1,411,754,078	30.36%						1,411,754,078	30.33%
2. Foreign shares listed in China									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	4,650,653,869	100.00%	3,721,601			-260,857	3,460,744	4,654,114,613	100.00%

Reasons for changes in shares

Applicable Not Applicable

In the reporting period, the Company granted 3,721,601 shares in total included in the reserved part of the phase I restricted share incentive plan. The new shares are listed on January 10, 2022. Two original incentive objects of the Company do not conform to the provisions on incentive objects in the restricted share incentive plan due to job transfer, and a total number of 260,857 restricted shares held by them is repurchased and canceled by the Company. The total share capital of the Company is 4,654,114,613 shares after the grant, repurchase and cancellation of the above reserved part.

Approval of share changes

Applicable Not Applicable

On December 9, 2021, the 20th meeting of the 9th Board of Directors and the 19th meeting of the 9th Board of Supervisors of the Company 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.

Transfer of share changes

Applicable Not Applicable

(1) On January 4, 2022, the Company submitted registration materials to CSDC for the additional shares involved in the grant of the reserved part of this equity incentive plan. On January 10, 2022, new shares were listed, and the total share capital of the Company increased to 4,654,375,470 shares.

(2) On January 12, 2022, the Company submitted registration materials to CSDC for the shares repurchased and canceled in this equity incentive plan. On January 13, 2022, CSDC issued the *Confirmation of Securities Transfer Registration* to the Company, and the total share capital of the Company was reduced to 4,654,114,613 shares.

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reducing repurchased shares by centralized bidding

Applicable Not applicable

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

Applicable Not Applicable

In the reporting period, the net increase in share capital of the Company was 3,460,744 shares, which had little impact on the Company's financial indicators such as basic earnings per share, diluted earnings per share and net assets per share attributable to common shareholders of the Company.

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

Applicable Not applicable

2. Changes in restricted shares

Applicable Not Applicable

Unit: share

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Restricted Shares Released in the Current Period	Number of Restricted Shares Increased in the Current Period	Number of Restricted Shares at the End of the Period	Reason for Restriction	Release Date
China FAW Co., Ltd.	2,413,412,134			2,413,412,134	Major asset restructuring	April 9, 2023
FAW Bestune Car Co., Ltd.	784,500,000			784,500,000	Major asset restructuring	April 9, 2023
Hu Hanjie	334,331			334,331	Equity incentive	The restricted period of all restricted shares granted to incentive objects is 2 years, and three release dates are set, which are the next day after the expiration of the restricted period and the first and second anniversary days of that day (postponed to the first trading
Wu Bilei	228,552			228,552	Equity incentive	
Zhang Guohua	228,493			228,493	Equity incentive	
Kong Dejun	228,498			228,498	Equity incentive	
Wang Ruijian	253,496			253,496	Equity incentive	
Shang Xingwu	228,631			228,631	Equity incentive	
Ou Aimin	229,010			229,010	Equity incentive	

Wang Jianxun	192,778			192,778	Equity incentive	day after that in case of holidays). The upper limit of the number of restricted shares released is 33%, 33% and 34% of the total number of shares granted to incentive objects respectively.
Other core employees of senior director and above	39,063,868		3,460,744	42,524,612	Equity incentive	
Total	3,238,899,791		3,460,744	3,242,360,535	--	--

II. Issuance and Listing of Securities

Applicable Not Applicable

Name of Shares and Derivative Securities	Issue Date	Issue Price (or Interest Rate)	Quantity Issued	Date of Listing	Quantity Approved for Listing	Transaction Termination Date	Disclosure Index	Date of Disclosure
Stocks								
A share	December 9, 2021	CNY 6.38/share	3,721,601	January 10, 2022	3,721,601		http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800#latestAnnouncement	January 6, 2022

Description of securities issuance in the reporting period: In the reporting period, the Company issued 3,721,601 common A shares in total to the reserved grant objects of the phase I restricted share incentive plan.

III. Number of Shareholders and Shareholdings of the Company

Unit: share

Total Number of Common Shareholders at the End of the Reporting Period		92,864		Total Number of Preferred Shareholders with Restored Voting Rights at the End of the Reporting Period			0	
Shareholding of Common Shareholders Holding More Than 5% of the Shares or Top 10 Common Shareholders								
Name of Shareholder	Nature of Shareholders	Shareholding Proportion	Number of Ordinary Shares Held at the End of the Reporting Period	Increase and Decrease in the Reporting Period	Number of Restricted Ordinary Shares Held	Number of Unrestricted Ordinary Shares Held	Pledge, Marking or Freezing	
							Status of Shares	Quantity
China FAW Co., Ltd.	State-owned legal person	65.76%	3,060,649,901		2,413,412,134	647,237,767		
FAW Bestune Car Co., Ltd.	State-owned legal person	16.86%	784,500,000		784,500,000			
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.53%	71,029,475.	9,859,979				
Qu Haipeng	Domestic natural person	0.78%	36,096,600					
Jilin Province State-owned Capital	State-owned legal person	0.29%	13,712,916					
Chao Guo	Domestic natural person	0.22%	10,139,358	6,087,429				
Li Yan	Domestic	0.16%	7,660,000					

	natural person							
Zhong Ou AMC - Agricultural Bank of China - Zhong Ou & CITIC Securities Financial Asset Management Plan	Others	0.12%	5,549,500					
Bosera Asset Management Co., Ltd. - Agricultural Bank of China - Bosera & CITIC Securities Financial Asset Management Plan	Others	0.12%	5,549,500					
Dacheng Fund - Agricultural Bank of China - Dacheng & CITIC Securities Financial Asset Management Plan	Others	0.08%	3,713,100					
Strategic investors or general	None							

legal persons who become the top 10 common shareholders due to the issuance of new shares			
Description of correlation or concerted action of the above shareholders	Among the above shareholders, FAW Bestune is a wholly-owned subsidiary of FAW, and is a person acting in concert as specified in the <i>Regulations for the Takeover of Listed Companies</i> . 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 <i>Regulations for the Takeover of Listed Companies</i> .		
Involvement of the above shareholders in entrusting/entrusted voting rights and waiving voting rights	None		
Special description on the existence of repurchase special accounts among the top 10 shareholders	None		
Shareholding of Top 10 Common Shareholders with Unrestricted Ordinary Shares			
Name of Shareholder	Number of Unrestricted Ordinary Shares Held at the End of the Reporting Period	Type of Shares	
		Type of Shares	Quantity
China FAW Co., Ltd.	647,237,767	CNY ordinary shares	647,237,767
Hong Kong Securities Clearing Company Ltd.	71,029,475	CNY ordinary shares	71,029,475
Qu Haipeng	36,096,600	CNY ordinary shares	36,096,600
Jilin Province State-owned Capital	13,712,916	CNY ordinary shares	13,712,916
Chao Guo	10,139,358	CNY ordinary shares	10,139,358
Li Yan	7,660,000	CNY ordinary shares	7,660,000
Zhong Ou AMC - Agricultural Bank of China - Zhong Ou	5,549,500	CNY ordinary shares	5,549,500

& CITIC Securities Financial Asset Management Plan			
Bosera Asset Management Co., Ltd. - Agricultural Bank of China - Bosera & CITIC Securities Financial Asset Management Plan	5,549,500	CNY ordinary shares	5,549,500
Dacheng Fund - Agricultural Bank of China - Dacheng & CITIC Securities Financial Asset Management Plan	3,713,100	CNY ordinary shares	3,713,100
Yang Canxiong	3,555,926	CNY ordinary shares	3,555,926
Description of correlation or concerted action between the top 10 shareholders of unrestricted ordinary shares, and between the top 10 shareholders of unrestricted ordinary shares and the top 10 common shareholders	Among the above shareholders, FAW Bestune is a wholly-owned subsidiary of FAW, and is a person acting in concert as specified in the <i>Regulations for the Takeover of Listed Companies</i> . 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 <i>Regulations for the Takeover of Listed Companies</i> .		
Description of top 10 common shareholders' participation in financing bonds business	Qu Haipeng, a domestic natural person, holds 36,096,600 shares of the Company through the guaranteed securities account for customer credit trading of CITIC Securities; Chao Guo, a domestic natural person, holds 7,825,200 shares of the Company through the guaranteed securities account for customer credit trading of Minsheng Securities; Li Yan, a domestic natural person, holds 7,660,000 shares of the Company through the guaranteed securities account for customer credit trading of Dongguan Securities.		

Whether the top 10 common shareholders and the top 10 common shareholders with unrestricted ordinary shares of the Company have agreed repurchase transactions in the reporting period

Yes No

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

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

Applicable Not applicable

There is no change in the shareholding of the Company's directors, supervisors and senior management in the reporting period. Please refer to the 2021 Annual Report for details.

V. Changes in Controlling Shareholders or Actual Controllers

Changes in controlling shareholders in the reporting period

Applicable Not applicable

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

Change of actual controller in the reporting period

Applicable Not applicable

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

Section VIII Preferred Shares

Applicable Not applicable

The Company has no preferred shares in the reporting period.

Section IX Bonds

Applicable Not applicable

Section X Financial Report

I. Audit Report

Whether the semi-annual report is audited

Yes No

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

II. Financial Statements

The unit of statement in the financial notes is CNY

1. Consolidated balance sheet

Prepared by: FAW JIEFANG GROUP CO., LTD.

June 30, 2022

Unit: CNY

Item	June 30, 2022	January 1, 2022
Current assets:		
Monetary capital	28,545,747,104.70	30,761,262,721.40
Settlement reserve fund		
Loans to banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	6,795,406.57	12,936,978.11
Accounts receivable	2,033,585,686.23	1,279,693,951.70
Receivables financing	7,091,605,627.68	5,305,018,299.79
Prepayment	1,378,154,656.21	868,811,412.99
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		

Item	June 30, 2022	January 1, 2022
Other receivables	308,357,637.68	249,088,090.95
Including: interest receivable		
Dividends receivable	26,488,012.75	8,567,040.00
Financial assets purchased under agreements to resell		
Inventory	9,035,457,594.09	9,268,120,531.25
Contractual assets	61,968,023.59	53,047,687.72
Held-for-sale assets		
Current portion of non-current assets	114,825,391.38	114,825,391.38
Other current assets	473,068,938.63	2,014,149,591.51
Total current assets	49,049,566,066.76	49,926,954,656.80
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	217,930,218.79	222,590,757.79
Long-term equity investment	5,023,596,387.36	4,766,734,671.74
Other equity instrument investments		
Other non-current financial assets		
Investment real estate	159,534,670.00	80,202,825.09
Fixed assets	9,005,998,503.41	9,236,789,322.03
Project under construction	966,294,107.55	965,997,208.23
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	121,039,384.71	143,766,265.44
Intangible assets	2,728,231,478.67	2,772,277,116.13
Development expenditures		
Goodwill		

Item	June 30, 2022	January 1, 2022
Long-term deferred expenses	232,518.98	334,598.30
Deferred tax assets	1,908,957,381.92	1,650,296,511.26
Other non-current assets		
Total non-current assets	20,131,814,651.39	19,838,989,276.01
Total assets	69,181,380,718.15	69,765,943,932.81
Current liabilities:		
Short-term borrowings		
Borrowing from the central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	17,538,100,899.05	13,062,704,192.54
Accounts payable	12,943,539,758.82	14,564,899,994.47
Advance receipts	254,326.19	1,712,917.27
Contract liabilities	1,898,901,256.47	2,700,642,475.91
Financial assets sold for repurchase		
Deposits taking and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	421,204,060.05	364,450,425.37
Taxes payable	358,991,484.63	173,948,529.53
Other payables	7,299,870,926.01	7,383,223,172.30
Including: interest payable		
Dividends payable	171,500.02	171,500.02
Handling charges and commissions payable		
Reinsurance accounts payable		

Item	June 30, 2022	January 1, 2022
Held-for-sale liabilities		
Current portion of non-current liabilities	33,214,415.10	47,060,544.71
Other current liabilities	157,933,439.12	267,479,444.78
Total current liabilities	40,652,010,565.44	38,566,121,696.88
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	95,066,903.44	88,307,218.05
Long-term payables		
Long-term employee compensation payable	763,977,826.41	764,529,046.36
Estimated liabilities	1,210,644,082.24	1,257,487,319.78
Deferred incomes	2,662,322,917.73	2,473,072,814.33
Deferred income tax liabilities	309,037,034.86	374,185,114.15
Other non-current liabilities		
Total non-current liabilities	5,041,048,764.68	4,957,581,512.67
Total liabilities	45,693,059,330.12	43,523,703,209.55
Owner's equities:		
Share capital	4,654,114,613.00	4,654,114,613.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserve	10,469,689,124.38	10,439,365,093.18
Less: treasury shares	281,569,025.73	310,460,486.38
Other comprehensive income	-32,839,796.01	-32,794,902.20
Special reserve	357,328,826.61	315,398,148.75
Surplus reserve	2,742,214,904.83	2,742,214,904.83
General risk provision		

Item	June 30, 2022	January 1, 2022
Undistributed profits	5,579,382,740.95	8,434,403,352.08
Total owners' equity attributable to the parent company	23,488,321,388.03	26,242,240,723.26
Minority equity		
Total owners' equity	23,488,321,388.03	26,242,240,723.26
Total liabilities and owner's equities	69,181,380,718.15	69,765,943,932.81

Legal representative: Hu Hanjie Person in charge of accounting: Ou Aimin Person in charge of the accounting organization: Si Yuzhuo

2. Balance sheet of parent company

Unit: CNY

Item	June 30, 2022	January 1, 2022
Current assets:		
Monetary capital	16,217,499.97	9,646,455.17
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Prepayment		
Other receivables	18,353,402.55	432,429.80
Including: interest receivable		
Dividends receivable	17,920,972.75	
Inventory		
Contractual assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	112,457.43	720,491.14
Total current assets	34,683,359.95	10,799,376.11
Non-current assets:		
Debt investment		

Item	June 30, 2022	January 1, 2022
Other debt investments		
Long-term receivables		
Long-term equity investment	25,915,068,767.16	25,640,802,370.53
Other equity instrument investments		
Other non-current financial assets		
Investment real estate		
Fixed assets		
Project under construction		
Bearer biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditures		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		
Total non-current assets	25,915,068,767.16	25,640,802,370.53
Total assets	25,949,752,127.11	25,651,601,746.64
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	1,968,902.00	200,000.00
Advance receipts		
Contract liabilities		
Employee compensation payable		

Item	June 30, 2022	January 1, 2022
Taxes payable	6,793,734.46	1,462,703.57
Other payables	3,548,225,291.50	552,502,809.86
Including: interest payable		
Dividends payable	171,500.02	171,500.02
Held-for-sale liabilities		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	3,556,987,927.96	554,165,513.43
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	3,556,987,927.96	554,165,513.43
Owner's equities:		
Share capital	4,654,114,613.00	4,654,114,613.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserve	12,267,337,664.44	12,267,337,664.44
Less: treasury shares	281,569,025.73	310,460,486.38
Other comprehensive income	257,376.69	304,113.31

Item	June 30, 2022	January 1, 2022
Special reserve		
Surplus reserve	1,511,497,143.93	1,511,497,143.93
Undistributed profits	4,241,126,426.82	6,974,643,184.91
Total owners' equity	22,392,764,199.15	25,097,436,233.21
Total liabilities and owner's equities	25,949,752,127.11	25,651,601,746.64

3. Consolidated profit statement

Unit: CNY

Item	Half of 2022	Half of 2021
I. Total operating income	22,871,535,261.56	78,600,163,121.16
Including: operating income	22,871,535,261.56	78,600,163,121.16
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	23,120,223,828.02	75,291,776,865.42
Including: operating cost	21,115,050,469.61	71,861,081,519.02
Interest expense		
Handling charges and commission expense		
Surrender value		
Net payments for insurance claims		
Net allotment of reserves for insurance liabilities		
Policy dividend expenditure		
Expenses for reinsurance accepted		
Taxes and surcharges	106,500,261.51	293,944,056.24
Selling expense	566,490,728.82	1,315,060,101.99
Management cost	887,020,116.52	1,103,407,146.33
R&D expenses	1,016,316,222.64	1,237,304,341.12
Financial expense	-571,153,971.08	-519,020,299.28
Including: interest expenses	2,361,612.41	
Interest income	502,087,676.33	363,409,455.88
Add: other incomes	230,047,050.32	123,839,818.59

Item	Half of 2022	Half of 2021
Investment income (losses expressed with "-")	203,908,916.41	387,219,719.37
Including: investment income in associated enterprises and joint ventures	281,180,159.71	386,449,232.03
Gains on derecognition of financial assets at amortized cost		
Foreign exchange gains (losses expressed with "-")		
Net exposure hedging income (losses expressed with "-")		
Profit arising from changes in fair value (losses expressed with "-")		
Credit impairment loss (losses expressed with "-")	-21,826,743.35	6,757,848.51
Asset impairment loss (losses expressed with "-")	-85,344,746.96	-121,005,056.96
Income from assets disposal (losses expressed with "-")	42,431.19	-183,677.14
III. Operating profit (losses expressed with "-")	78,138,341.15	3,705,014,908.11
Add: Non-operating income	104,058,106.26	30,755,399.12
Less: Non-operating expenses	12,214,234.59	14,348,703.34
IV. Total profit (losses expressed with "-")	169,982,212.82	3,721,421,603.89
Less: income tax expenses	-171,674.50	452,443,037.35
V. Net profit (net losses expressed with "-")	170,153,887.32	3,268,978,566.54
(I) Classified according to business continuity		
1. Net profit from continuing operations (net losses expressed with "-")	170,153,887.32	3,268,978,566.54
2. Net profit from discontinuing operations (net losses expressed with "-")		
(II) Classified according to attribution of the ownership		
1. Net profit attributable to the owners of the parent company	170,153,887.32	3,268,978,566.54
2. Minority interests		
VI. Net after-tax amount of other comprehensive income	-44,893.81	-8,800.15
Net after-tax amount of other comprehensive income attributable to the owners of the parent company	-44,893.81	-8,800.15
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		

Item	Half of 2022	Half of 2021
2. Other comprehensive incomes that cannot be transferred to profit and loss under the equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss	-44,893.81	-8,800.15
1. Other comprehensive incomes that can be reclassified into profit and loss under the equity method	-46,736.62	-7,226.33
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Impairment provision of credit in other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences arising from foreign currency financial statements	1,842.81	-1,573.82
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	170,108,993.51	3,268,969,766.39
Total comprehensive income attributable to the owners of parent company	170,108,993.51	3,268,969,766.39
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(I) Basic earnings per share	0.0366	0.7047
(II) Diluted earnings per share	0.0366	0.7047

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

Legal representative: Hu Hanjie Person in charge of accounting: Ou Aimin Person in charge of the accounting organization: Si Yuzhuo

4. Profit statement of parent company

Unit: CNY

Item	Half of 2022	Half of 2021
I. Operating income		
Less: operating cost	871,274.65	420,747.40
Taxes and surcharges	96,668.40	260.30
Selling expense		
Management cost	793,096.66	707,539.36
R&D expenses		
Financial expense	-18,490.41	-242,724.28
Including: interest expenses		
Interest income	19,230.41	246,160.17
Add: Other incomes	294,909.01	96,438.23
Investment income (losses expressed with "-")	292,234,106.00	3,103,351,507.45
Including: investment income in associated enterprises and joint ventures	292,234,106.00	383,431,507.45
Gains on derecognition of financial assets at amortized cost (losses expressed with "-")		
Net exposure hedging income (losses expressed with "-")		
Profit arising from changes in fair value (losses expressed with "-")		
Credit impairment loss (losses expressed with "-")		
Asset impairment loss (losses expressed with "-")		
Income from assets disposal (losses expressed with "-")		
II. Operating profit (losses expressed with "-")	291,657,740.36	3,102,982,870.30
Add: Non-operating income		30.00
Less: Non-operating expenses		
III. Total profit (total (losses expressed with "-"))	291,657,740.36	3,102,982,900.30
Less: income tax expenses		
IV. Net profit (net losses expressed with "-")	291,657,740.36	3,102,982,900.30
(I) Net profit from continuing operations (net losses expressed with "-")	291,657,740.36	3,102,982,900.30
(II) Net profit from discontinuing operations (net losses expressed with "-")		
V. Net after-tax amount of other comprehensive income	-46,736.62	-7,226.33
(I) Other comprehensive income that cannot be reclassified		

Item	Half of 2022	Half of 2021
into profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive incomes that cannot be transferred to profit and loss under the equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss	-46,736.62	-7,226.33
1. Other comprehensive incomes that can be reclassified into profit and loss under the equity method	-46,736.62	-7,226.33
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Impairment provision of credit in other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences arising from foreign currency financial statements		
7. Others		
VI. Total comprehensive income	291,611,003.74	3,102,975,673.97
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated cash flow statement

Unit: CNY

Item	Half of 2022	Half of 2021
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	22,972,631,458.07	39,287,647,573.86
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Premiums received from original insurance contracts		

Item	Half of 2022	Half of 2021
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	1,010,974,954.15	
Other cash receipts related to operating activities	845,166,247.90	547,477,041.89
Subtotal of cash inflows from operating activities	24,828,772,660.12	39,835,124,615.75
Cash paid for goods and services	20,189,789,863.19	18,701,696,474.78
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 for employees	2,288,542,182.41	2,600,871,987.98
Taxes paid	70,848,814.67	1,994,456,924.80
Other cash paid relating to operating activities	836,454,073.22	1,012,384,865.02
Subtotal of cash outflows from operating activities	23,385,634,933.49	24,309,410,252.58
Net cash flows from operating activities	1,443,137,726.63	15,525,714,363.17
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from investment income	6,300,012.21	4,907,799.92
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,519,331.24	2,145,684.73
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	441,265,670.20	283,825,095.39
Subtotal of cash inflows from investing activities	451,085,013.65	290,878,580.04
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,125,719,469.03	987,980,994.05

Item	Half of 2022	Half of 2021
Cash paid for investment		
Net increase in impawn loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		
Subtotal of cash outflows from investing activities	1,125,719,469.03	987,980,994.05
Net cash flows from investing activities	-674,634,455.38	-697,102,414.01
III. Cash flows from financing activities:		
Cash received from capital contributions		309,046,933.78
Including: cash received by subsidiaries from capital contributions of minority shareholders		
Cash received from borrowings		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		309,046,933.78
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or repayment of interest	3,025,174,498.45	
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	15,922,921.74	
Subtotal of cash outflows from financing activities	3,041,097,420.19	
Net cash flows from financing activities	-3,041,097,420.19	309,046,933.78
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-2,272,594,148.94	15,137,658,882.94
Add: beginning balance of cash and cash equivalents	30,542,676,891.89	14,786,680,218.82
VI. Ending balance of cash and cash equivalents	28,270,082,742.95	29,924,339,101.76

6. Cash flow statement of the parent company

Unit: CNY

Item	Half of 2022	Half of 2021
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services		
Tax refunds received	735,000.75	
Other cash receipts related to operating activities	3,032,128,468.42	96,521.52
Subtotal of cash inflows from operating activities	3,032,863,469.17	96,521.52
Cash paid for goods and services		

Item	Half of 2022	Half of 2021
Cash paid to and for employees	207,000.00	219,000.00
Taxes paid	96,728.40	6,334,983.10
Other cash paid relating to operating activities	834,581.41	1,485,537,604.60
Subtotal of cash outflows from operating activities	1,138,309.81	1,492,091,587.70
Net cash flows from operating activities	3,031,725,159.36	-1,491,995,066.18
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from investment income		2,719,920,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to financing activities	19,230.41	246,160.17
Subtotal of cash inflows from investing activities	19,230.41	2,720,166,160.17
Cash paid to acquire fixed assets, intangible assets and other long-term assets		
Cash paid for investment		
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities		
Subtotal of cash outflows from investing activities		
Net cash flows from investing activities	19,230.41	2,720,166,160.17
III. Cash flows from financing activities:		
Cash received from capital contributions		309,046,933.78
Cash received from borrowings		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		309,046,933.78
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or repayment of interest	3,025,174,498.45	
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities	3,025,174,498.45	
Net cash flows from financing activities	-3,025,174,498.45	309,046,933.78
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	6,569,891.32	1,537,218,027.77
Add: beginning balance of cash and cash equivalents	8,109,077.01	1,584,858.35
VI. Ending balance of cash and cash equivalents	14,678,968.33	1,538,802,886.12

7. Consolidated statement of changes in owners' equity

Amount in the current period
Unit: CNY

Item	Half of 2022														
	Owners' equity attributable to the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Subtotal		
	Preferr ed Shares	Perpetu al bonds	Othe rs												
I. Ending balance of the previous year	4,654,114,61 3.00				10,439,365,09 3.18	310,460,486 .38	- 32,794,902. 20	315,398,148 .75	2,742,214,90 4.83		8,434,403,35 2.08		26,242,240,72 3.26	26,242,240,72 3.26	
Add: changes in accounting policies															
Correc tion of errors in the previous period															
Busin ess combination under common control															
Others															
II. Opening balance of the current year	4,654,114,61 3.00				10,439,365,09 3.18	310,460,486 .38	- 32,794,902. 20	315,398,148 .75	2,742,214,90 4.83		8,434,403,35 2.08		26,242,240,72 3.26	26,242,240,72 3.26	
III. Increase/decrease in amount of the current					30,324,031.20	- 28,891,460. 65	- 44,893.81	41,930,677. 86			- 2,855,020,611 .13		- 2,753,919,335. 23	- 2,753,919,335. 23	

Item	Half of 2022														
	Owners' equity attributable to the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Subtotal		
	Preferred Shares	Perpetual bonds	Others												
period (decrease expressed with "-")															
(I) Total comprehensive income							-44,893.81				170,153,887.32		170,108,993.51		170,108,993.51
(II) Invested and decreased capital of owners					30,324,031.20	-	28,891,460.65						59,215,491.85		59,215,491.85
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					30,324,031.20	-	28,891,460.65						59,215,491.85		59,215,491.85
(III) Profit distribution											-		-		-
1. Surplus											3,025,174,498.45		3,025,174,498.45		3,025,174,498.45

Item	Half of 2022														
	Owners' equity attributable to the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Subtotal		
Preferred Shares		Perpetual bonds	Others												
reserves withdrawn															
2. General risk provision withdrawn															
3. Distribution to owners (or shareholders)											- 3,025,174.49	- 8.45	- 3,025,174.498.45	- 3,025,174,498.45	- 3,025,174,498.45
4. Others															
(IV) Internal carryover of owners' equity															
1. Transfer from capital reserve to paid-in capital (or share capital)															
2. Transfer from surplus reserves to paid-in capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried forward from changes in															

Item	Half of 2022														Minority equity	Total owners' equity
	Owners' equity attributable to the parent company															
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Subtotal			
	Preferr ed Shares	Perpetu al bonds	Othe rs													
defined benefit plans																
5. Retained earnings carried forward from other comprehensive incomes																
6. Others																
(V) Special reserve								41,930,677.86					41,930,677.86	41,930,677.86		
1. Withdrawal in the current period								53,753,366.46					53,753,366.46	53,753,366.46		
2. Use in the current period								11,822,688.60					11,822,688.60	11,822,688.60		
(VI) Others																
IV. Ending balance of the current period	4,654,114,613.00				10,469,689,124.38	281,569,025.73	-32,839,796.01	357,328,826.61	2,742,214,904.83		5,579,382,740.95		23,488,321,388.03	23,488,321,388.03		

Amount of previous year

Unit: CNY

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Item	Half of 2021														
	Owners' equity attributable to the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Subtotal		
	Preferr ed Shares	Perpetu al bonds	Othe rs												
I. Ending balance of the previous year	4,609,666,21 2.00				10,098,280,76 7.34		- 3,103,446.4 4	253,571,466 .48	2,394,517,07 9.97		7,207,573,35 1.05		24,560,505,43 0.40	24,560,505,43 0.40	
Add: changes in accounting policies											-1,233,011.80		-1,233,011.80	-1,233,011.80	
Correc tion of errors in the previous period															
Busin ess combination under common control															
Others															
II. Opening balance of the current year	4,609,666,21 2.00				10,098,280,76 7.34		- 3,103,446.4 4	253,571,466 .48	2,394,517,07 9.97		7,206,340,33 9.25		24,559,272,41 8.60	24,559,272,41 8.60	
III. Increase/decrease in amount of the current period (decrease expressed with "-")	40,987,657.0 0				294,164,315.5 2	288,553,105 .28	-8,800.15	43,124,293. 39			943,651,632. 04		1,033,365,992. 52	1,033,365,992. 52	
(I) Total comprehensive income							-8,800.15				3,268,978,56 6.54		3,268,969,766. 39	3,268,969,766. 39	
(II) Invested and decreased capital of owners	40,987,657.0 0				294,164,315.5 2	288,553,105 .28							46,598,867.24	46,598,867.24	
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	40,987,657.0 0				294,164,315.5 2	288,553,105 .28							46,598,867.24	46,598,867.24	

Item	Half of 2021														
	Owners' equity attributable to the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Subtotal		
	Preferred Shares	Perpetual bonds	Others												
4. Others															
(III) Profit distribution											-		-		
											2,325,326,934.50		2,325,326,934.50	2,325,326,934.50	
1. Surplus reserves withdrawn															
2. General risk provision withdrawn															
3. Distribution to owners (or shareholders)											-		-		
											2,325,326,934.50		2,325,326,934.50	2,325,326,934.50	
4. Others															
(IV) Internal carryover of owners' equity															
1. Transfer from capital reserve to paid-in capital (or share capital)															
2. Transfer from surplus reserves to paid-in capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive incomes															
6. Others															
(V) Special reserve									43,124,293.39				43,124,293.39	43,124,293.39	
1. Withdrawal in									57,124,832.18				57,124,832.18	57,124,832.18	

Item	Half of 2021														
	Owners' equity attributable to the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Others	Subtotal		
	Preferred Shares	Perpetual bonds	Others												
the current period								18							
2. Use in the current period								-14,000,538.79					-14,000,538.79		
(VI) Others															
IV. Ending balance of the current period	4,650,653,869.00				10,392,445,082.86	288,553,105.28	3,112,246.59	296,695,759.87	2,394,517,079.97		8,149,991,971.29		25,592,638,411.12	25,592,638,411.12	

8. Statement of changes in owners' equity of the parent company

Amount in the current period

Unit: CNY

Item	Half of 2022											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
I. Ending balance of the previous year	4,654,114,613.00				12,267,337,664.44	310,460,486.38	304,113.31		1,511,497,143.93	6,974,643,184.91		25,097,436,233.21
Add: changes in accounting policies												
Correction of errors in the previous period												
Others												
II. Opening balance of the current year	4,654,114,613.00				12,267,337,664.44	310,460,486.38	304,113.31		1,511,497,143.93	6,974,643,184.91		25,097,436,233.21
III. Increase/decrease in						-28,891,460.65	-46,736.62				-	-2,704,672,034.06
										2,733,516,758.09		

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Item	Half of 2022											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
amount of the current period (decrease expressed with "-")												
(I) Total comprehensive income						-46,736.62			291,657,740.36			291,611,003.74
(II) Invested and decreased capital of owners						-28,891,460.65						28,891,460.65
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						-28,891,460.65						28,891,460.65
(III) Profit distribution									-			-3,025,174,498.45
1. Surplus reserves withdrawn												
2. Distribution to owners (or shareholders)									3,025,174,498.45			-3,025,174,498.45
3. Others												
(IV) Internal												

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Item	Half of 2022											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
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 incomes												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period												
2. Use in the current period												
(VI) Others												

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Item	Half of 2022											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
IV. Ending balance of the current period	4,654,114,613.00				12,267,337,664.44	281,569,025.73	257,376.69		1,511,497,143.93	4,241,126,426.82		22,392,764,199.15

Amount of previous year

Unit: CNY

Item	Half of 2021											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
I. Ending balance of the previous year	4,609,666,212.00				11,926,123,599.85		338,977.41		1,163,799,319.07	6,170,689,695.69		23,870,617,804.02
Add: changes in accounting policies												
Correction of errors in the previous period												
Others												
II. Opening balance of the current year	4,609,666,212.00				11,926,123,599.85		338,977.41		1,163,799,319.07	6,170,689,695.69		23,870,617,804.02
III. Increase/decrease in amount of the current period (decrease expressed with "-")	40,987,657.00				268,059,276.78	288,553,105.28	-7,226.33			777,655,965.80		798,142,567.97
(I) Total comprehensive income							-7,226.33			3,102,982,900.30		3,102,975,673.97
(II) Invested and decreased capital of owners	40,987,657.00				268,059,276.78	288,553,105.28						20,493,828.50
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	40,987,657.00				268,059,276.78	288,553,105.28						20,493,828.50
4. Others												

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Item	Half of 2021											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
(III) Profit distribution										-		-2,325,326,934.50
1. Surplus reserves withdrawn												
2. Distribution to owners (or shareholders)												
3. Others										-		-2,325,326,934.50
(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 incomes												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period												
2. Use in the current period												
(VI) Others												

Full Text of 2022 Semi-annual Report of FAW Jiefang Group Co.,Ltd.

Item	Half of 2021											
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
IV. Ending balance of the current period	4,650,653,869.00				12,194,182,876.63	288,553,105.28	331,751.08		1,163,799,319.07	6,948,345,661.49		24,668,760,371.99

III. Company Profile

FAW JIEFANG GROUP CO., LTD., formerly known as FAW Car Co., Ltd., is a limited liability company registered in Changchun City, Jilin Province.

FAW Car was approved by the TGS (1997) No.55 document issued by State Commission for Restructuring the Economic System in 1997, and was established exclusively by China FAW Group Co., Ltd. (hereinafter referred to as FAW Group). 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 FAW as its capital contribution, 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 reorganization. After the adjustment, FAW Car transferred all its assets and liabilities, excluding the equity of First Automobile Finance Co., Ltd. and Sanguard Automobile Insurance Co., Ltd. and some reserved assets, to FAW Bestune, and then replaced 100% equity of FAW Bestune Car Co., Ltd. with the equivalent part of 100% equity of Jiefang Limited held by FAW. At the same time, 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 name of FAW Car was changed to "FAW JIEFANG GROUP CO., LTD." and the stock abbreviation was changed to "FAW Jiefang".

On January 11, 2021, the Company held the first 2021 extraordinary shareholders' meeting, and reviewed and approved the *Proposal on the Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD. (Draft) and Its Abstract*, the *Proposal on the Regulations for the Implementation Assessment of Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD.*, the *Proposal on the Regulations for Restricted Share Incentive of FAW JIEFANG GROUP CO., LTD.*, and the *Proposal on Requesting the Shareholders Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Share Incentive Plan*. On January 15, 2021, the Company held the 12th meeting of the 9th Board of Directors, and reviewed and approved the *Proposal on Adjusting the List of the First Batch of Incentive Objects and the Number of Grants in the Phase I Restricted Share Incentive Plan* and the *Proposal on Granting Restricted Shares to the Incentive Objects of the Phase I Restricted Share Incentive Plan for the First Time*. Nine directors and senior executives, including Hu Hanjie, Zhu Qixin, Zhang Guohua, Wang Ruijian, Shang Xingwu, Ou Aimin, Kong Dejun, Wu Bilei and Wang Jianxun, and 310 other core employees with the title of senior director and above were granted to subscribe for 40,987,657 new shares of the Company at an issue price of CNY 7.54 per share, and the registered capital of the Company was changed to CNY 4,650,653,869.00. This change was verified by the *Capital Verification Report (ZTYZ (2021) No. 110C000033)* issued by Grant Thornton Accounting Firm (special general partnership). On February 1, 2021, the Company disclosed the *Announcement on the Completion of the First Grant Registration of Phase I Restricted Share Incentive Plan*.

On December 9, 2021, the Company held the 20th meeting of the 9th Board of Directors and the 19th meeting of the 9th Board of Supervisors, and reviewed and approved the *Proposal on Granting Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan to Incentive Objects* and the *Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan* respectively. 33 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 from 2 employees who were no longer eligible for incentive objects at a price of CNY 7.04/share. 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*.

The Company establishes a corporate governance structure consisting of the Shareholders' Meeting, the Board of Directors and the Board of Supervisors, and has one wholly-owned subsidiary, Jiefang Limited. Jiefang Limited has six wholly-owned subsidiaries, including FAW Jiefang Automotive Sales Co., Ltd., FAW Jiefang (Qingdao) Automotive Co., Ltd., Wuxi Dahao Power Co., Ltd., FAW Jiefang Dalian Diesel Engine Co., Ltd., FAW Jiefang

Austria R&D Co., Ltd., and FAW Jiefang New Energy Automotive Sales Co., Ltd. It also has 8 associated companies, including First Automobile Finance Co., Ltd., Sanguard Automobile Insurance Co., Ltd., FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd., FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd., Changchun Wabco Automotive Control System Co., Ltd., Suzhou Zhito Technology Co., Ltd., FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., and SmartLink.

Business scope of the Company: R&D, production and sales of medium and heavy trucks, complete 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 that are 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 Hu Hanjie.

The financial statements and notes to the financial statements have been approved for issue by the Board of Directors of the Company on August 29, 2022.

In 2022, the Company has 1 secondary subsidiary and 6 tertiary subsidiaries included in the consolidation scope. For details, please refer to VIII "Equity in Other Entities" in Section X - Financial Report.

IV. Basis for Preparation of Financial Statements

1. Preparation basis

The financial statements are prepared according to the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance and its application guidelines, interpretations and other relevant provisions (hereinafter collectively referred to as "ASBE"). In addition, the Company also discloses relevant financial information

according to the *Disclosure of Company Information Disclosure Rules No. 15. - General Provisions on Financial Reporting* (revised in 2014) issued by China Securities Regulatory Commission.

The financial statements are presented on a going concern basis.

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

2. Going concern

The Company has no event or condition that causes significant doubt about its ability to continue as a going concern for 12 months from the end of the reporting period.

V. Significant Accounting Policies and Accounting Estimates

Tips for specific accounting policies and accounting estimates:

The Company determines the depreciation of fixed assets, amortization of intangible assets, capitalization conditions of R&D expenses and income recognition policies according to its own production and operation characteristics. For specific accounting policies, please see V "Significant Accounting Policies and Accounting Estimates" 21, 25 and 33 in Section X - Financial Report.

1. Statement of compliance with ASBE

The financial statements meet the requirements of ASBE, and truly and fully reflect the consolidated and company financial conditions as of June 30, 2022 and the consolidated and company operating results, consolidated and company cash flows and other information in the first half of 2022.

2. Accounting period

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

3. Business cycle

The business cycle of the Company is 12 months.

4. Recording currency

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

5. Accounting method for business combination under common control and different control

(1) Business combination under common control

In case of business combination under common control, the assets and liabilities of the combined party obtained by the combining party in the combination are measured based on the book value of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date, except for the adjustment made due to different accounting policies. The capital reserve (stock premium) is adjusted based on the difference between the book value of the combination consideration and the book value of the net assets obtained in the combination. The retained earnings are adjusted if the capital reserve (stock premium) is insufficient for offset.

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

In individual financial statements, the share of book value of the combined party's net assets in the consolidated financial statements of the ultimate controlling party on the combination date calculated based on the shareholding proportion on the combination date is taken as the initial cost of the investment. The capital reserve (stock premium) is adjusted based on the difference between the initial investment cost and the sum of the book value of the pre-combination investment and the book value of the newly paid consideration on the combination date, and the retained earnings are adjusted if the capital reserve is insufficient for offset.

In the consolidated financial statements, the assets and liabilities of the combined party obtained by the combining party in the combination are measured based on the book value of the ultimate controlling party in the consolidated financial statements on the combination date, except for the adjustment due to different accounting policies. The capital reserve (stock premium) is adjusted based on the difference between the sum of the book value of the pre-combination investment and the book value of the newly paid consideration on the combination date and the book value of the net assets obtained in the combination. The retained earnings are adjusted if the capital reserve is insufficient for offset. The long-term equity investment held by the combining party before the acquisition of control of the combined party as well as the profit or loss, other comprehensive income and changes in other owners' equity that have been recognized during the period from the date of acquisition of the original equity and the date of final control of the combining party and the combined party (whichever is later) to the combination date shall offset against the beginning retained earnings or current profit or loss respectively during the period of comparative statement.

(2) Business combination under different control

In case of business combination under different control, the combination cost is the fair value of assets paid, liabilities incurred or assumed and equity securities issued on the acquisition date for acquiring the control over the acquiree. The assets, liabilities and contingent liabilities acquired from the acquiree on the acquisition date are recognized at fair value.

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

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

In individual financial statements, the sum of the book value of the equity investment of the acquiree held before the acquisition date and the new investment cost on the acquisition date is taken as the initial cost of the investment. Other comprehensive income of the equity investment held before the acquisition date and verified and recognized with equity method is not disposed of on the acquisition date, and the investment is accounted for by disposing of related assets or liabilities directly together with the investee. The owner's equity recognized due to changes in other owner's equity in addition to net profit or loss, other comprehensive income and profit distribution of the investee is transferred to the current profit or loss during the disposal period when the investment is being disposed of. If the equity investment held before the acquisition date is measured at fair value, the accumulated changes in fair value originally included in other comprehensive income are transferred to retained earnings when cost method is adopted for calculation.

In the consolidated financial statements, the combination cost is the sum of the consideration paid on the acquisition date and the fair value of the acquiree's equity already held before the acquisition date on the acquisition date. The acquiree's equity held before the acquisition date is re-measured at its fair value on the acquisition date, and the difference between the fair value and its book value is included in current profit or loss. Other comprehensive income and other changes in owner's equity involved in the acquiree's equity held before the acquisition date are transferred to current income on the acquisition date, except for other comprehensive income generated from the changes due to the investee's re-measurement of net liabilities or net assets of the defined benefit plan.

(3) Disposal of transaction expenses in business combination

Intermediation costs such as audit, legal services, assessment and consultation and other related management costs incurred for business combination are included in the current profits and losses when incurred. The transaction expenses of equity securities or debt securities issued as consolidated consideration are included in the initially recognized amount of equity securities or debt securities.

6. Preparation method of consolidated financial statements

(1) Scope of consolidation

The consolidation scope of consolidated financial statements is determined on the basis of control. Control means the power of the Company over the investee, and the Company can enjoy variable returns by taking part into related activities of the investee and is able to influence its amount of return with the power over the investee. Subsidiaries refer to entities controlled by the Company (including enterprises, separable parts of investees, structured entities, etc.).

(2) Preparation method of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and in accordance with other relevant information. During the preparation of consolidated financial statements, the accounting policies and accounting periods of the Company and its subsidiaries shall be consistent, and the balances of major transactions and transactions between the companies are offset.

Subsidiaries and businesses increased in the reporting period due to the business combination under common control are deemed to be incorporated in the consolidation scope of the Company from the date of control by the ultimate controlling party, and their operating results and cash flows from the date of control by the ultimate controlling party are included in the consolidated profit statement and consolidated cash flow statement respectively.

For the subsidiaries and businesses increased in the reporting period due to business combination under different control, their earnings, expenses and profits from the acquisition date to the end of the reporting period are included in the consolidated profit statement, and their cash flows are included in the consolidated cash flow statement.

The portion of shareholder's equity in a subsidiary that is not owned by the Company is presented separately as minority shareholders' interest under the item of shareholder's equity in the consolidated balance sheet; the portion of current net profit or loss of a subsidiary that is attributable to minority interest is presented as "minority shareholder's interests" under the item of net profit in the consolidated profit statement. If the loss of a subsidiary borne by minority shareholders exceeds the amount of their shares of owners' equity in the subsidiary at the beginning, the balance shall offset against the minority equity.

(3) Purchase of minority shareholders' equity of subsidiaries

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

(4) Disposal with loss of control over subsidiaries

When the Company loses the right of control over its subsidiary due to the disposal of partial equity investment or other reasons, the residual equity is re-measured at the fair value on the day when the right of control is lost. The difference between the sum of the value received from disposal of equity and fair value of the residual equity, and the share in book value of net assets and goodwill of the original subsidiary calculated constantly based on the original shareholding proportion from the acquisition date is included in the investment income of the current period when the right of control is lost.

Other comprehensive income in connection with equity investment of the original subsidiaries is transferred to current profits and losses when the right of control is lost, except for other comprehensive income generated from the changes due to the investee's re-measurement of net liabilities or net assets of the defined benefit plan.

7. Classification of joint venture arrangements and accounting method for joint operations

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

(1) Joint operation

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

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

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

(2) Joint ventures

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

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

8. Standards for defining cash and cash equivalents

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

9. Foreign currency transactions and conversion of foreign currency statements

(1) Foreign currency transactions

Foreign currency transactions of the Company are converted into the recording currency amount according to the spot exchange rate on the transaction date.

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

(2) Conversion of foreign currency statements

When the foreign currency financial statements of overseas subsidiaries are converted on the balance sheet date, the assets and liabilities items in the balance sheet are converted at the spot exchange rate on the balance sheet date; the shareholders' equity items, except for "undistributed profits", are converted at the spot exchange rate on the date of occurrence.

The income and expense items in the profit statement are converted at the spot exchange rate on the transaction date.

All items in the cash flow statement are converted at the spot exchange rate on the cash flow date. The effect of exchange rate changes on cash is taken as a regulation item, and reflected in the item "Effect of exchange rate changes on cash and cash equivalents" listed separately in the cash flow statement.

The difference arising from the conversion of financial statements is reflected in the item "Other comprehensive income" under the item "Shareholders' equity" in the balance sheet.

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

10. Financial instruments

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

(1) Recognition and derecognition of financial instruments

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

Financial assets are derecognized if they meet one of the following conditions:

- ① The contractual right to receive the cash flow of the financial asset is terminated;
- ② The financial assets have been transferred and meet the following derecognition conditions for the transfer of financial assets.

The financial liabilities are derecognized in full or in part if the current obligation of financial liabilities has been wholly or partially released. The Company (the Debtor) signs an agreement with the Creditor to replace the existing financial liabilities with new financial liabilities; the existing financial liabilities are derecognized and the new financial liabilities are recognized when the contractual terms of the new financial liabilities and those of the existing financial liabilities are different in essence.

Financial assets are purchased and sold in a conventional manner, and accounting recognition and derecognition are performed on the transaction date.

(2) Classification and measurement of financial assets

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

Financial assets measured at amortized cost

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

- The Company's business model for managing the financial assets is to collect contractual cash flows;
- The contractual terms of the financial asset specify that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost with the effective interest method. Gains or losses arising from financial assets measured at amortized cost and not part of any hedging relationship are included in the current profits or losses at the time of derecognition, amortization with effective interest method or recognition for impairment.

Financial assets measured at fair value and whose changes are included in other comprehensive income

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 the current profits or losses as the financial assets measured at fair value and whose changes are included in other comprehensive income:

·The Company's business model for managing the financial assets aims at both collecting contractual cash flows and selling the financial assets;

·The contractual terms of the financial asset specify that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount.

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

Financial assets measured at fair value and whose changes are included in current profits and losses

Except for the above financial assets measured at amortized cost and that measured at fair value and whose changes are included in other comprehensive income, the Company classifies all other financial assets into that measured at fair value and whose changes are included in current profits or losses. At the time of initial recognition, the Company irrevocably designates some financial assets that should have been measured at amortized cost or that should be measured at fair value and whose changes are included in other comprehensive income as the financial assets measured at fair value and whose changes are included in current profits or losses in order to eliminate or significantly reduce accounting mismatch.

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

The business model for managing financial assets refers to the way adopted by the Company to manage financial assets to generate cash flows. The business model determines the cash flow sources of the financial assets managed by the Company, which may come from the collection of contractual cash flow or the sale of financial assets or both. The Company determines the business model for managing financial assets based on objective facts and the specific business objectives for managing financial assets decided by key management personnel.

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

All affected financial assets are reclassified on the first day of the first reporting period after the business mode is changed only if the Company changes the business mode for managing financial assets, otherwise financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value at the time of initial recognition. The transaction expenses of the financial assets measured at fair value and whose changes are included into current profits or losses are directly included in the current profits or losses; the transaction expenses of other financial assets are included in the initially recognized amount. For accounts receivable arising from the sale of products or the rendering of services, which do not include or do not take into account significant financing components, the Company takes the amount of consideration expected to be entitled to receive as the initially recognized amount.

(3) Classification and measurement of financial liabilities

The financial liabilities of the Company are classified into the following types at the time of initial recognition: financial liabilities measured at fair value and whose changes are included in profits or losses, and financial liabilities measured at amortized cost. For the financial liabilities not classified as those measured at fair value and whose changes are included in the current profits or losses, the transaction expenses are included in their initially recognized amounts.

Financial liabilities measured at fair value and whose changes are included in the current profits and losses

Financial liabilities measured at fair value and whose changes are included in the current profits and losses include trading financial liabilities and the financial liabilities designated to be measured at fair value and whose changes are included in the current profits and losses at the time of initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses arising from changes in fair value as well as the dividends and interest expenses related to such financial liabilities are included in current profits and losses.

Financial liabilities measured at amortized cost

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

Difference between financial liabilities and equity instruments

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

- ① Contractual obligations of delivering cash or other financial assets to other parties.
- ② Contractual obligations of exchanging financial assets or financial liabilities with other parties under potentially adverse conditions.
- ③ Non-derivative instrument contracts which must or may be settled with the enterprise's own equity instruments in the future, and the equity instrument of the enterprise with which a variable number is delivered under the contract.
- ④ Derivative instrument contracts which must or may be settled with the enterprise's own equity instruments in the future, except for those with a fixed amount of equity instruments to exchange for a fixed amount of cash or other financial assets.

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

The contractual obligation satisfies the definition of financial liability if the Company fails to perform one contractual obligation by avoiding delivering cash or other financial assets unconditionally.

If a financial instrument must or can be settled by the Company's own equity instrument, it needs to consider whether the equity instrument is used to replace cash or other financial assets, or help its holder to enjoy the residual equity in the issuer's assets after all liabilities are deducted. If it is used for the former purpose, the instrument is the financial liability of the Company; if it is used for the latter purpose, the instrument is the equity instrument of the Company.

(4) Fair value of financial instruments

The determination methods for fair values of financial assets and financial liabilities are described in 37 "Other significant accounting policies and accounting estimates" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

(5) Impairment of financial assets

The Company carries out impairment accounting and recognizes the loss provision for the following items based on the expected credit loss:

- Financial assets measured at amortized cost;
- Receivables and debt investments measured at fair value and whose changes are included in other comprehensive income;
- Contractual assets as defined in the *Accounting Standards for Business Enterprises No. 14 - Revenue*.
- Lease receivables.
- Financial guarantee contracts (except those formed by measuring at fair value with its changes included in current profits and losses, and when the transfer of financial assets does not meet the conditions for derecognition or the transferred financial assets are involved continuously).

Measurement of expected credit loss

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

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

The Company measures the expected credit losses of financial instruments at different stages respectively. The financial instruments with the credit risk not increased significantly since the initial recognition is in phase I, and the Company measures the provision for loss based on the expected credit loss in the next 12 months. The financial instrument with credit loss increased significantly since its initial recognition but without credit impairment is in phase II, and the Company measures the provision for loss based on the expected credit loss of the instrument in the whole duration. The financial instrument with credit impairment since its initial recognition is in phase III, and the Company measures the provision for loss based on the expected credit loss of the instrument in the whole duration.

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

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

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

The Company calculates interest income of the financial instruments in the phase I and phase II and with low credit risk according to the book balance without deduction of impairment provision and the effective interest rate. For financial instruments in phase III, the Company calculates the interest income based on their book balance minus the amortized cost after the impairment provision has been made and the effective interest rate.

Notes receivable, accounts receivable and contractual assets

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

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

A. Notes receivable

Notes receivable portfolio 1: bank acceptance bills

Notes receivable portfolio 2: commercial acceptance bills

B. Aging portfolio of accounts receivable

C. Aging portfolio of contractual assets

The Company calculates the expected credit loss of the notes receivable and contractual 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.

The Company calculates the expected credit loss of the accounts receivable divided into portfolios by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic situation, and preparing a comparison table of accounts receivable aging/overdue days and the expected credit loss rate for the whole duration.

Other receivables

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

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

Portfolio 2 of other receivables: aging portfolio

The Company calculates the expected credit loss of other receivables divided into portfolios according to the default risk exposure and the expected credit loss rate in the next 12 months or the whole duration.

Long-term receivables

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

The Company divides the receivables from sales of goods by installments into several portfolios according to the credit risk characteristics based on the following, and calculates the expected credit loss on the basis of the portfolios:

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

Long-term receivables portfolio 2: other receivables

The Company calculates the expected credit loss of the receivables from sales of goods by installments 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.

Debt investment and other debt investments

The Company calculates the expected credit loss of debt investment and other debt investments according to the nature of the investment, the type of counterparties and risk exposures, and the default risk exposure and the expected credit loss rate in the next 12 months or the whole duration.

Assessment of significant increase in credit risk

The Company evaluates whether the credit risk of financial instruments has increased significantly since the initial recognition by comparing the default risk of financial instruments on the balance sheet date with the default risk on the initial recognition date to determine the relative change in the default risk of financial instruments in the expected duration.

The Company considers the reasonable and reliable information (including forward-looking information) which can be obtained without unnecessary additional cost or effort when determining whether the credit risk has increased significantly since the initial recognition. The information considered by the Company includes the following:

- Failure of the debtor to pay the principal and interest on the due date of the contract;
- Existing or expected great degradation of external or internal credit ratings (if any) of financial instruments;
- Existing or expected serious deterioration of the debtor's operating results;
- Existing or expected changes in the technical, market, economic or legal environment, which will have a significant adverse effect on the debtor's repayment ability to the Company.

The Company assesses whether the credit risk has increased significantly on the basis of a single financial instrument or portfolios of financial instruments according to the nature of financial instruments. The Company may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings, when evaluating on the basis of financial instruments portfolios.

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

Credit-impaired financial assets

The Company evaluates the financial assets measured at amortized cost and creditor's debt investment measured at fair value and with changes included in other comprehensive income for credit impairment on the balance sheet date. The financial assets become the credit-impaired financial assets in case of one or more events adversely affecting their expected future cash flow. Evidence of credit impairment of financial assets includes the following observable information:

- Major financial difficulty of the issuer or debtor;
- Default of the debtor, such as default in the payment of interest or principal, or overdue payment;
- Concessions made by the Company to the debtor that would not be made under any other circumstances for economic or contractual reasons related to the debtor's financial difficulty;
- Great possibility of bankruptcy or other financial restructuring of the debtor;
- Disappearance of the active market of the financial assets due to financial difficulty of the issuer or debtor;

Presentation of provisions for expected credit losses

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Company remeasures the expected credit loss on each balance sheet date, and the increased or reversed amount of the loss provision arising therefrom shall be included in the current profits and losses as impairment losses or gains. The loss provision of the financial assets measured at amortized cost is used to offset their book value presented in the balance sheet. For the debt investment measured at fair value with its changes included in other comprehensive income, the Company recognizes its loss provision in other comprehensive income, which will not offset the book value of the financial assets.

Cancel after verification

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

If the written-down financial assets are recovered later, the reverse of the impairment loss are included in the current profits or losses.

(6) Transfer of financial assets

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

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

The following measures are taken when the Company neither transfers nor retains substantially all the risks and rewards on ownership of a financial asset: The financial assets are derecognized and the assets and liabilities incurred are recognized if the Company waives control over the financial assets. Relevant financial assets are recognized based on the extent of their continued involvement in the transferred financial assets, and relevant liabilities are recognized accordingly if the Company does not waive control over the financial assets.

(7) Offset of financial assets and financial liabilities

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

11. Notes receivable

Refer to 10 "Financial instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

12. Accounts receivable

Refer to 10 "Financial instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

13. Receivables financing

Refer to 10 "Financial instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

14. Other receivables

For the determination method and accounting method of expected credit losses of other receivables, please refer to 10 "Financial instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

15. Inventories

(1) Classification of inventories

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

(2) Valuation method for dispatched inventories

It is accounted for according to the planned cost when the Company's inventory is obtained. The difference between the planned cost and the actual cost is accounted for based on the cost difference account, and the planned cost is adjusted to the actual cost according to the cost difference which shall be borne for the inventory carried forward and dispatched on schedule.

(3) Basis for determining the net realizable value of inventories and drawing methods for provision for decline in the value of inventories

The net realizable value of inventories refers to the amount of the estimated selling price of the inventories minus the estimated costs upon completion, estimated selling expenses and relevant taxes. The net realizable value of inventories is determined based on the unambiguous evidence obtained and by considering the purpose of holding inventories and the effect of events after the balance sheet date.

The provision for decline in the value of inventories is made if the inventory cost is higher than its net realizable value on the balance sheet date. The Company generally makes provision for decline in the value of inventories according to a single inventory item. The provision for decline in the value of inventories previously made is reversed if the influence of the write-down inventory value before the balance sheet date disappears.

(4) Inventory system

The Company adopts the perpetual inventory system.

(5) Amortization method for low value consumables and packing materials

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

16. Contractual assets

The Company presents the contractual assets or contract liabilities in the balance sheet according to the relationship between the performance obligations and the customer's payment. The Company presents the net amount of contractual assets and contract liabilities under the same contract after offsetting them.

A contractual asset refers to a right to receive consideration for goods or services that have been transferred to a customer, and the right depends on factors other than the passage of time.

For the determination method and accounting method of the Company for the expected credit loss of the contractual assets, please refer to 10 "Financial instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

17. Contract cost

Contract costs include incremental costs incurred to obtain contracts and contract performance costs.

The incremental cost incurred for obtaining the contract refers to the cost that will not incur if the Company fails to obtain the contract (such as sales commission, etc.). The Company recognizes the cost as an asset of the contract acquisition cost if it is expected to be recovered. Other expenses incurred by the Company for obtaining the contract, except the incremental cost that is expected to be recovered, are included in the current profits and losses when incurred.

The Company recognizes the cost incurred for the performance of the contract as the asset of contract performance cost if it does not fall within the scope of other accounting standards for business enterprises such as inventory and meets the following conditions at the same time:

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

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

The Company makes provision for impairment of the excess and recognizes it as the asset impairment loss when the book value of the assets related to the contract cost is higher than the difference between the following two items:

- ① Residual consideration expected to be obtained by the Company by transferring goods or services related to the asset;
- ② The estimated cost to be incurred for the transfer of such goods or services.

The contract performance cost recognized as an asset is presented in the item "Inventory" if the amortization period at the time of initial recognition does not exceed one year or one normal business cycle, and is presented in the item "Other non-current assets" if the amortization period at the time of initial recognition exceeds one year or one normal business cycle.

The contract acquisition cost recognized as an asset is presented in the item "Other current assets" if the amortization period at the time of initial recognition does not exceed one year or one normal business cycle, and is presented in the item "Other non-current assets" if the amortization period at the time of initial recognition exceeds one year or one normal business cycle.

18. Held-for-sale assets

(1) Classification and measurement of held-for-sale non-current assets or disposal groups

The non-current asset or disposal group is classified as the held-for-sale asset if the Company recovers its book value mainly by selling (including the exchange of non-monetary assets of commercial nature) rather than continuously using the non-current asset or disposal group.

The above-mentioned non-current assets do not include investment real estates subsequently measured at fair value, biological assets measured at the net amount obtained by deducting the selling expenses from the fair value, assets obtained from employee compensation, financial assets, deferred tax assets and rights arising from insurance contracts.

Disposal group refers to a group of assets which is sold or disposed of together as a whole in a transaction and the liabilities directly related to these assets and transferred in the transaction. The disposal group includes goodwill obtained from business combination under certain circumstances.

Non-current assets or disposal groups that meet all the following conditions are classified as the held-for-sale assets:

The non-current assets or disposal groups can be sold immediately under current conditions according to the practice

of selling such assets or disposal groups in similar transactions; they are extremely likely to be sold, i.e. a resolution has been made on a sales plan and a certain purchase commitment has been obtained, and the sales are expected to be completed within one year. The overall investment to subsidiaries is classified as held-for-sale assets in individual financial statements, and all assets and liabilities of subsidiaries are classified as the held-for-sale assets in consolidated financial statements when the investment to subsidiaries meets the conditions for the held-for-sale assets if the Company loses control over its subsidiaries due to reasons such as the sales of investment to subsidiaries, whether the Company reserves some of its equity investments after the sales or not.

The difference between the book value and the net amount obtained by deducting the selling expenses from the fair value is recognized as the asset impairment loss when the held-for-sale non-current assets or disposal groups are measured initially or re-measured on the balance sheet date. The asset impairment loss recognized by the held-for-sale disposal group deducts the book value of the goodwill in the disposal group, and then deducts the book value of each non-current asset in the disposal group based on its proportion.

The previous write-down amount is recovered and reversed from the asset impairment losses recognized after being classified as the held-for-sale assets, and the reversed amount is included in the current profits and losses if the net amount obtained by deducting the selling expenses from the fair value of held-for-sale non-current assets or disposal groups on the subsequent balance sheet date increases. The book value of goodwill deducted shall not be reversed. Held-for-sale non-current assets and assets in the held-for-sale disposal group are not depreciated or amortized. The interest on liabilities and other expenses in the held-for-sale disposal group are recognized continuously. For all or part of the investments of held-for-sale associated enterprises or joint ventures, the held-for-sale part will not be accounted for with equity method, and the retained part (not classified as the held-for-sale asset) will be accounted for continuously with the equity method. The equity method will not be used any more when the Company has no significant influence on associated enterprises and joint ventures due to sales.

For a non-current asset or disposal group which is classified as the held-for-sale asset but later no longer meets the conditions for the held-for-sale asset, the Company will cease to classify it as the held-for-sale asset and measure it based on the lower of the following two amounts:

- ① The amount of the book value of the asset or disposal group before it is classified as the held-for-sale asset after adjustment for depreciation, amortization or impairment that should have been recognized under the assumption that it is not classified as the held-for-sale asset;
 - ② Recoverable amount.
- (2) Presentation

The Company presents the held-for-sale non-current assets or the assets in the held-for-sale disposal group in the balance sheet as the "held-for-sale assets", and presents the liabilities in the held-for-sale disposal group as the "held-for-sale liabilities".

The Company presents the profits and losses from continuing operations and discontinued operations separately in the profit statement. For the held-for-sale non-current assets or disposal groups failing to meet the definition of discontinued operation, their impairment losses and reversed amounts as well as profits or losses of disposal are presented as profits or losses from continuing operations. Operating profits and losses such as impairment losses and reversed amounts of discontinued operations and profits and losses of disposal are presented as profits and losses from discontinued operations.

Disposal groups that are intended to be discontinued rather than sold and meet the conditions of relevant components in the definition of discontinued operation are presented as discontinued operations from the date of discontinuance. For discontinued operations presented in the current period, the information originally presented as profits or losses from continuing operations in the current financial statements is presented again as profits or losses from discontinued operations in comparable accounting period. If the discontinued operation no longer meets the conditions for the classification of held-for-sale assets, the information originally presented as profits or losses from discontinued operations in the current financial statements is presented again as profits or losses from continuing operations in comparable accounting period.

19. Long-term equity investment

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

(1) Recognition of initial investment cost

Long-term equity investment acquired from business combination: For the long-term equity investment acquired from the business combination under common control, the investment cost refers to the share of book value of the owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date; for the long-term equity investment acquired from the business combination under different control, the investment cost refers to the combination cost.

Long-term equity investment acquired by other means: For the long-term equity investment acquired by cash payment, the initial investment cost refers to the actually paid purchase price; for the long-term equity investment acquired by issuing equity securities, the initial investment cost refers to the fair value of the issued equity securities.

(2) Subsequent measurement and recognition of profit or loss

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

For the long-term equity investment accounted for with the cost method, the distributed cash dividends or profits declared by the investee are recognized as investment income and included in the current profits and losses, except

for the declared but not released cash dividends or profits included in the price or consideration actually paid for acquiring the investment.

For the long-term equity investment accounted for with the equity method, the investment cost is not adjusted if the initial investment cost exceeds the share of the fair value of the investee's identifiable net assets at the time of the investment; the book value of the long-term equity investment is adjusted and the difference is included in the current profits and losses if the initial investment cost is less than the share of fair value of the investee's identifiable net assets at the time of the investment.

When the equity method is adopted, the investment income and other comprehensive income are recognized respectively according to its share of net profit or loss and other comprehensive income realized by the investee, and the book value of long-term equity investments is adjusted at the same time. The part of due share is calculated according to the distributed profit or cash dividend declared by the investee, and the book value of the long-term equity investment is reduced accordingly. In case of other changes in owners' equity except net profit or loss, other comprehensive income and profit distribution of the investee, the book value of long-term equity investment is adjusted and included in capital reserve (other capital reserves). The due share of net profit and loss of an investee is determined based on the fair value of various identifiable assets in the investee when the investment is obtained after net profit of the investee is adjusted according to accounting policies and accounting period of the Company. The sum of the fair value of the original equity and the new investment cost is taken as the initial investment cost calculated with the equity method on the date of conversion if it is possible to exert significant influence on or implement joint control but not constitute control over the investee due to additional investment or other reasons. The cumulative changes in fair value originally included in other comprehensive income related to the original equity are transferred to retained earnings when the equity method is adopted if the original equity is classified as a non-trading equity instrument investment measured at fair value with its changes included in other comprehensive income.

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

In case that the Company loses the right of control over the investee due to disposal of partial equity investment or other reasons, the equity method is applied, and it is deemed that the residual equity is adjusted with equity method from the time of acquisition if the residual equity after disposal can exert joint control over or significant influence

on the investee; the accounting is carried out according to the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and the difference between the fair value and the book value on the date of losing control is included in the current profits and losses if the residual equity after disposal cannot exert joint control over or significant influence on the investee.

If the Company loses the right of control over the investee but may exert joint control over or significant influence on the investee due to the reduction in its shareholding proportion caused by capital increase of other investors, the share of the Company in net assets of the investee increased due to capital increase and share expansion is recognized based on the new shareholding proportion, and the difference with the original book value of the long-term equity investment corresponding to the decrease of the shareholding proportion is included in the current profits and losses. Then, it is deemed that the equity method is adopted for adjustment according to the new shareholding proportion since the investment is acquired.

For the internal trading profits and losses incurred but not realized between the Company and its associated enterprises and joint ventures, the part attributable to the Company is calculated as per the shareholding proportion, and the investment profits and losses are recognized on the basis of offset. However, the internal transaction loss not realized between the Company and its investees shall not be offset if it is not an impairment loss of the assets transferred.

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

Joint control refers to the control over certain arrangement under related agreements, and related activities of the arrangement can only be determined with the unanimous consent of the parties sharing the control. During the judgment of joint control, it is required to determine whether the arrangement is controlled collectively by all participants or a group of participants, and then determine whether the activities related to the arrangement must be decided after being unanimously agreed by the participants who collectively control the arrangement. It is deemed that all participants or a group of participants collectively control the arrangement if related activities of an arrangement can be decided only with concerted action of all participants or a group of participants. It does not constitute joint control if an arrangement can be controlled collectively by two or more groups of participants. The determination of joint control does not consider the protective rights enjoyed.

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

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

(4) Impairment test method and drawing methods for impairment provision

For investments to subsidiaries, associated enterprises and joint ventures, the method of drawing asset impairment is described in 26 "Long-term asset impairment" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

20. Investment real estate

Measurement mode of investment real estate: cost method

Depreciation or amortization method

Investment real estates refer to the real estates held to earn rent or increase capital, or both. Investment real estates of the Company include the land use rights which have already been rented, the land use rights held and to be transferred after appreciation, and the buildings which have been rented.

The investment real estates of the Company are initially measured according to the cost upon acquisition, and depreciated or amortized on schedule according to the relevant provisions of fixed assets or intangible assets.

For the investment real estate which is subsequently measured with the cost mode, the method of drawing asset impairment is described in 26 "Long-term asset impairment" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

The disposal income from the sale, transfer, discard or destroy of the investment real estates is included in the current profits and losses after the book value and relevant taxes are deducted.

21. Fixed assets

(1) Recognition conditions

Fixed assets of the Company refer to the tangible assets held for the sake of producing commodities, rendering labor services, renting or operating management, with a service life in excess of one accounting year.

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

Fixed assets of the Company are initially measured based on the actual cost at the time of acquisition.

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

(2) Depreciation method

Category	Depreciation Method	Depreciation Period	Residuals Rate	Annual Depreciation Rate (%)
Houses and buildings	Straight-line method	20 years	3-5	4.85-4.75
Machinery equipment	Straight-line method	10 years	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 years	0-5	33.33-31.67
Office equipment	Straight-line method	3-5 years	3-5	32.33-19.00
Others	Straight-line method	4-10 years	0-5	24.25-9.50

① The Company adopts straight-line depreciation method. Fixed assets are depreciated when they are ready for their intended use, and ceased for depreciation when they are derecognized or classified as held-for-sale non-current assets. Without considering the provision for impairment, the annual depreciation rates of various fixed assets are determined according to their category, estimated service life and estimated residual value. The depreciation rate of fixed assets with impairment provision drawn is calculated and determined after their accumulated amount of impairment provision drawn is deducted.

② The impairment test method and drawing method for impairment provision of fixed assets are described in 26 "Long-term asset impairment" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

③ The Company reviews the service life, expected net residual value and depreciation method of fixed assets at the end of each year.

The service life of fixed assets is adjusted if the expected service life is different from the original estimate. The expected net residual value is adjusted if it is different from the original estimate.

④ Disposal of fixed assets

A fixed asset is derecognized if it is disposed of or it is expected that no economic benefit will be obtained by using or disposing it. The disposal income from the sale, transfer, discard or destroy of the fixed assets is included in the current profits and losses after the book value and relevant taxes are deducted.

(3) Recognition basis, valuation and depreciation methods for fixed assets under finance lease

The fixed assets leased by the Company are recognized as the fixed assets under finance lease when they meet one or more of the following criteria:

- ① The ownership of the leased assets will be transferred to the Company at the expiration of the lease term.
- ② The Company has the option to purchase the leased assets, and the purchase price agreed is expected to be far lower than the fair value of the leased assets when the option is exercised. Therefore, it can be reasonably determined that the Company will exercise this option on the commencement date of lease.
- ③ The lease term accounts for the majority of the service life of the leased assets, even if the ownership of such assets is not transferred.
- ④ The present value of the minimum lease payment of the Company on the commencement date of lease almost equals to the fair value of the leased assets on the same day.
- ⑤ The leased assets are of a special nature, and they can only be used by the Company if no major transformation is made.

For the fixed assets under finance lease, the entry value refers to the lower the fair value of the leased assets from the commencement date of lease and the present value of minimum lease payment. The minimum lease payment is taken as the entry value of long-term payables and its balance as the unrecognized financing charge. Initial direct expenses such as handling fees, attorney fees, travel expenses and stamp duties attributable to the lease project incurred during lease negotiation and signing of the lease contract are included in the value of the leased assets. Unrecognized financing charges are amortized with the effective interest method in each period of the lease term.

For the fixed assets under finance lease, the depreciation is drawn in the same way as that of the self-owned fixed assets. The depreciation is drawn within the service life of leased assets if it can be reasonably confirmed that the ownership of the assets can be obtained at the expiration of the lease term; otherwise, the depreciation is drawn within the lease term or the service life of leased assets, whichever is shorter.

22. Project under construction

The cost of the Company's project under construction is recognized according to the actual construction expenses, including various necessary construction expenses incurred during construction, borrowing costs which need to be capitalized before the projects reach the expected usable state and other relevant expenses.

The project under construction is transferred to fixed assets when they are ready for their intended use.

For the drawing method of asset impairment of the project under construction, please see 26 "Long-term asset impairment" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

23. Borrowing costs

- (1) Recognition principles for capitalization of borrowing costs

The borrowing costs incurred by the Company are capitalized and included in the cost of relevant assets if they can be directly attributed to the acquisition and construction or production of assets eligible for capitalization. Other borrowing costs are recognized as expenses according to the amount incurred and included in the current profit and loss. The borrowing costs are capitalized if they meet all of the following conditions:

- ① Expenditures on assets have been incurred, and they include the expenditures in the form of payments in cash, transfer of non-cash assets, or assumption of debts with interest for the acquisition, construction, or production of the assets eligible for capitalization;
- ② Borrowing costs have already been incurred;
- ③ Acquisition, construction, or production activities necessary to make the asset ready for its intended use or sale are in progress.

(2) Capitalization period of borrowing costs

The capitalization of borrowing costs will cease when the assets eligible for capitalization acquired, constructed, or produced by the Company are ready for their intended use or sale. Borrowing costs incurred after the assets eligible for capitalization are ready for their intended use or sale are recognized as expenses according to the amount incurred and included in current profits and losses.

The capitalization of the borrowing costs is suspended when the acquisition and construction or production of the assets eligible for capitalization are interrupted abnormally for more than 3 months. The capitalization of the borrowing costs continues when the acquisition and construction or production are interrupted normally.

(3) Capitalization rate of borrowing costs and calculation method of capitalized amount

The balance of the interest from special borrowings actually occurred in current period deducting the interest income acquired from unused borrowings which are deposited in banks, or deducting investment income from temporary investment of the borrowings is capitalized. The capitalization amount of general borrowings is determined by multiplying the weighted average of the part of accumulated asset expenditures exceeding special borrowings by the capitalization rate of general borrowings occupied. The capitalization rate is determined based on the weighted average interest rate of the general borrowings.

The balance of exchange for special borrowings in foreign currency is capitalized in full in the capitalization period. The balance of exchange for general borrowings in foreign currency is included in the current profits and losses.

24. Right-of-use assets

(1) Recognition conditions of right-of-use assets

The right-of-use asset refers to the right of the Company as the lessee to use the leased asset during the lease term. The right-to-use asset is initially measured at cost from the commencement of the lease term. This cost includes the amount of lease liabilities measured initially; the rent paid on or before the commencement of the lease term, which needs to deduct the amount of lease incentive enjoyed (if any); initial direct expenses incurred by the Company as

the lessee; cost expected to be incurred by the Company as the lessee for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company, as the lessee, recognizes and measures the cost of demolition and restoration in accordance with the *Accounting Standards for Business Enterprises No. 13 - Contingencies*. Subsequent adjustments are made for any remeasurement of the lease liabilities.

(2) Depreciation method of right-of-use assets

The Company adopts the straight-line method for depreciation. The depreciation is drawn within the remaining service life of the leased assets if the Company, as the lessee, can reasonably confirm that can obtain the ownership of the leased assets at the expiration of the lease term. The depreciation is drawn within the lease term or the remaining life of such assets, whichever is shorter, if it cannot be reasonably determined that the ownership of the leased assets can be obtained at the expiration of the lease term.

(3) The impairment test method and drawing method for impairment provision of right-of-use assets are described in 26 "Long-term asset impairment" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

25. Intangible assets

(1) Valuation method, service life and impairment test

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

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

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

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

The Company reviews the service life and amortization method of intangible assets with limited service life at the end of each year; adjusts the original estimate if it is different from the actual value, and handles based on changes in accounting estimate.

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

For the drawing method of asset impairment of the intangible assets, please see 26 "Long-term asset impairment" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

(2) Accounting policies for expenditures on internal research and development

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

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

The expenditures in the development stage can be capitalized only if they meet all of the following conditions: It is technically feasible to complete the intangible asset so that it will be available for use or sale; there is an intention to complete the intangible asset and use or sell it; the model of economic benefits generated by operating the intangible assets, including the proof that there is a market for the products manufactured based on the intangible assets or the assets themselves, and the serviceability of the assets which are to be used internally; there are sufficient technical, financial and other resources to complete the development of intangible asset, and it is capable to use or sell the asset; the expenditure attributable to the intangible asset in the development stage can be measured reliably.

The development expenditures failing to meet above conditions are included in current profits and losses when occurred.

The research and development project of the Company will enter the development stage after meeting the above conditions and being approved through technical feasibility and economic feasibility study.

The capitalized expenditures in 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 the intended use.

26. Long-term asset impairment

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

The Company will determine whether there is any sign of possible impairment of assets on the balance sheet date. If any, the Company will estimate the recoverable amount and conduct an impairment test. Impairment tests shall be carried out every year on goodwill resulting from business combination, intangible assets with uncertain service life and intangible assets that are not available no matter whether there is any sign of impairment.

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

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

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

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

Once confirmed, the impairment loss of assets will not be reversed in subsequent accounting periods.

27. Long-term deferred expenses

Long-term deferred expenses incurred by the Company are valued at actual cost and amortized evenly over the expected benefit period. The amortized value of the long-term deferred expenses that cannot benefit the future accounting period is included in the current profits and losses.

28. Contract liabilities

The Company presents the contractual assets or contract liabilities in the balance sheet according to the relationship between the performance obligations and the customer's payment. The Company presents the net amount of contractual assets and contract liabilities under the same contract after offsetting them.

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

29. Employee compensation

(1) Accounting method of short-term compensation

The Company recognizes the actual employee salaries and bonuses, the medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums and other social insurance premiums as well as housing

provident fund paid for the employees according to the specified benchmark and proportion in the accounting period when the employees provide services as liabilities, and includes them in the current profits and losses or relevant asset costs. Such liabilities will be measured at the discounted amount if it is expected that they cannot be fully paid within 12 months at the end of the annual reporting period during which the employees provide relevant services, and the financial impact is significant.

(2) Accounting method of post-employment benefits

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

Defined contribution plan

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

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

Defined benefit plan

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

- ① Service costs, including current service costs, past service costs and settlement gains or losses. Among them, the current service cost refers to the increase in the present value of the defined benefit plan obligations due to the provision of services by employees in the current period; the past service cost refers to the increase or decrease in the present value of the defined benefit plan obligations related to the employee services in the previous period due to the modification of the defined benefit plan.
- ② Net interest of net liabilities or net assets of the defined benefit plan, including interest income of plan assets, interest expenses of defined benefit plan obligations and interest impacted by upper asset limit.
- ③ Changes caused by re-measurement of net liabilities or net assets of the defined benefit plan.

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

(3) Accounting method of dismissal welfare

When the Company provides dismissal welfare to employees, it recognizes the liabilities of employee compensation arising from dismissal welfare at the earlier of the following two dates and includes them in current profits and losses: The Company cannot unilaterally withdraw the dismissal welfare provided due to the termination of employment or adoption of staff reduction suggestion; the Company recognizes the costs or expenses related to the restructuring involving the payment of dismissal welfare.

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

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

Other long-term employee benefits provided by the Company to employees are treated according to provisions of above defined contribution plan if they meet the conditions of the plan. The benefits that meet the requirements of the defined benefit plan are treated in accordance with the provisions of the plan. However, the "changes caused by re-measurement of net liabilities or net assets of the defined benefit plan" in relevant employee compensation cost are included in current profits and losses or relevant asset cost.

30. Lease liabilities

(1) Identification of lease

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

(2) The Company acting as the lessee

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

For the accounting policies of right-of-use assets, see 24 in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

Lease liabilities are initially measured at the present value of the lease payment that has not been made on the commencement date of the lease term calculated by the interest rate implicit in lease. The incremental borrowing rate is used as the discount rate if the interest rate implicit in lease cannot be determined. Lease payments include

fixed payment and substantial fixed payment, which need to deduct the lease incentive (if any); variable lease payments depending on index or ratio; the exercise price of the purchase option, provided that the lessee reasonably determines that the option will be exercised; amount to be paid for exercise of the option to terminate the lease, provided that it is reflected that the lessee will exercise the option to terminate the lease in the lease term; the amount expected to be payable based on the guaranteed residual value provided by the lessee. Subsequently, the interest expenses of the lease liabilities in each period of the lease term are calculated at a fixed periodic rate and included in the current profits and losses. Variable lease payments not included in the measurement of lease liabilities are included in the current profits and losses when they actually occur.

Short-term lease

Short-term leases are leases last for not more than 12 months from the commencement of the lease term, except the lease including a purchase option.

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

For short-term lease, the Company selects the above simplified treatment method for the items meeting the short-term lease conditions in the following asset types according to the category of leased assets.

Low-value asset lease

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

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

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

Lease change

If the lease changes and meets all of the following conditions, the Company will account for the lease change by taking it as a separate lease: ① The lease change expands the lease scope by adding the right to use one or more leased assets; ② The increased consideration equals to the separate price of the expanded part of the lease scope the after adjustment according to the contract.

If the lease change reduces the lease scope or the lease term, the Company reduces the book value of the right-to-use asset accordingly and includes the gains or losses from the partial or complete termination of the lease into the current profits and losses.

The Company adjusts the book value of the right-to-use asset accordingly if other lease changes lead to the remeasurement of lease liabilities.

(3) The Company acting as the lessor

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

Finance lease

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

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

Operating lease

The Company recognizes the rents from operating lease as the current profits and losses with the straight-line method in each period within the lease term. The initial direct expenses related to the operating lease incurred shall be capitalized, amortized over the lease term on the same basis as the recognition of rental income, and included in the current profits and losses by stages. The variable lease payments obtained that are related to the operating lease but not included in the lease receipts are included in the current profits and losses when they actually occur.

Lease change

The Company treats the changed lease under the following circumstances respectively if the change of finance lease is not taken as a separate lease for accounting: ① The Company will take the lease as a new one for accounting from the effective date of lease change, and take the net investment in the lease before the effective date of the lease change as the book value of the leased asset if the change takes effect on the commencement date of the lease and the lease is classified as an operating lease; ② The Company will carry out accounting according to the provisions on the modification or renegotiation of contract in the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* if the change takes effect on the commencement date of the lease and the lease is classified as a finance lease.

31. Estimated liabilities

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

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

Estimated liabilities are initially measured at the best estimate required to be paid for the performance of relevant current obligations, and comprehensively consider factors as risks, uncertainties and time value of money related to contingencies. The best estimate is determined by discounting the relevant future cash outflow if the time value of money has a significant impact. The Company reviews the book value of estimated liabilities and adjusts the book value on the balance sheet date to reflect the current best estimate.

The amount of compensation is recognized as assets separately only if it is basically certain that the amount can be obtained in case that all or part of expenditures necessary for clearing off the recognized estimated liabilities are expected to be compensated by a third party or other parties. The recognized compensation amount shall not exceed the book value of the recognized liabilities.

32. Share-based payment

(1) Types of share-based payment

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

(2) Determination methods for fair value of equity instruments

The Company recognizes the fair value of equity instruments such as granted options in an active market according to the quotation of the active market. For equity instruments such as granted options not in active market, the fair value is determined by the option pricing model. The selected option pricing model considers the following factors: A. Exercise price of options; B. Validity period of options; C. Current price of underlying shares; D. Expected fluctuation ratio of stock price; E. Expected dividends of shares; F. Risk-free interest rate within the validity period of options.

(3) Basis for determining the best estimate of exercisable equity instruments

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

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

The equity-settled share-based payment is measured at the fair values of the equity instruments granted to employees. The share-based payment is included in relevant costs or expenses at the fair value of equity instrument on the granting date if the equity instrument can be vested immediately upon being granted, and the capital reserve is increased accordingly. If the equity instrument cannot be exercised until services within the vesting period are completed or until the specified performance conditions are met, the services obtained in the current period can be included in relevant costs or expenses and capital reserve at the fair value on the granting date of the equity instrument based on the best estimate on the number of exercisable equity instruments on each balance sheet date

within the vesting period. No adjustment shall be made to relevant costs or expenses and the total amount of owner's equity that have been recognized after the vesting date.

The cash-settled share-based payment is measured according to the fair value of liabilities calculated and recognized based on the shares or other equity instruments assumed by the Company. The payment is included in relevant costs or expenses at the fair value of the liabilities assumed by the Company on the granting date if the equity instrument can be vested immediately upon being granted, and the liabilities are increased accordingly. Where the cash-settled share-based payment cannot be exercised until the services within the vesting period are completed or until the specified performance conditions are met, the services obtained in the current period are included in relevant costs or expenses and liabilities at the fair value of liabilities assumed by the Company based on the best estimate on exercisable right on each balance sheet date within the vesting period. Fair value of the liabilities is re-measured and the changes in fair value are included in current profits and losses on each balance sheet date and each settlement date prior to the settlement of the relevant liabilities.

If the fair value of granted equity instruments is increased due to the modification made by the Company to the share-based payment plan, the increase in services obtained is recognized based on the increase in the fair value of equity instruments. If the number of granted equity instruments is increased due to the modification, the fair value of the increased equity instruments is recognized accordingly as the increase in obtained services. The increase in the fair value of equity instruments refers to the difference between the fair value of equity instruments before and after the modification on the modification date. The obtained services are accounted for continuously as if the change has never occurred if the modification reduces total fair value of share-based payment or other ways unfavorable to employees are adopted to modify the terms and conditions of the share-based payment plan, unless the Company has canceled part or all of the granted equity instruments.

If the granted equity instruments are canceled in the vesting period (except those canceled due to the failure to meet exercisable non-market conditions), the Company will accelerate the exercise of the granted equity instruments, include the amount to be recognized in the remaining vesting period in the current profits and losses immediately, and recognize the capital reserve at the same time. If the employees or other parties can choose to meet the non-exercisable conditions but fail to do so in the vesting period, the Company will consider that the granted equity instruments are canceled.

33. Income

Accounting policies adopted for income recognition and measurement

(1) General principles

The Company recognizes the income after performing its obligations under the contract, i.e. the customers obtain the right to control relevant goods or services.

If there are two or more obligations under the Contract, the Company will amortize the transaction price to each

single obligation according to the relative proportion of the individual selling price of the goods or services promised by each single obligation on the contract commencement date, and measure the income based on the transaction price amortized to each single obligation.

When one of the following conditions is met, it is deemed that the Company performs the obligations within a certain period of time; otherwise, it is deemed that the Company performs obligations at a certain time point:

- ① The customer obtains and consumes the economic benefits brought by the performance of the contract by the Company at the time of contract performance.
- ② The customer can control the goods under construction during the performance of the Company.
- ③ The goods generated during the performance of the Company are irreplaceable, and the Company reserves right to receive payment for the performance accumulated so far throughout the contract period.

For the obligations performed within a certain period of time, the income is recognized by the Company based on the performance progress within that period of time. When the performance progress cannot be determined in a reasonable way and it is expected that the costs incurred by the Company can be compensated, the income will be recognized based on the cost incurred until the performance progress can be determined reasonably.

For obligations performed at a certain time point, the income is recognized by the Company at the time point when the customer obtains right to control relevant goods or services. The Company will consider the following indications in determining whether the customer has obtained the right to control the goods or services:

- ① The Company enjoys the current collection right in respect of the goods or services, that is, the customer has the current payment obligation in respect of the goods.
- ② The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.
- ③ The Company has transferred the physical goods to the customer, that is, the customer has occupied the physical goods.
- ④ The Company has transferred the main risks and rewards on the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the goods.
- ⑤ The customer has accepted the goods or services.
- ⑥ Other signs indicating that the customer has obtained the right of control over the goods.

The right of the Company to receive the consideration due to the transfer of goods or services to the customer (and the right depends on other factors other than the passage of time) is taken as a contractual asset, and the contractual assets are impaired based on the expected credit losses (please refer to 16 in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.). The right owned by the Company to collect consideration from customer unconditionally (which only depends on the passage of time) is presented as receivables. The obligations of the Company to transfer goods or services to customers for which consideration has been received or receivable are regarded as contractual liabilities.

Contractual assets and contract liabilities under the same contract are presented in net amount, which is presented in the item "Contractual assets" or "Other non-current assets" according to its liquidity if it is the debit balance; presented in the item "Contract liabilities" or "Other non-current liabilities" according to its liquidity if it is the credit balance.

(2) Specific method

The specific method for recognizing the sales income of the Company's complete vehicles and their accessories is as follows: When the complete vehicles and their accessories and other goods are transported to the customer and the customer has accepted the goods, the customer obtains the right to control over them, and the Company recognizes the income.

Differences in accounting policies for income recognition due to different business models for similar businesses: none

34. Government subsidies

Government subsidies are recognized when the attached conditions are met and the government subsidies can be received.

The government subsidies for monetary assets are measured at the amount received or receivable. The government subsidies for non-monetary assets are measured at fair value; or at nominal amount of CNY 1 if the fair value cannot be determined reliably.

The asset-related government subsidies refer to those obtained by the Company and used for the acquisition or construction of long-term assets or forming long-term assets in other ways. Other government subsidies are income-related government subsidies.

If the government documents do not clearly specify the subsidy object and long-term assets can be resulted in, the government subsidies corresponding to the asset value are regarded as asset-related government subsidies and others as income-related government subsidies; if it is difficult to distinguish, the government subsidies are regarded as income-related government subsidies.

Asset-related government subsidies are offset against the book value of related assets, or recognized as deferred incomes, and are included in profits and losses within the service life of related assets with a reasonable and systematic method. The income-related government subsidies used to compensate for the related costs or losses incurred are included in the current profits and losses or offset against relevant costs; those used to compensate for future related costs or losses are included in deferred income, and included in the current profits and losses or offset against relevant costs in the recognition period of related costs or losses. Government subsidies measured at the nominal amount are directly included in current profits and losses. The Company adopts the same method for the same or similar government subsidies.

The government subsidies related to daily activities are included in other incomes or offset against relevant costs based on the nature of business transactions. The government subsidies irrelevant to daily activities are included in non-operating revenue and expenditure.

If it is necessary to refund the government subsidies which 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.

35. Deferred income tax assets/deferred tax liabilities

Income tax includes current income tax and deferred income tax. Except that the deferred income taxes related to the adjustment of goodwill resulting from business combination or the transactions or matters directly included in the owner's equity are included in the owner's equity, other deferred income taxes are regarded as income tax expenses and included in the current profits and losses.

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

Relevant deferred income tax liabilities are recognized for each taxable temporary difference, unless the difference is incurred in the following transactions:

- (1) Initial recognition of goodwill or initial recognition of assets or liabilities incurred in a transaction which is neither a business combination nor affects accounting profit or taxable income;
- (2) For the taxable temporary difference associated with investments in subsidiaries, associated enterprises and joint ventures, its reversal time can be controlled and it may not be reversed in the foreseeable future.

For the deductible temporary difference, and deductible losses and tax deduction that can be carried forward to the next year, the Company recognizes the deferred tax assets arising from it by taking the future taxable income which can be used to deduct the deductible temporary differences, deductible losses and tax deduction as the limit, unless the deductible temporary difference is incurred in the following transactions:

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

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

The Company reviews the book value of deferred tax assets on the balance sheet date. The book value of the deferred tax assets is written down if it is likely that sufficient taxable income will not be available in the future to deduct the benefits of deferred tax assets. The write-down amount is reversed when it is likely that sufficient taxable income will be available.

36. Lease

(1) Accounting method of operating leases

The Company recognizes the rents from operating lease as the current profits and losses with the straight-line method in each period within the lease term. The initial direct expenses related to the operating lease incurred shall be capitalized, amortized over the lease term on the same basis as the recognition of rental income, and included in the current profits and losses by stages. The variable lease payments obtained that are related to the operating lease but not included in the lease receipts are included in the current profits and losses when they actually occur.

(2) Accounting method of finance leases

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

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

37. Other significant accounting policies and accounting estimates

(1) Fair value measurement

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

The Company measures relevant assets or liabilities at fair value by assuming that the orderly transaction of selling assets or transferring liabilities is carried out in the main market of relevant assets or liabilities; if there is no main market, the Company assumes that the transaction is carried out in the most favorable market for relevant assets or liabilities. The main market (or the most favorable market) refers to the trading market which the Company can

enter on the measurement date. The Company adopts the assumptions used by market participants to maximize their economic benefits when pricing the asset or liability.

The Company recognizes the fair value of financial assets or financial liabilities with active market based on the quotation in the market. The Company recognizes the fair value of the financial instrument without an active market with the valuation technique.

When non-financial assets are measured at fair value, the ability of market participants to use the asset for the optimum purpose to generate economic benefits, or to sell the asset to other market participants who can use it for the optimum purpose to generate economic benefits shall be considered.

The Company adopts the valuation technique which is currently applicable and contains sufficient available data and other information, and gives priority to the use of relevant observable input values, or uses non-observable input values only if it is impossible or infeasible to obtain the observable input values.

For assets and liabilities measured or disclosed at fair value in the financial statements, the level of fair value to which they belong is determined according to the lowest level input value which is significant for the overall fair value measurement: The first level input value refers to the unadjusted quotation of the same assets or liabilities in the active market that can be obtained on the measurement date; the second level input value refers to the direct or indirect observable input value of related assets or liabilities other than the first level input value; the third level input value refers to the non-observable input value of related assets or liabilities.

The Company reassesses the assets and liabilities measured continuously at fair value recognized in the financial statements on each balance sheet date to determine whether the fair value measurement levels are converted with each other.

(2) Construction materials

Construction materials of the Company refer to various materials prepared for the project under construction, including project materials, uninstalled equipment, tools and instruments prepared for production, etc.

The purchased construction materials are measured at cost, the received construction materials are transferred to the project under construction, and the remaining construction materials after the completion of the project are transferred to inventory.

For the drawing method of asset impairment of the project materials, please see 26 "Long-term asset impairment" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

The ending balance of construction materials is presented in the item "Project under construction" of the balance sheet.

(3) Work safety cost

The Company withdraws the work safety cost month by month in an average manner by taking the method of excess regression based on the actual operating income of the previous year according to the provisions of CQ [2012] No. 16 document. The specific standards are as follows:

For the machinery manufacturing enterprises with an operating income of not exceeding CNY 10 million, 2% of work safety cost will be withdrawn; for the part of operating income between CNY 10 million and CNY 100 million, 1% shall be withdrawn; for the part of the operating income between CNY 100 million and CNY 1 billion, 0.2% 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 business, and special freight business such as pipeline transportation and dangerous goods transportation.

Work safety costs are included in the cost of relevant products or current profits and losses at the time of withdrawal, and are also included in the item "special reserve".

When the withdrawn work safety costs are used within the specified scope, those belonging to expenditures are directly offset against the special reserves; those resulting in fixed assets are recognized as fixed assets when the safety project is completed and ready for its intended use after expenditures incurred are collected under the item "Project under construction". At the same time, the Company will offset the special reserve according to the cost of fixed assets and recognize the accumulated depreciation of the same amount. The fixed assets will no longer be depreciated in subsequent periods.

(4) Significant accounting judgments and estimates

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

Classification of financial assets

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

The Company determines the business model for financial assets management at the level of financial asset portfolio while considering factors such as the way to evaluate and report the performance of financial assets to key management personnel, the risks affecting the performance of financial assets and their management mode, and the way in which relevant business management personnel receive remuneration.

When evaluating the consistence between the contractual cash flow of financial assets and the basic lending arrangements, the Company needs to determine whether the principal may change the time distribution or amount in the duration due to prepayment and other reasons; whether the interest only includes the time value of money, credit risk, other underlying borrowing risks, and consideration for costs and profits. For example, whether the

amount of prepayment only reflects the unpaid principal and interest based on the outstanding principal, as well as reasonable compensation paid due to early termination of the contract.

Measurement of expected credit losses on accounts receivable

The Company calculates the expected credit loss of accounts receivable based on default risk exposure of accounts receivable and the expected credit loss rate, and determines the expected credit loss rate based on the probability and the loss rate of default. The Company determines the expected credit loss rate based on the data such as internal historical credit loss experience, and adjusts the historical data in combination with the current situation and forward-looking information. The Company uses indicators such as the risk of economic downturn, changes in external market environment, technical environment and customer situation, etc. when considering forward-looking information. The Company monitors and reviews the assumptions related to the calculation of expected credit losses regularly.

Impairment of goodwill

The Company assesses the impairment of goodwill at least once every year. This requires estimating the use value of the asset group allocated with goodwill. When estimating the use value, the Company needs to estimate the future cash flow from the asset group and select an appropriate discount rate to calculate the present value of the future cash flow.

Development expenditures

The management must assume the expected future cash generation of the asset, the discount rate to be applied, and the expected benefit period when determining the amount of capitalization.

Deferred tax assets

Deferred tax assets are recognized for all unutilized tax losses to the extent that it is probable that there will be sufficient taxable profits available against which the losses can be utilized. Therefore, the management needs to use a lot of judgment to estimate the time and amount of future taxable profits, and to determine the amount of deferred tax assets to be recognized in combination with tax planning strategies.

Estimated liabilities

Estimated liabilities are initially measured at the best estimate required to be paid for the performance of relevant current obligations, and comprehensively consider factors as risks, uncertainties and time value of money related to contingencies. The best estimate is determined by discounting the relevant future cash outflow if the time value of money has a significant impact. The Company reviews the book value of estimated liabilities and adjusts the book value on the balance sheet date to reflect the current best estimate.

The amount of compensation is recognized as assets separately only if it is basically certain that the amount can be obtained in case that all or part of expenditures necessary for clearing off the recognized estimated liabilities are expected to be compensated by a third party or other parties. The recognized compensation amount shall not exceed the book value of the recognized liabilities.

38. Changes in significant accounting policies and accounting estimates**(1) Changes in significant accounting policies**

Applicable Not applicable

(2) Changes in significant accounting estimates

Applicable Not applicable

VI. Taxes**1. Main taxes and tax rates**

Tax Category	Tax Basis	Tax Rate
Value-added tax	Taxable income	13%、9%、6%、5%
Urban maintenance and construction tax	Turnover tax payable	7%、5%
Corporate income tax	Taxable income	25%
Educational surcharges	Turnover tax payable	3%
Local educational surcharges	Turnover tax payable	2%
Land use tax	Land use area	CNY 9/m ² , CNY 14/m ²
Property tax	Residual value of property and rental income	1.2%、12%

Disclosure shall be made if there are different enterprise income tax rates for different taxpayers

Name of Taxpayer	Income Tax Rate
FAW JIEFANG GROUP CO., LTD.	25%
FAW JIEFANG AUTOMOTIVE CO., LTD.	15%
Wuxi Dahao Power Co., Ltd.	25%
FAW Jiefang Automotive Sales Co., Ltd.	25%
FAW Jiefang (Qingdao) Automotive Co., Ltd.	25%
FAW Jiefang Dalian Diesel Engine Co., Ltd.	15%
FAW Jiefang Austria R&D Co., Ltd.	25%
FAW Jiefang New Energy Automotive Sales Co., Ltd.	25%

2. Tax preference

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 September 10, 2020, with a certificate number of GR202022000336) jointly issued by the Science and

Technology Department of Jilin Province, the Department of Finance of Jilin Province and the Jilin Provincial Tax Service of State Taxation Administration.

FAW Jiefang Dalian Diesel Engine Co., Ltd., a subsidiary of the Company, is recognized as a high-tech enterprise, with a validity period of three years and an income tax rate of 15% within the validity period according to the list of third batch of high-tech enterprises (with a certificate number of GR202121200892) recognized in 2021 and issued by Dalian on December 15, 2021.

VII. Notes to Items in Consolidated Financial Statements

1. Monetary capital

Unit: CNY

Item	Ending Balance	Opening Balance
Bank deposits	28,493,437,173.79	30,709,255,009.05
Other monetary capitals	52,309,930.91	52,007,712.35
Total	28,545,747,104.70	30,761,262,721.40
Including: total amount deposited abroad	13,555,345.21	13,585,238.95
Total amount with limited use due to mortgage, pledge or freezing	52,309,930.91	56,005,226.87

Other notes: none

2. Notes receivable

(1) Classification of notes receivable

Unit: CNY

Item	Ending Balance	Opening Balance
Commercial acceptance notes	6,795,406.57	12,936,978.11
Total	6,795,406.57	12,936,978.11

Unit: CNY

Category	Ending Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision on Proportion		Amount	Scale	Amount	Provision on Proportion	
Including:										
Notes receivable with provision for bad debts made by portfolio	6,832,988.00	100.00%	37,581.43	0.55%	6,795,406.57	13,008,525.00	100.00%	71,546.89	0.55%	12,936,978.11
Including:										
Commercial acceptance bill	6,832,988.00	100.00%	37,581.43	0.55%	6,795,406.57	13,008,525.00	100.00%	71,546.89	0.55%	12,936,978.11
Total	6,832,988.00	100.00%	37,581.43	0.55%	6,795,406.57	13,008,525.00	100.00%	71,546.89	0.55%	12,936,978.11

Information about the provision for bad debts shall be disclosed in the same way as that of other receivables if the provision for bad debts of notes receivable is withdrawn based on the general model of expected credit losses:

Applicable Not Applicable

Portfolio provision item: commercial acceptance bill

Unit: CNY

Aging	2022.6.30			2021.12.31		
	Notes receivable	Provision for Bad Debts	Expected Credit Loss Rate (%)	Notes receivable	Provision for Bad Debts	Expected Credit Loss Rate (%)
Within 1 year	6,832,988.00	37,581.43	0.55	13,008,525.00	71,546.89	0.55

(2) 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	Amount Changed in the Current Period				Ending Balance
		Provision	Recovery or Reversal	Cancel after verification	Others	
Commercial acceptance bill	71,546.89	-33,965.46				37,581.43
Total	71,546.89	-33,965.46				37,581.43

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

 Applicable Not applicable

3. Accounts receivable**(1) Disclosure of accounts receivable by category**

Unit: CNY

Category	Ending Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Accounts receivable with provision for bad debt made individually	85,146,390.69	3.87%	85,146,390.69	100.00%		97,146,390.69	6.79%	97,146,390.69	100.00%	
Including:										
Accounts receivable with provision for bad debts made by portfolio	2,116,937,778.02	96.13%	83,352,091.79	3.94%	2,033,585,686.23	1,332,966,224.45	93.21%	53,272,272.75	4.00%	1,279,693,951.70
Including:										
Aging portfolio	2,116,937,778.02	96.13%	83,352,091.79	3.94%	2,033,585,686.23	1,332,966,224.45	93.21%	53,272,272.75	4.00%	1,279,693,951.70
Total	2,202,084,168.71	100.00%	168,498,482.48	7.65%	2,033,585,686.23	1,430,112,615.14	100.00%	150,418,663.44	10.52%	1,279,693,951.70

Provision for bad debts made individually:

Unit: CNY

Name	Ending Balance			
	Book Balance	Provision for Bad Debts	Provision Proportion	Reasons for Provision
Liangshan Huatai Trading Co., Ltd.	349,190.00	349,190.00	100.00%	Highly unlikely to be recovered
Yancheng Zhongwei Bus Co., Ltd.	13,599.99	13,599.99	100.00%	Highly unlikely to be recovered
FAW Jingye Engine Co., Ltd.	1,820,957.23	1,820,957.23	100.00%	Highly unlikely to be recovered
Shenyang Jinbei Vehicle Manufacturing Co., Ltd.	889,279.05	889,279.05	100.00%	It has been prosecuted, but highly unlikely to be recovered
Dalian Baofeng Automobile Sales Co., Ltd.	496,200.00	496,200.00	100.00%	It has been prosecuted, but highly unlikely to be recovered
Jilin Zhuzhan Automobile Trading Co., Ltd.	883,566.00	883,566.00	100.00%	Highly unlikely to be recovered
Dalian Qingfeng Bus Co., Ltd.	8,043,264.87	8,043,264.87	100.00%	Highly unlikely to be recovered
Jiangsu Xinrui New Energy Vehicle Technology Co., Ltd.	37,612,001.70	37,612,001.70	100.00%	It has been prosecuted, but highly unlikely to be recovered
Changchun Xiongtu New Energy Vehicle Co., Ltd.	6,230,500.00	6,230,500.00	100.00%	It has been prosecuted, but highly unlikely to be recovered
Beijing Hotan Automobile Modification Co., Ltd.	7,436,520.00	7,436,520.00	100.00%	Highly unlikely to be recovered
Zhonghe Shunyang Supply Chain Management Co., Ltd.	5,643,600.00	5,643,600.00	100.00%	Highly unlikely to be recovered
Transportation Group (Qingdao) Sunshine Automobile Sales and Service Co., Ltd.	3,020,835.47	3,020,835.47	100.00%	Highly unlikely to be recovered
Zhejiang Hanglun	8,581,536.83	8,581,536.83	100.00%	It has been

Name	Ending Balance			Reasons for Provision
	Book Balance	Provision for Bad Debts	Provision Proportion	
Ligang Trading Co., Ltd.				prosecuted, but highly unlikely to be recovered
Beijing Institute of Radio Measurement	71,740.00	71,740.00	100.00%	Highly unlikely to be recovered
Zhejiang Baoding Automobile Sales Co., Ltd.	80,035.12	80,035.12	100.00%	It has been prosecuted, but highly unlikely to be recovered
Shuozhou Jinsheng Automobile Trading Co., Ltd.	1,822,961.43	1,822,961.43	100.00%	It has been prosecuted, but highly unlikely to be recovered
Xinjiang Jingyang Optoelectronic Co., Ltd.	1,179,590.41	1,179,590.41	100.00%	It has been prosecuted, but highly unlikely to be recovered
Yulin Jiayu Jiefang Automobile Sales Co., Ltd.	971,012.59	971,012.59	100.00%	It has been prosecuted, but highly unlikely to be recovered
Total	85,146,390.69	85,146,390.69		

Provision for bad debts made by portfolio:

Unit: CNY

Name	Ending Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	1,788,152,599.19	9,525,849.15	0.53%
1-2 years	304,070,093.93	50,776,892.70	16.70%
2-3 years	9,706,386.64	8,040,651.68	82.84%
3-4 years	885,600.00	885,600.00	100.00%
Over 4 years	14,123,098.26	14,123,098.26	100.00%
Total	2,116,937,778.02	83,352,091.79	

Description of the basis for determining the portfolio:

Information about the provision for bad debts shall be disclosed in the same way as that of other receivables if the provision for bad debts of accounts receivable is withdrawn based on the general model of expected credit losses:

Applicable Not applicable

Disclosure by aging

Unit: CNY

Aging	Ending Balance
Within 1 year (including 1 year)	1,768,423,418.31
Including: 0-6 months	1,527,609,092.40
7-12 months	240,814,325.91

1-2 years	320,670,077.79
2-3 years	12,924,488.18
Over 3 years	100,066,184.43
3-4 years	58,907,076.82
4 to 5 years	8,581,536.83
Over 5 years	32,577,570.78
Total	2,202,084,168.71

(2) 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	Amount Changed in the Current Period				Ending Balance
		Provision	Recovery or Reversal	Cancel after verification	Others	
Accounts receivable	150,418,663.44	30,079,819.04	12,000,000.00			168,498,482.48
Total	150,418,663.44	30,079,819.04	12,000,000.00			168,498,482.48

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

Unit: CNY

Company Name	Amount Recovered or Reversed	Recovery Method
Transportation Group (Qingdao) Sunshine Automobile Sales and Service Co., Ltd.	8,000,000.00	Recovery of bank acceptance bills
Dalian Qingfeng Bus Co., Ltd.	4,000,000.00	Recovery of bank deposits
Total	12,000,000.00	

(3) Accounts receivable from top five borrowers classified based on the ending balance

Unit: CNY

Company Name	Ending Balance of Accounts Receivable	Proportion in Total Ending Balance of Accounts Receivable	Ending Balance of Bad Debts Provision
China FAW Group Import & Export Co., Ltd.	771,150,288.04	35.02%	827,499.69
Customer 1	516,085,710.00	23.44%	30,358,552.41
Customer 2	139,320,940.32	6.33%	139,320.94
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	52,763,670.55	2.40%	2,902,224.84
Customer 3	50,172,900.00	2.28%	1,197,052.34
Total	1,529,493,508.91	69.47%	

4. Receivables financing

Unit: CNY

Item	Ending Balance	Opening Balance
Notes receivable	7,091,605,627.68	5,305,018,299.79
Total	7,091,605,627.68	5,305,018,299.79

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

 Applicable Not applicable

Information about the provision for impairment shall be disclosed in the same way as that of other receivables if the provision for impairment of receivables financing is withdrawn based on the general model of expected credit losses:

 Applicable Not applicable**5. Prepayments****(1) Presentation of prepayment by aging**

Unit: CNY

Aging	Ending Balance		Opening Balance	
	Amount	Scale	Amount	Scale
Within 1 year	1,219,924,277.32	88.52%	797,055,366.07	91.74%
1-2 years	128,133,658.18	9.30%	44,227,099.84	5.09%
2-3 years	21,867,458.90	1.59%	15,714,068.26	1.81%
Over 3 years	8,229,261.81	0.60%	11,814,878.82	1.36%
Total	1,378,154,656.21		868,811,412.99	

Reasons for untimely settlement of prepayments with significant amount and age of over 1 year:

Unit: CNY

Name of Debtor	Book Balance	Proportion in Total Prepayments (%)	Reasons for Non-settlement
China FAW Group Import & Export Co., Ltd.	79,903,463.69	5.80	Undue settlement period
Supplier 1	8,097,000.00	0.59	Undue settlement period
Supplier 2	5,478,800.00	0.40	Undue settlement period
Supplier 3	4,649,400.00	0.34	Undue settlement period
Supplier 4	4,463,058.00	0.32	Undue settlement period
Total	102,591,721.69	7.45	

(2) Prepayments of the top five objects classified based on the ending balance

The total prepayments of top five objects classified based on the ending balance in the current period is CNY 870,278,190.51, accounting for 63.15% of the total ending balance of prepayment.

Other notes: none

6. Other receivables

Unit: CNY

Item	Ending Balance	Opening Balance
Dividends receivable	26,488,012.75	8,567,040.00
Other receivables	281,869,624.93	240,521,050.95
Total	308,357,637.68	249,088,090.95

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

Unit: CNY

Item (or Investee)	Ending Balance	Opening Balance
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	8,567,040.00	8,567,040.00
Sanguard Automobile Insurance Co., Ltd.	17,920,972.75	
Total	26,488,012.75	8,567,040.00

2) Provision for bad debts

Applicable Not applicable

Other notes: none

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

Unit: CNY

Payable Nature	Ending Book Balance	Opening Book Balance
Current account	119,381,326.85	99,570,166.66
Claim payment	200,987,802.97	196,444,173.02
Margin, deposit	31,170,932.13	34,872,256.53
Reserve fund	24,594,326.93	4,777,757.97
Total	376,134,388.88	335,664,354.18

2) Provision for bad debts

Unit: CNY

Provision for Bad Debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (without credit impairment)	Expected credit loss for the entire duration (with credit impairment)	
Balance on January 1, 2022	5,034,178.04	29,609,303.24	60,499,821.95	95,143,303.23
Balance on January 1, 2022 in the current period				
- Transfer to phase II	-21.38	21.38		
Provision in the current period	-801,731.00	-76,808.28		-878,539.28
Balance on June 30, 2022	4,232,425.66	29,532,516.34	60,499,821.95	94,264,763.95

Changes in the book balance of the loss provision with significant changes in the current period

 Applicable Not applicable

Disclosure by aging

Unit: CNY

Aging	Ending Balance
Within 1 year (including 1 year)	277,028,327.59
Including: 0-6 months	275,654,981.14
7-12 months	1,373,346.45
1-2 years	5,336,283.49
2-3 years	8,475,764.97
Over 3 years	85,294,012.83
3-4 years	39,638,797.62
4 to 5 years	10,014,602.00
Over 5 years	35,640,613.21
Total	376,134,388.88

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	Amount Changed in the Current Period				Ending Balance
		Provision	Recovery or Reversal	Cancel after verification	Others	
Other receivables	95,143,303.23	-878,539.28				94,264,763.95
Total	95,143,303.23	-878,539.28				94,264,763.95

4) Other receivables from top five borrowers classified based on the ending balance

Unit: CNY

Company Name	Payment Nature	Ending Balance	Aging	Proportion in Total Ending Balance of Other Receivables	Ending Balance of Bad Debts Provision
Customer 1	New energy vehicle sales subsidies	48,155,960.00	3-4 years, 4-5 years	12.80%	48,155,960.00
Customer 2	Relocation compensation	20,500,000.00	Over 5 years	5.45%	20,500,000.00
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Current account	10,728,984.01	0-6 months	2.85%	10,728.98
Qingdao Automotive Research Institute of China FAW Co., Ltd.	Advance payment	8,227,110.28	2-3 years	2.19%	5,675,883.38
Customer 3	Current account	3,545,640.00	1-2 years	0.94%	2,155,394.56
Total		91,157,694.29		24.23%	76,497,966.92

7. Inventories

Whether the Company is required to comply with the disclosure requirements of the real estate industry: No

(1) Classification of inventories

Unit: CNY

Item	Ending Balance			Opening Balance		
	Book Balance	Provision for impairment of inventory or contract performance cost	Book Value	Book Balance	Provision for impairment of inventory or contract performance cost	Book Value
Raw materials	408,026,420.68	34,750,531.21	373,275,889.47	379,195,753.25	35,363,287.47	343,832,465.78
Goods in process	665,363,377.35	3,524,161.33	661,839,216.02	676,093,365.06	4,732,672.33	671,360,692.73
Goods in stock	5,434,465,998.98	145,457,247.62	5,289,008,751.36	5,864,661,527.18	143,363,374.55	5,721,298,152.63
Revolving materials	101,874,640.46	2,186,616.31	99,688,024.15	103,311,491.37	1,244,042.64	102,067,448.73
Others	2,783,683,375.66	172,037,662.57	2,611,645,713.09	2,618,917,617.54	189,355,846.16	2,429,561,771.38
Total	9,393,413,813.13	357,956,219.04	9,035,457,594.09	9,642,179,754.40	374,059,223.15	9,268,120,531.25

(2) Provision for impairment of inventory and contract performance cost

Unit: CNY

Item	Opening Balance	Increase in the Current Period		Decrease in the Current Period		Ending Balance
		Provision	Others	Reversal or Write-off	Others	
Raw materials	35,363,287.47	94,945.50		707,701.76		34,750,531.21
Goods in process	4,732,672.33			1,208,511.00		3,524,161.33
Goods in stock	143,363,374.55	84,220,627.88		82,126,754.81		145,457,247.62
Revolving materials	1,244,042.64	942,573.67				2,186,616.31
Others	189,355,846.16	228,206.00		17,546,389.59		172,037,662.57
Total	374,059,223.15	85,486,353.05		101,589,357.16		357,956,219.04

8. Contractual assets

Unit: CNY

Item	Ending Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Contractual assets	66,427,687.56	4,459,663.97	61,968,023.59	57,650,067.72	4,602,380.00	53,047,687.72
Total	66,427,687.56	4,459,663.97	61,968,023.59	57,650,067.72	4,602,380.00	53,047,687.72

Information about the provision for impairment shall be disclosed in the same way as that of other receivables if the provision for impairment of contractual assets is withdrawn based on the general model of expected credit losses:

Applicable Not Applicable

Provision for impairment by aging portfolio Unit: CNY

Category	2022.06.30			2021.12.31		
	Contractual assets	Provision for Bad Debts	Expected Credit Loss Rate (%)	Contractual assets	Provision for Bad Debts	Expected Credit Loss Rate (%)
Within 1 year	40,485,347.56	124,698.96	0.31	31,421,323.96	86,311.95	0.27
1-2 years	25,942,340.00	4,334,965.01	16.71	26,228,743.76	4,516,068.05	17.22
Total	66,427,687.56	4,459,663.97	6.71	57,650,067.72	4,602,380.00	7.98

Provision for impairment of contractual assets in the current period:

Unit: CNY

Item	Provision in the current period	Reversal in the Current Period	Write-off/Verification in the Current Period	Cause
Provision for impairment of contractual assets	-142,716.03			Provision and reversal by aging
Total	-142,716.03			—

Other notes: none

9. Current portion of non-current assets

Unit: CNY

Item	Ending Balance	Opening Balance
Current portion of long-term receivables	114,825,391.38	114,825,391.38
Total	114,825,391.38	114,825,391.38

10. Other current assets

Unit: CNY

Item	Ending Balance	Opening Balance
Input tax	471,389,881.76	1,368,192,743.48
Input tax to be verified	1,679,056.87	19,065,353.23
Prepaid income tax		626,891,494.80
Total	473,068,938.63	2,014,149,591.51

Other notes: none

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

Unit: CNY

Item	Ending Balance			Opening Balance			Discount Rate Range
	Book Balance	Provision for Bad Debts	Book Value	Book Balance	Provision for Bad Debts	Book Value	
Sales of goods by installments	338,691,573.49	5,935,963.32	332,755,610.17	338,691,573.49	1,275,424.32	337,416,149.17	2.5%-5.6%
Current portion of long-term receivables	-115,267,222.47	-441,831.09	-114,825,391.38	-115,267,222.47	-441,831.09	-114,825,391.38	
Total	223,424,351.02	5,494,132.23	217,930,218.79	223,424,351.02	833,593.23	222,590,757.79	

Impairment of provision for bad debts

Unit: CNY

Provision for Bad Debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (without credit impairment)	Expected credit loss for the entire duration (with credit impairment)	
Balance on January 1, 2022	1,275,424.32			1,275,424.32
Balance on January 1, 2022 in the current period				
Provision in the current period	4,660,539.00			4,660,539.00
Balance on June 30, 2022	5,935,963.32			5,935,963.32

Changes in the book balance of the loss provision with significant changes in the current period

 Applicable Not applicable

12. Long-term equity investments

Unit: CNY

Investee	Opening Balance (Book Value)	Increase/Decrease in the Current Period								Ending Balance (Book Value)	Ending Balance of Impairment Provision
		Investment Increase	Investment Reduction	Investment Gains or Losses Recognized by Equity Method	Adjustment to Other Comprehensive Incomes	Other Equity Changes	Cash Dividends or Profits Announced to be Paid	Provision for Impairment	Others		
I. Joint ventures											
II. Associated enterprises											
First Automobile Finance Co., Ltd.	4,341,181,324.38			280,639,831.32	-8,619.76					4,621,812,535.94	
Sanguard Automobile Insurance Co., Ltd.	213,584,040.85			11,594,274.68	-38,116.86		17,920,972.75			207,219,225.92	
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	85,910,484.18			1,805,468.66		50,722.51				87,665,230.33	
Changchun Wabco Automotive Control System Co., Ltd.	20,301,325.09			-1,565,452.94						18,735,872.15	
Suzhou Zhito Technology											

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Investee	Opening Balance (Book Value)	Increase/Decrease in the Current Period								Ending Balance (Book Value)	Ending Balance of Impairment Provision
		Investment Increase	Investment Reduction	Investment Gains or Losses Recognized by Equity Method	Adjustment to Other Comprehensive Incomes	Other Equity Changes	Cash Dividends or Profits Announced to be Paid	Provision for Impairment	Others		
Co., Ltd.											
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	43,140,497.54			3,328,945.02			6,300,012.21			40,169,430.35	
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	35,181,984.88			542,476.17						35,724,461.05	
SmartLink	27,435,014.82			-15,165,383.20						12,269,631.62	
Subtotal	4,766,734,671.74			281,180,159.71	-46,736.62	50,722.51	24,220,984.96			5,023,596,387.36	
Total	4,766,734,671.74			281,180,159.71	-46,736.62	50,722.51	24,220,984.96			5,023,596,387.36	

Other notes: none

13. Investment real estate**(1) Investment real estates 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	148,337,701.92	2,042,122.60		150,379,824.52
2. Increase in the current period	14,358,650.65	99,615,759.08		113,974,409.73
(1) Outsourcing				
(2) Transferred from inventory/fixed assets/project under construction	14,358,650.65	99,615,759.08		113,974,409.73
(3) Increase due to business combination				
3. Decrease in the current period	474,248.30			474,248.30
(1) Disposal				
(2) Other transfer-out	474,248.30			474,248.30
4. Ending balance	162,222,104.27	101,657,881.68		263,879,985.95
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	70,076,640.08	100,359.35		70,176,999.43
2. Increase in the current period	13,435,715.82	21,061,709.95		34,497,425.77
(1) Provision or amortization	13,435,715.82	493,139.62		13,928,855.44
(2) Other increases		20,568,570.33		20,568,570.33
3. Decrease in the current period	329,109.25			329,109.25
(1) Disposal				
(2) Other transfer-out	329,109.25			329,109.25
4. Ending balance	83,183,246.65	21,162,069.30		104,345,315.95
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				

Item	Houses and Buildings	Land use right	Project under construction	Total
4. Ending balance				
IV. Book value				
1. Ending book value	79,038,857.62	80,495,812.38		159,534,670.00
2. Opening book value	78,261,061.84	1,941,763.25		80,202,825.09

(2) Investment real estates measured at fair value

Applicable Not applicable

(3) Investment real estates without property ownership certificates

Unit: CNY

Item	Book Value	Reasons for failure to obtain the certificate
Property, No. 949, Chongqing Middle Road, Licang District	1,264,704.51	This plot has been included in the government renovation project, and the property ownership certificate cannot be applied for at present
Final assembly and loading workshop of Liuzhou Plant	16,736,495.23	It is a new plant, and the certificate is being applied for

Other notes: none

14. Fixed assets

Unit: CNY

Item	Ending Balance	Opening Balance
Fixed assets	8,995,163,623.45	9,224,786,362.59
Disposal of fixed assets	10,834,879.96	12,002,959.44
Total	9,005,998,503.41	9,236,789,322.03

(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	5,364,682,902.67	14,858,383,470.22	153,534,389.98	572,672,042.00	52,042,350.35	1,273,333,998.80	22,274,649,154.02
2. Increase in the current period	25,816,702.44	503,584,756.93	2,199,980.09	13,780,666.83	3,425,761.54	3,497,006.54	552,304,874.37
(1) Purchase		4,143,392.83	502,000.00	2,970,473.76	36,482.94	553,614.97	8,205,964.50
(2) Transferred from the project under construction	25,816,702.44	499,441,364.10	1,697,980.09	10,810,193.07	3,389,278.60	2,943,391.57	544,098,909.87
(3) Increase due to business combination							
3. Decrease in the current period	91,431,691.88	163,485,517.78	1,400,099.94	14,681,572.77	1,407,271.22	243,000.00	272,649,153.59
(1) Disposal or scrapping	73,287,071.73	162,849,113.85	1,400,099.94	14,681,572.77	877,356.68	243,000.00	253,338,214.97
(2) Other decreases	18,144,620.15	636,403.93			529,914.54		19,310,938.62
4. Ending balance	5,299,067,913.23	15,198,482,709.37	154,334,270.13	571,771,136.06	54,060,840.67	1,276,588,005.34	22,554,304,874.80
II. Accumulated depreciation							0.00
1. Opening balance	2,147,910,381.29	9,294,680,049.68	102,945,097.26	416,199,124.76	39,631,878.93	970,703,762.25	12,972,070,294.17
2. Increase in the current period	131,182,280.49	517,249,669.24	9,322,653.54	39,490,590.83	1,993,548.17	48,642,434.56	747,881,176.83
(1) Provision	130,861,371.12	517,249,669.24	9,322,653.54	39,490,590.83	1,993,548.17	48,642,434.56	747,560,267.46
(2) Other increases	320,909.37						320,909.37
3. Decrease in the current period	67,855,283.85	116,762,240.10	1,377,833.51	14,618,422.79	1,144,016.07	235,710.00	201,993,506.32
(1) Disposal or scrapping	54,320,715.01	116,359,808.77	1,377,833.51	14,618,422.79	827,038.87	235,710.00	187,739,528.95
(2) Other decreases	13,534,568.84	402,431.33			316,977.20		14,253,977.37
4. Ending balance	2,211,237,377.93	9,695,167,478.82	110,889,917.29	441,071,292.80	40,481,411.03	1,019,110,486.81	13,517,957,964.68
III. Provision for impairment							0.00
1. Opening balance	12,344.37	75,572,210.09				2,207,942.80	77,792,497.26

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Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Office equipment	Others	Total
2. Increase in the current period							0.00
(1) Provision							0.00
3. Decrease in the current period		36,609,210.59					36,609,210.59
(1) Disposal or scrapping		36,609,210.59					36,609,210.59
4. Ending balance	12,344.37	38,962,999.50				2,207,942.80	41,183,286.67
IV. Book value							
1. Ending book value	3,087,818,190.93	5,464,352,231.05	43,444,352.84	130,699,843.26	13,579,429.64	255,269,575.73	8,995,163,623.45
2. Opening book value	3,216,760,177.01	5,488,131,210.45	50,589,292.72	156,472,917.24	12,410,471.42	300,422,293.75	9,224,786,362.59

(2) Fixed assets not used currently

Unit: CNY

Item	Original Book Value	Accumulated Depreciation	Impairment Provision	Book Value	Remarks
Machinery equipment	63,276,688.04	35,797,917.84	21,960,257.70	5,518,512.50	

(3) Fixed assets leased out under operating leases

Unit: CNY

Item	Ending Book Value
Houses and buildings	2,758,704.42
Machinery equipment	2,515,447.28
Mode of transportation	9,059.84
Total	5,283,211.54

(4) Fixed assets without property ownership certificates

Unit: CNY

Item	Book Value	Reasons for failure to obtain the certificate
Jimo phase II light truck new energy base project	310,241,566.22	It is just put into use, and the procedures are not completed
Project of exiting the city and entering the industrial park	323,920,016.01	It is a new plant, and the certificate is being applied for
Hazardous waste station in plant area I	3,048,983.35	It is just put into use, and the procedures are not completed
Equipment workshop works	1,142,169.66	Land applications are not submitted, so the property ownership certificate cannot be obtained

Other notes: none

(5) Disposal of fixed assets

Unit: CNY

Item	Ending Balance	Opening Balance
Houses and Buildings	8,280.77	8,280.77
Machinery equipment	10,094,480.61	10,642,669.15
Mode of transportation	131,175.05	219,822.98
Electronic equipment	60,494.58	8,298.69
Office equipment	35,072.37	18,904.69
Others	505,376.58	1,104,983.16
Total	10,834,879.96	12,002,959.44

Other notes: none

15. Project under construction

Unit: CNY

Item	Ending Balance	Opening Balance
Project under construction	966,294,107.55	965,997,208.23
Total	966,294,107.55	965,997,208.23

(1) Project under construction

Unit: CNY

Item	Ending Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
New and reconstructed investment project	250,836,955.61	1,945,416.12	248,891,539.49	235,582,222.31	1,945,416.12	233,636,806.19
Technical transformation investment project	717,458,065.25	55,497.19	717,402,568.06	732,415,899.23	55,497.19	732,360,402.04
Total	968,295,020.86	2,000,913.31	966,294,107.55	967,998,121.54	2,000,913.31	965,997,208.23

(2) Changes of important project under construction 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 Decrease in the Current Period	Ending Balance	Ratio of Accumulative Investment to Budget	Project Progress	Cumulative Amount of Capitalized Interest	Including: Capitalized Interest in the Current Period	Capitalization Rate of Interest in the Current Period	Capital Source
FAW Jiefang commercial vehicle Guanghai base project	999,970,000.00	138,759,113.95	171,122,572.03			309,881,685.98	30.99%	37.28%				Others
16L engine construction and natural gas test capacity improvement project	1,160,670,000.00	112,386,329.25	29,129,835.91			141,516,165.16	12.19%	68.06%				Others
FAW Jiefang	388,500,000.00	82,263,770.61	12,433,407.02			94,697,177.63	47.23%	70.75%				Others

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Project Name	Budget	Opening Balance	Increase in the Current Period	Amount Transferred to Fixed Assets in the Current Period	Other Decrease in the Current Period	Ending Balance	Ratio of Accumulative Investment to Budget	Project Progress	Cumulative Amount of Capitalized Interest	Including: Capitalized Interest in the Current Period	Capitalization Rate of Interest in the Current Period	Capital Source
south new energy base project												
Axle base construction project and heavy replacement axle technology upgrade (phase I)	989,859,950.93	79,972,863.66	11,890,268.28			91,863,131.94	20.88%	27.13%				Others
Intelligent parts logistics center project	107,806,500.00	16,080,266.01	10,957,173.36			27,037,439.37	38.85%	56.44%				Others
Project of exiting the city and entering the industrial park	936,068,800.00	19,204,724.39	13,349.94			19,218,074.33	84.44%	93.75%				Others
Engine environmental chamber test bench	22,600,000.00	16,850,804.63				16,850,804.63	74.56%	90.17%				Others
Front axle four-line technology improvement project of axle	20,782,201.00	14,420,256.74				14,420,256.74	69.39%	90.35%				Others

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Project Name	Budget	Opening Balance	Increase in the Current Period	Amount Transferred to Fixed Assets in the Current Period	Other Decrease in the Current Period	Ending Balance	Ratio of Accumulative Investment to Budget	Project Progress	Cumulative Amount of Capitalized Interest	Including: Capitalized Interest in the Current Period	Capitalization Rate of Interest in the Current Period	Capital Source
factory												
Renovation of Jiefang Limited buildings on the west side of Hongqi Auditorium	38,444,591.00		13,088,417.18			13,088,417.18	34.04%	53.03%				Others
capacity expansion project of light truck welding line in welding workshop of Jimo factory	169,960,000.00		11,506,831.14			11,506,831.14	6.77%	17.47%				Others
Diesel engine virtual calibration test bench	25,602,600.00	10,383,044.13				10,383,044.13	40.55%	60.28%				Others
Total	4,860,264,642.93	490,321,173.37	260,141,854.86	0.00	0.00	750,463,028.23						

16. Bearer biological assets**(1) Bearer biological assets measured at cost**

Applicable Not applicable

(2) Bearer biological assets measured at fair value

Applicable Not applicable

17. Oil and gas assets

Applicable Not applicable

18. Right-of-use assets

Unit: CNY

Item	Houses and buildings	Machinery equipment	Land	Total
I. Original book value				
1. Opening balance	152,994,385.75	17,495,179.84	23,719,044.14	194,208,609.73
2. Increase in the current period	3,288,926.12			3,288,926.12
Including: rent	3,288,926.12			3,288,926.12
3. Decrease in the current period				
4. Ending balance	156,283,311.87	17,495,179.84	23,719,044.14	197,497,535.85
II. Accumulated depreciation				
1. Opening balance	35,642,623.35	8,288,590.54	6,511,130.40	50,442,344.29
2. Increase in the current period	19,828,590.51	4,267,872.00	1,919,344.34	26,015,806.85
(1) Provision	19,828,590.51	4,267,872.00	1,919,344.34	26,015,806.85
3. Decrease in the current period				
(1) Disposal				
4. Ending balance	55,471,213.86	12,556,462.54	8,430,474.74	76,458,151.14
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				

Item	Houses and buildings	Machinery equipment	Land	Total
(1) Disposal				
4. Ending balance				
IV. Book value				
1. Ending book value	100,812,098.01	4,938,717.30	15,288,569.40	121,039,384.71
2. Opening book value	117,351,762.40	9,206,589.30	17,207,913.74	143,766,265.44

Other notes: For the lease expenses related to short-term leases and low-value asset leases recognized by the Company as of June 30, 2022, please see 2 in XIV "Other Major Events" of Section X - Financial Report.

19. 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	2,872,112,661.06		677,388,766.94	511,564,769.26	4,061,066,197.26
2. Increase in the current period	122,353,689.17			43,227,654.73	165,581,343.90
(1) Purchase	122,353,689.17			43,227,654.73	165,581,343.90
(2) Internal R&D					
(3) Increase due to business combination					
3. Decrease in the current period	158,931,798.98		309,877,041.02	7,082,431.98	475,891,271.98
(1) Disposal	59,316,039.90		309,877,041.02	7,082,431.98	376,275,512.90
(2) Others	99,615,759.08				99,615,759.08
4. Ending balance	2,835,534,551.25		367,511,725.92	547,709,992.01	3,750,756,269.18
II. Accumulated amortization					
1. Opening balance	573,374,388.26		562,286,837.32	153,127,855.55	1,288,789,081.13
2. Increase in the current period	31,343,837.45		25,475,605.59	27,717,055.55	84,536,498.59
(1) Provision	31,343,837.45		25,475,605.59	27,717,055.55	84,536,498.59
3. Decrease in the current period	33,841,316.21		309,877,041.02	7,082,431.98	350,800,789.21
(1) Disposal	13,272,745.88		309,877,041.02	7,082,431.98	330,232,218.88
(2) Others	20,568,570.33				20,568,570.33
4. Ending balance	570,876,909.50		277,885,401.89	173,762,479.12	1,022,524,790.51
III. Provision for impairment					

Item	Land use right	Patent Rights	Non-patented technology	Software	Total
1. Opening balance					
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal					
4. Ending balance					
IV. Book value					
1. Ending book value	2,264,657,641.75		89,626,324.03	373,947,512.89	2,728,231,478.67
2. Opening book value	2,298,738,272.80		115,101,929.62	358,436,913.71	2,772,277,116.13

The intangible assets not resulting from internal research and development of the Company accounts for 3.29% of the balance of intangible assets at the end of the current period.

20. Development expenditures

Unit: CNY

Item	Opening Balance	Increase in the Current Period		Decrease in the Current Period		Ending Balance
		Internal Development Expenditure	Others	Recognized Intangible Assets	Transferred to Current Profits and Losses	
Cost-based expenditure		1,016,316,222.64			1,016,316,222.64	
Total		1,016,316,222.64			1,016,316,222.64	

Other notes: none

21. Long-term deferred expenses

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Amortization Amount in the Current Period	Other Decreases	Ending Balance
Maintenance, fire protection transformation and supporting expenses	334,598.30		102,079.32		232,518.98
Total	334,598.30		102,079.32		232,518.98

Other notes: none

22. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets not offset

Unit: CNY

Item	Ending Balance		Opening Balance	
	Deductible Temporary Difference	Deferred tax assets	Deductible Temporary Difference	Deferred tax assets
Provision for impairment of assets	623,666,771.23	127,369,484.45	644,896,017.71	108,060,894.94
Unrealized profits of internal transactions	433,668,860.00	108,417,215.00	433,668,860.00	108,417,215.00
Deductible losses	2,144,885,421.77	447,040,755.45	1,337,622,355.67	275,224,988.92
Estimated liabilities	1,092,253,732.81	182,064,549.11	1,133,139,410.76	189,238,389.56
Employee compensation payable	102,535,040.33	18,030,113.39	95,057,719.68	16,232,178.23
Accrued expenses	3,625,319,854.24	814,792,015.17	3,203,797,740.11	738,848,418.90
Deferred incomes	545,618,507.50	107,493,554.55	586,360,167.55	114,073,451.58
Contract liabilities	612,216,679.96	103,749,694.80	575,584,804.51	100,200,974.13
Total	9,180,164,867.84	1,908,957,381.92	8,010,127,075.99	1,650,296,511.26

(2) Deferred income tax liabilities not offset

Unit: CNY

Item	Ending Balance		Opening Balance	
	Taxable Temporary Difference	Deferred income tax liabilities	Taxable Temporary Difference	Deferred income tax liabilities
Depreciation of fixed assets with amortization period longer than tax preference period	1,710,138,244.89	275,243,675.76	2,056,171,246.16	349,311,074.60
Interest income accrued	224,118,991.93	33,793,359.10	162,580,602.64	24,874,039.55
Total	1,934,257,236.82	309,037,034.86	2,218,751,848.80	374,185,114.15

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

Unit: CNY

Item	Ending Mutual Offset Amount of Deferred Tax Assets and Liabilities	Ending Balance of Deferred Tax Assets or Liabilities after Offset	Opening Mutual Offset Amount of Deferred Tax Assets and Liabilities	Opening Balance of Deferred Tax Assets or Liabilities after Offset
Deferred tax assets		1,908,957,381.92		1,650,296,511.26
Deferred income tax liabilities		309,037,034.86		374,185,114.15

(4) Details of unrecognized deferred tax assets

Unit: CNY

Item	Ending Balance	Opening Balance
Deductible Temporary Difference	476,163,328.97	664,263,202.95
Deductible losses	264,563,629.38	276,845,879.98
Total	740,726,958.35	941,109,082.93

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

Unit: CNY

Year	Ending Amount	Opening Amount	Remarks
2026		1,441,940.00	
2027			
2028	221,013,270.26	231,853,580.86	
2029	43,550,359.12	43,550,359.12	
Total	264,563,629.38	276,845,879.98	

Other notes: none

23. Notes payable

Unit: CNY

Type	Ending Balance	Opening Balance
Bank acceptance bill	17,538,100,899.05	13,062,704,192.54
Total	17,538,100,899.05	13,062,704,192.54

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

24. Accounts payable**(1) Presentation of accounts payable**

Unit: CNY

Item	Ending Balance	Opening Balance
Payment for goods	10,726,822,830.00	12,959,963,131.32
Project and equipment payment	34,920,116.04	21,713,517.52
Fees and others	2,181,796,812.78	1,583,223,345.63
Total	12,943,539,758.82	14,564,899,994.47

(2) Significant accounts payable with the aging over 1 year

Unit: CNY

Item	Ending Balance	Reasons for Non-reimbursement or Carry-forward
Supplier 1	14,038,833.43	Undue settlement period
Supplier 2	1,907,749.88	Undue settlement period
Total	15,946,583.31	

Other notes: none

25. Advance receipts**(1) Presentation of advances receipts**

Unit: CNY

Item	Ending Balance	Opening Balance
Rental fee	254,326.19	1,712,917.27
Total	254,326.19	1,712,917.27

26. Contract liabilities

Unit: CNY

Item	Ending Balance	Opening Balance
Payment for goods	1,344,246,736.72	2,324,758,318.77
Others	688,028,547.33	643,363,601.92
Contract liabilities included in other current liabilities	-133,374,027.58	-267,479,444.78
Total	1,898,901,256.47	2,700,642,475.91

27. Employee compensation payable**(1) Presentation of employee compensation payable**

Unit: CNY

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Ending Balance
I. Short-term compensation	248,475,175.17	1,978,516,941.27	1,919,563,183.65	307,428,932.79
II. Post-employment benefits-defined contribution plan	20,760,130.28	336,982,472.94	329,760,473.05	27,982,130.17
III. Dismissal welfare	40,525,119.92	43,000,978.26	32,293,262.16	51,232,836.02
IV. Current portion of other welfare	54,690,000.00		20,129,838.93	34,560,161.07
Total	364,450,425.37	2,358,500,392.47	2,301,746,757.79	421,204,060.05

(2) Presentation of short-term compensation

Unit: CNY

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Ending Balance
1. Wages, bonuses, allowances and subsidies		1,298,776,232.35	1,254,288,252.54	44,487,979.81
2. Employee welfare		83,155,621.11	83,155,621.11	
3. Social insurance premium	4,091,540.25	164,363,320.65	165,823,287.16	2,631,573.74
Including: medical	4,091,540.25	156,751,385.90	158,211,352.41	2,631,573.74

insurance premium				
Work-related injury insurance premium		7,611,934.75	7,611,934.75	
4. Housing fund		243,791,075.23	243,791,075.23	
5. Labor union funds and employee education funds	244,383,634.92	53,565,186.48	37,639,442.16	260,309,379.24
6. Others		134,865,505.45	134,865,505.45	
Total	248,475,175.17	1,978,516,941.27	1,919,563,183.65	307,428,932.79

(3) Presentation of defined contribution plan

Unit: CNY

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Ending Balance
1. Basic endowment insurance	16,032,537.24	229,112,937.29	229,112,937.29	16,032,537.24
2. Unemployment insurance premium	2,374,937.21	9,364,095.25	9,364,095.25	2,374,937.21
3. Enterprise annuity	2,352,655.83	98,505,440.40	91,283,440.51	9,574,655.72
Total	20,760,130.28	336,982,472.94	329,760,473.05	27,982,130.17

Other notes: The Company participates in the endowment insurance and unemployment insurance plans established by government authorities as specified, and pays monthly contributions to these plans based on a proportion of the basic salary of employees in the previous year. The Company will not assume any further payment obligation, except the above monthly payment. Corresponding expenditures are included in the current profits and losses or the cost of related assets when incurred.

28. Taxes payable

Unit: CNY

Item	Ending Balance	Opening Balance
Value-added tax	291,416,334.25	11,331,447.35
Corporate income tax	661,693.44	21,659.10
Individual income tax	7,104,901.20	40,089,512.39
Urban maintenance and construction tax	19,635,881.61	1,789,459.45
Resource tax		7,143.40
Property tax	7,430,694.15	7,611,594.27
Land use tax	4,865,951.82	4,508,520.75
Educational surcharges	16,507,619.12	3,751,315.40
Other taxes	11,368,409.04	104,837,877.42
Total	358,991,484.63	173,948,529.53

Other notes: none

29. Other payables

Unit: CNY

Item	Ending Balance	Opening Balance
Dividends payable	171,500.02	171,500.02
Other payables	7,299,699,425.99	7,383,051,672.28
Total	7,299,870,926.01	7,383,223,172.30

(1) Dividends payable

Unit: CNY

Item	Ending Balance	Opening Balance
Common stock dividends	171,500.02	171,500.02
Total	171,500.02	171,500.02

Other notes, including the disclosure of the reasons for not paying the significant dividends payable for more than 1 year: none

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

Unit: CNY

Item	Ending Balance	Opening Balance
Expenses payable	4,351,426,251.24	4,656,353,118.05
Margin, deposit	323,686,408.09	377,161,619.49
Project funds payable	1,294,666,896.18	1,381,458,524.66
Current accounts payable and others	1,048,350,844.75	657,617,923.70
Repurchase obligations of restricted shares	281,569,025.73	310,460,486.38
Total	7,299,699,425.99	7,383,051,672.28

2) Other significant payables with the aging over 1 year

Unit: CNY

Item	Ending Balance	Reasons for Non-reimbursement or Carry-forward
Supplier 1	260,000,000.00	The government advances the project construction funds, and the payment of old factory is not disposed of or settled
FAW Group	233,303,791.17	Compensation payable, R&D expenses
Supplier 2	20,000,000.00	Project not completed
Supplier 3	14,637,490.18	Project not completed
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	12,441,065.20	Project not completed
Supplier 4	10,496,000.00	Project not completed
Supplier 5	7,160,946.17	Project not completed

Qiming Information Technology Co., Ltd.	6,687,345.77	Project not completed
Total	564,726,638.49	

Other notes: none

30. Current portion of non-current liabilities

Unit: CNY

Item	Ending Balance	Opening Balance
Current portion of lease liabilities	33,214,415.10	47,060,544.71
Total	33,214,415.10	47,060,544.71

Other notes: none

31. Other current liabilities

Unit: CNY

Item	Ending Balance	Opening Balance
Taxes to be written off	157,933,439.12	267,479,444.78
Total	157,933,439.12	267,479,444.78

32. Lease liabilities

Unit: CNY

Item	Ending Balance	Opening Balance
Lease payment	141,899,609.84	146,978,150.99
Unrecognized financing charges	-13,618,291.30	-11,610,388.23
Current portion of lease liabilities	-33,214,415.10	-47,060,544.71
Total	95,066,903.44	88,307,218.05

Other notes: The interest of lease liabilities accrued in 2022 is CNY 2,801,600, which is included in financial expenses - interest expenses.

33. Long-term employee compensation payable

(1) Statement of long-term employee compensation payable

Unit: CNY

Item	Ending Balance	Opening Balance
I. Post-employment welfare - net liabilities of defined benefit plan	737,930,161.07	756,440,000.00
II. Dismissal welfare	111,840,662.43	103,304,166.28
Current portion of long-term employee compensation payable	-85,792,997.09	-95,215,119.92
Total	763,977,826.41	764,529,046.36

34. Estimated liabilities

Unit: CNY

Item	Ending Balance	Opening Balance	Cause
Pending litigation	32,770,266.70	27,454,443.34	Product quality disputes, traffic accident liability disputes and others
Product quality assurance	1,160,646,820.25	1,212,805,881.15	Expenses for return, replacement and repair
Others	17,226,995.29	17,226,995.29	Labor social security
Total	1,210,644,082.24	1,257,487,319.78	

Other notes, including important assumptions and estimation descriptions related to important estimated liabilities: none

35. Deferred income

Unit: CNY

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Ending Balance	Cause
Government subsidies	2,473,072,814.33	450,563,427.73	261,313,324.33	2,662,322,917.73	
Total	2,473,072,814.33	450,563,427.73	261,313,324.33	2,662,322,917.73	

36. Share capital

Unit: CNY

	Opening Balance	Increase/Decrease (+/-)					Ending Balance
		Issue of New Shares	Bonuses	Share Transferred from Accumulation Fund	Others	Subtotal	
Total number of shares	4,654,114,613.00						4,654,114,613.00

Other notes: none

37. Capital reserve

Unit: CNY

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Ending Balance
Capital premium (stock premium)	9,384,981,147.23			9,384,981,147.23
Other capital reserves	683,596,941.75	30,374,753.71	50,722.51	713,920,972.95
Transfer from capital reserve	370,787,004.20			370,787,004.20

under the previous accounting system				
Total	10,439,365,093.18	30,374,753.71	50,722.51	10,469,689,124.38

Other notes, including descriptions of changes and reasons for changes in the current period:

- (1) The capital reserve (other capital reserves) is increased by CNY 30,374,753.71 in the current period, which is caused by the recognition of share payment expenses in the waiting period of the Company's equity incentive plan;
- (2) The capital reserve (other capital reserves) is decreased by CNY 50,722.51 in the current period, which is caused by the Company's recognition of changes in other owner's equity of the investee in proportion to its equity, other than net profit or loss, other comprehensive income and profit distribution.

38. Treasury shares

Unit: CNY

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Ending Balance
Treasury shares	310,460,486.38		28,891,460.65	281,569,025.73
Total	310,460,486.38		28,891,460.65	281,569,025.73

Other notes, including the description of changes and reasons for the changes in the current period: Treasury shares are decreased by CNY 28,891,460.65 in the current period, which is caused by the cash dividends distributed by the Company.

39. Other comprehensive income

Unit: CNY

Item	Opening Balance	Amount Incurred in Current Period						Ending Balance
		Amount Incurred Before Income Tax in the Current Period	Less: Profits and Losses Included in Other Comprehensive Income in the Previous Period and Transferred in the Current Period	Less: Retained Earnings Included in Other Comprehensive Income in the Previous Period and Transferred in the Current Period	Less: income tax expenses	After-tax Amount Attributable to the Parent Company	After-tax Amount Attributable to Minority Shareholders	
I. Other comprehensive income which cannot be reclassified into profits or losses	-31,824,777.80							-31,824,777.80
Including: changes arising from re-measurement of the defined benefit plan	-31,840,000.00							-31,840,000.00
Other comprehensive incomes that cannot be transferred into profits or losses under the equity method	15,222.20							15,222.20
II. Other comprehensive income to be	-970,124.40	-44,893.81				-44,893.81		-1,015,018.21

Item	Opening Balance	Amount Incurred in Current Period						Ending Balance
		Amount Incurred Before Income Tax in the Current Period	Less: Profits and Losses Included in Other Comprehensive Income in the Previous Period and Transferred in the Current Period	Less: Retained Earnings Included in Other Comprehensive Income in the Previous Period and Transferred in the Current Period	Less: income tax expenses	After-tax Amount Attributable to the Parent Company	After-tax Amount Attributable to Minority Shareholders	
reclassified into profits or losses								
Including: other comprehensive incomes that can be reclassified into profits or losses under the equity method	288,891.11	-46,736.62				-46,736.62		242,154.49
Exchange differences arising from foreign currency financial statements	-1,259,015.51	1,842.81				1,842.81		-1,257,172.70
Total other comprehensive incomes	-32,794,902.20	-44,893.81				-44,893.81		-32,839,796.01

Other notes, including the adjustment of the effective part of cash flow hedging profit or loss transferred to the initially recognized amount of the hedged item: none

40. Special reserves

Unit: CNY

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Ending Balance
Work safety cost	315,398,148.75	53,753,366.46	11,822,688.60	357,328,826.61
Total	315,398,148.75	53,753,366.46	11,822,688.60	357,328,826.61

Other notes, including descriptions of changes and reasons for changes in the current period: none

41. Surplus reserves

Unit: CNY

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Ending Balance
Statutory surplus reserve	2,444,688,413.12			2,444,688,413.12
Discretionary surplus reserves	297,526,491.71			297,526,491.71
Total	2,742,214,904.83			2,742,214,904.83

Description of surplus reserves, including descriptions of changes and reasons for changes in the current period: none

42. Undistributed profits

Unit: CNY

Item	Current Period	Previous Period
Undistributed profit at the end of the previous period before adjustment	8,434,403,352.08	7,207,573,351.05
Total undistributed profits at the beginning of the adjustment period (increase +, decrease -)		-1,233,011.80
Opening undistributed profits after adjustment	8,434,403,352.08	7,206,340,339.25
Add: net profits attributable to owners of parent company in the current period	170,153,887.32	3,268,978,566.54
Less: common stock dividends payable	3,025,174,498.45	2,325,326,934.50
Ending undistributed profits	5,579,382,740.95	8,149,991,971.29

Details of undistributed profits at the beginning of adjustment:

- 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 impact 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.

43. Operating income and cost

Unit: CNY

Item	Amount Incurred in Current Period		Amount Incurred in the Previous Period	
	Income	Cost	Income	Cost
Main business	21,805,259,709.38	20,220,312,403.72	76,987,149,061.47	70,634,457,478.13
Other business	1,066,275,552.18	894,738,065.89	1,613,014,059.69	1,226,624,040.89
Total	22,871,535,261.56	21,115,050,469.61	78,600,163,121.16	71,861,081,519.02

Information related to performance obligations: none

Information related to the transaction price allocated to the remaining performance obligation: The income corresponding to the performance obligations that have been signed at the end of the reporting period but have not been performed or fully performed is CNY 688,028,547.33, of which CNY 344,014,273.67 is expected to be recognized in 2022, and CNY 344,014,273.66 is expected to be recognized in 2023.

44. Taxes and surcharges

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Urban maintenance and construction tax	21,670,465.02	108,431,696.85
Educational surcharges	15,501,287.61	77,452,122.60
Resource tax	0.00	66,976.88
Property tax	25,351,529.04	28,853,205.15
Land use tax	19,556,934.07	22,426,465.38
Vehicle and vessel use tax	54,706.28	42,152.50
Stamp duty	23,538,154.45	54,352,905.94
Others	635,765.71	1,871,713.44
Environmental protection tax	191,419.33	446,817.50
Total	106,500,261.51	293,944,056.24

Other notes: For the calculation and payment standards of various taxes and surcharges, please see VI "Taxes" of Section X - Financial Report.

45. Selling expense

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Product quality assurance fee	176,597,991.74	718,752,013.09
Employee compensation	196,348,174.29	268,773,091.51
Storage fee	56,206,844.19	78,145,877.06
Promotion fee	26,616,044.88	70,732,519.68
Packing cost	32,009,966.23	42,824,355.80
Business promotion expense	13,770,613.76	37,134,114.89
Travel expense	15,775,038.28	23,822,881.91

Sales service fee	11,115,081.89	22,628,930.52
Rental fee	26,468,705.36	18,534,347.14
Insurance premium	3,179,938.52	12,897,425.26
Others	8,402,329.68	20,814,545.13
Total	566,490,728.82	1,315,060,101.99

Other notes: none

46. Management cost

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	598,558,389.99	702,107,637.10
Fixed assets repair cost	69,924,624.89	148,351,507.00
Depreciation cost	59,078,687.98	48,265,801.13
Amortization of intangible assets	44,522,259.21	47,402,151.37
Labor outsourcing fee	24,977,327.54	29,651,038.22
Information system service fee	20,402,954.88	20,710,778.41
Sewage charge	8,702,172.92	17,359,864.93
Kinetic energy and workshop heating cost	12,918,192.98	15,310,773.76
Publicity expense	1,367,051.26	12,894,654.74
Test and inspection fees	3,884,917.30	10,295,435.55
Others	42,683,537.57	51,057,504.12
Total	887,020,116.52	1,103,407,146.33

Other notes: none

47. R&D expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	682,745,813.55	683,076,330.02
Test fee	106,067,297.14	245,266,331.41
Trial production cost	61,977,054.15	93,023,045.50
Depreciation cost	125,686,161.11	84,179,968.23
Joint R&D expenses	3,323,914.67	35,916,023.29
Design fee	26,118,317.60	12,116,292.13
Others	10,397,664.42	83,726,350.54
Total	1,016,316,222.64	1,237,304,341.12

Other notes: none

48. Financial expense

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Interest income	-502,087,676.33	-363,409,455.88
Bill discount interest		29,871,041.52
Net actuarial interest	166,532.74	505,692.60
Handling charge of financial	81,595.17	78,881.73

institutions		
Interest expense	2,361,612.41	
Exchange gains and losses	-186,398.61	-11,126.24
Cash discount	-72,301,858.23	-187,836,095.36
Others	812,221.77	1,780,762.35
Total	-571,153,971.08	-519,020,299.28

Other notes: none

49. Other incomes

Unit: CNY

Sources of Other Incomes	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Subsidy	227,954,740.41	122,295,408.72
Others	2,092,309.91	1,544,409.87
Total	230,047,050.32	123,839,818.59

50. Investment income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Long-term equity investment income calculated with equity method	281,180,159.71	386,449,232.03
Others	-77,271,243.30	770,487.34
Total	203,908,916.41	387,219,719.37

Other notes: none

51. Credit impairment loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bad debt loss of other receivables	2,682,455.55	1,530,546.41
Bad debt loss of long-term receivables	-4,660,539.00	
Bad debts loss of notes receivable	33,965.46	125,200.28
Bad debts loss of accounts receivable	-19,882,625.36	5,102,101.82
Total	-21,826,743.35	6,757,848.51

Other notes: none

52. Asset impairment loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
I. Inventory depreciation provision and contract performance cost impairment provision	-85,486,353.05	-119,154,665.50
II. Loss from fixed assets impairment		-1,806,400.04
III. Loss from contractual asset impairment	141,606.09	-43,991.42
Total	-85,344,746.96	-121,005,056.96

Other notes: none

53. 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	42,431.19	-183,677.14
Total	42,431.19	-183,677.14

54. Non-operating income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount included in Current Non-recurring Profit and Loss
Income from compensation, liquidated damages and penalties	5,797,555.07	10,827,226.78	5,797,555.07
Others	98,260,551.19	19,928,172.34	98,260,551.19
Total	104,058,106.26	30,755,399.12	104,058,106.26

55. Non-operating expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount included in Current Non-recurring Profit and Loss
Donations	10,000,000.00		10,000,000.00
Expenditure of compensation, liquidated damages and penalties	1,303,569.25	1,532,890.06	1,303,569.25
Losses from damage and	897,265.34	12,300,936.35	897,265.34

scrapping of non-current assets			
Others	13,400.00	514,876.93	13,400.00
Total	12,214,234.59	14,348,703.34	12,214,234.59

Other notes: none

56. Income tax expense

(1) Statement of income tax expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Current income tax expenses	323,637,275.45	860,525,525.79
Deferred income tax expenses	-323,808,949.95	-408,082,488.44
Total	-171,674.50	452,443,037.35

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

Unit: CNY

Item	Amount Incurred in Current Period
Total profits	169,982,212.82
Income tax expense calculated at statutory/applicable tax rate	42,495,553.21
Effect of applying different tax rates by subsidiaries	27,476,124.88
Effect of non-deductible costs, expenses and losses	1,849,819.48
Effect of using deductible losses of unrecognized deferred tax assets	-592,737.51
Profit or loss of joint ventures and associated enterprises calculated with the equity method	-71,400,434.56
Income tax expense	-171,674.50

Other notes: none

57. Other comprehensive income

For details, please refer to 39 "Other comprehensive income" in VII "Notes to Items in Consolidated Financial Statements" of Section X - Financial Report.

58. Items of cash flow statement

(1) Other cash received related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Deposit	3,131,394.83	29,509,410.01
Government subsidies received	541,049,227.17	145,206,067.67

Rental income		36,073,991.02
Other current accounts	300,985,625.90	336,687,573.19
Total	845,166,247.90	547,477,041.89

Description of other cash received related to operating activities: none

(2) Other cash paid related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Cost-based expenditure	209,177,588.74	531,664,760.16
Payment of deposit	2,845,157.04	10,596,902.21
Other current accounts	624,431,327.44	470,123,202.65
Total	836,454,073.22	1,012,384,865.02

Description of other cash paid related to operating activities: none

(3) Other cash received related to investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Interest received	441,265,670.20	283,825,095.39
Total	441,265,670.20	283,825,095.39

Description of other cash received related to investing activities: none

(4) Other cash paid related to financing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Donations	10,000,000.00	
Principal and interest on lease liabilities	1,206,360.06	
Cash paid to acquire fixed assets under finance leases	4,716,561.68	
Total	15,922,921.74	

Description of other cash paid related to financing activities: none

59. Supplementary information of cash flow statement

(1) Supplementary information of cash flow statement

Unit: CNY

Supplementary Information	Amount in the current period	Amount in the Previous Period
1. Reconciliation of net profit to cash flows from operating activities:		
Net Profit	170,153,887.32	3,268,978,566.54
Add: provision for impairment of assets	107,171,490.31	114,247,208.45
Depreciation/consumption of fixed assets, oil and gas assets and bearer biological assets	802,424,319.33	681,608,149.93
Depreciation of right-of-use asset	36,125,831.02	3,801,400.02
Amortization of intangible assets	52,038,602.60	54,155,785.69
Amortization of long-term deferred expenses		
Losses from disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	-42,431.19	183,677.14
Loss from retirement of fixed assets (gains expressed with "-")	897,265.34	12,300,936.35
Loss from changes in fair value (gains expressed with "-")		
Financial expenses (gains expressed with "-")	-499,726,063.92	-363,409,455.88
Investment loss (gains expressed with "-")	-203,908,916.41	-387,219,719.37
Decrease of deferred tax assets (increases expressed with "-")	-258,660,870.66	-420,024,149.10
Increase of deferred income tax liabilities (decrease expressed with "-")	-65,148,079.29	11,941,660.66
Decrease of inventory (increase expressed with "-")	232,662,937.16	14,063,389,203.50
Decrease of operating receivables (increase expressed with "-")	-1,476,787,647.94	-36,575,555,720.83
Increase in operating payables (decrease expressed with "-")	2,314,756,621.70	34,960,585,255.88
Others	231,180,781.26	100,731,564.19
Net cash flows from operating activities	1,443,137,726.63	15,525,714,363.17
2. Major investment and financing activities not related to cash deposit and withdrawal:		
Conversion of debt into capital		
Current portion of convertible corporate bonds		
Fixed assets under financial lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	28,270,082,742.95	29,924,339,101.76
Less: opening balance of cash	30,542,676,891.89	14,786,680,218.82
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-2,272,594,148.94	15,137,658,882.94

(2) Composition of cash and cash equivalents

Unit: CNY

Item	Ending Balance	Opening Balance
I. Cash	28,270,082,742.95	30,542,676,891.89
Bank deposits available for payment at any time	28,270,082,742.95	30,542,676,891.89
II. Ending balance of cash and cash equivalents	28,270,082,742.95	30,542,676,891.89

Other notes: none

60. Assets with restricted ownership or use right

Unit: CNY

Item	Ending Book Value	Cause for Restrictions
Monetary capital	52,309,930.91	Housing maintenance fund, security deposit for three types of personnel
Total	52,309,930.91	

Other notes: none

61. Monetary items for foreign currency**(1) Monetary items for foreign currency**

Unit: CNY

Item	Ending Balance of Foreign Currency	Conversion Rate	Ending Balance of Converted CNY
Monetary capital			
Including: USD			
Euro			
HK dollar			
Accounts receivable			
Including: USD			
Euro	1,877,549.65	7.2197	13,555,345.21
HK dollar			
Long-term borrowings			
Including: USD			
Euro			
HK dollar			

Other notes: The main business place of FAW Jiefang Austria R&D Co., Ltd., a subsidiary of the Company, is Steyr, Austria, with a registered capital of EUR 2 million and a recording currency of EUR.

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

Applicable Not applicable

62. Government subsidies

(1) Basic information of government subsidies

Unit: CNY

Type	Amount	Presented Items	Amount Included in the Current Profit and Loss
Government subsidies	2,662,322,917.73	Other incomes and incomes from asset disposal	227,954,740.41

(2) Refund of government subsidies

Applicable Not applicable

VIII. Interests in Other Entities

1. Interests in subsidiaries

(1) Composition of enterprise group

Name of Subsidiary	Main Business Place	Place of Registration	Nature of Business	Shareholding Proportion		Way of Acquisition
				Direct	Indirect	
FAW JIEFANG AUTOMOTIVE CO., LTD.	Changchun	Changchun	Vehicle manufacturing	100.00%		Business combination under common control
FAW Jiefang Automotive Sales Co., Ltd.	Changchun	Changchun	Vehicle sales	100.00%		Under common control
FAW Jiefang (Qingdao) Automotive Co., Ltd.	Qingdao	Qingdao	Vehicle manufacturing and sales	100.00%		Under common control
FAW Jiefang Dalian Diesel Engine Co., Ltd.	Dalian	Dalian	Automotive engine manufacturing	100.00%		Under common control
Wuxi Dahao Power Co., Ltd.	Wuxi	Wuxi	Manufacturing of automotive components	100.00%		Under common control

			and accessories			
FAW Jiefang Austria R&D Co., Ltd.	Austria	Austria	Technology research and development	100.00%		Under common control
FAW Jiefang New Energy Automotive Sales Co., Ltd.	Changchun	Changchun	Vehicle sales	100.00%		Established by investment

2. Interests in joint ventures or associated enterprises

(1) Important joint ventures or associated enterprises

Name of Joint Ventures or Associated Enterprises	Main Business Place	Place of Registration	Nature of Business	Shareholding Proportion		Accounting Method for Investment in Joint Ventures or Associated Enterprises
				Direct	Indirect	
First Automobile Finance Co., Ltd.	Changchun	Changchun	Financial services	21.84%		Equity method
Sanguard Automobile Insurance Co., Ltd.	Changchun	Changchun	Financial insurance	17.50%		Equity method
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun	Changchun	Industrial manufacturing	40.00%		Equity method
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Changchun	Changchun	Industrial manufacturing	21.81%		Equity method
Changchun Wabco Automotive Control System Co., Ltd.	Changchun	Changchun	Manufacturing of automotive components and accessories	40.00%		Equity method
Suzhou Zhito Technology Co., Ltd.	Suzhou	Suzhou	Application software development	30.59%		Equity method
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Tianjin	Tianjin	Software and information technology services	10.00%		Equity method
SmartLink	Nanjing	Nanjing	Software and information technology services	35.00%		Equity method

Explanation of the fact that the shareholding proportion in joint ventures or associated enterprises is different from

the proportion of voting rights: there is no difference between the shareholding proportion and the proportion of voting rights.

Basis for holding less than 20% of voting rights but with significant influence, or holding 20% or more of voting rights but without significant influence: The Company holds 17.50% of the shares of Sanguard Automobile Insurance Co., Ltd., but it sends one director to the later according to the Articles of Association of the later, so the Company can exert significant influence on Sanguard Automobile Insurance Co., Ltd. The Company holds 10.00% of the shares of FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., but it sends three directors to the later according to the Articles of Association of the later, so the Company can exert significant influence on FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.

(2) Main financial information of important associated enterprises

Unit: CNY

	Ending Balance / Amount Incurred in Current Period							
	FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun Wabco Automotive Control System Co., Ltd.	SmartLink	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Sanguard Automobile Insurance Co., Ltd.	First Automobile Finance Co., Ltd.
Current assets	357,592,996.93	278,522,819.48	22,604,543.47	166,287,175.89	92,976,522.96	604,784,687.80	2,055,726,219.44	65,349,661,667.46
Non-current assets	68,567,565.49	69,553,448.80	28,703,770.83	8,218,097.08	58,196,011.61	125,280,925.23	956,918,773.23	96,449,276,778.83
Total assets	426,160,562.42	348,076,268.28	51,308,314.30	174,505,272.97	151,172,534.57	730,065,613.03	3,012,644,992.67	161,798,938,446.29
Current liabilities	238,357,407.15	107,495,592.44	4,468,634.00	142,954,791.67	173,766,023.67	306,520,266.84	565,916,950.18	132,294,375,348.75
Non-current liabilities	3,590,414.13	0.00			127,514,542.67	65,171,886.28	1,262,618,180.12	6,965,615,933.65
Total liabilities	241,947,821.28	107,495,592.44	4,468,634.00	142,954,791.67	301,280,566.34	371,692,153.12	1,828,535,130.30	139,259,991,282.40
Minority equity								1,354,930,888.76
Equity attributable to shareholders of the parent company	184,212,741.14	240,580,675.84	46,839,680.30	31,550,481.30	-150,108,031.77	358,373,459.91	1,184,109,862.37	21,184,016,275.13
Shares of net assets calculated by shareholding proportion	40,169,430.35	96,232,270.33	18,735,872.15	12,269,631.62	-45,918,046.92	35,837,345.99	207,219,225.92	4,626,440,866.37
Adjustments		-8,567,040.00			45,918,046.92	-112,884.94		-4,628,330.43
-Goodwill								
-Unrealized profits of internal transactions								
-Others								
Book value of equity	40,169,430.35	87,665,230.33	18,735,872.15	12,269,631.62	0.00	35,724,461.05	207,219,225.92	4,621,812,535.94

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	Ending Balance / Amount Incurred in Current Period							
	FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun Wabco Automotive Control System Co., Ltd.	SmartLink	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Sanguard Automobile Insurance Co., Ltd.	First Automobile Finance Co., Ltd.
investment in associated enterprises								
Fair value of equity investment in associated enterprises with public offer								
Operating income	713,063,817.33	193,852,315.00	1,615,734.44	77,641,765.61	9,159,426.31	518,166,168.85	296,473,754.70	3,422,338,661.73
Net Profit	15,266,188.29	4,513,671.66	-3,913,632.35	-40,090,487.17	-101,848,190.93	5,424,761.72	66,252,998.15	1,405,479,645.81
Net profit from discontinued operations								
Other comprehensive income							-217,810.65	-39,469.03
Total comprehensive income	15,266,188.29	4,513,671.66	-3,913,632.35	-40,090,487.17	-101,848,190.93	5,424,761.72	66,035,187.50	1,405,440,176.78
Dividends received from associated enterprises in the current year	6,300,012.21							

	Opening Balance / Amount Incurred in Previous Period							
	FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun Wabco Automotive Control System Co., Ltd.	SmartLink	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Sanguard Automobile Insurance Co., Ltd.	First Automobile Finance Co., Ltd.
Current assets	372,141,757.88	244,723,023.42	23,309,549.83	169,220,705.74	148,696,572.21	462,222,981.21	1,969,614,739.80	40,131,178,525.09
Non-current assets	75,445,516.96	72,149,193.36	30,290,681.55	7,677,314.57	50,229,659.04	48,836,246.18	963,760,754.36	102,242,717,942.06
Total assets	447,587,274.84	316,872,216.78	53,600,231.38	176,898,020.31	198,926,231.25	511,059,227.39	2,933,375,494.16	142,373,896,467.15
Current liabilities	245,495,948.34	80,678,406.33	2,846,918.73	106,172,619.73	122,890,098.03	159,239,378.61	351,776,062.47	115,901,925,957.98
Non-current liabilities	4,253,586.77				124,728,570.49		1,361,119,198.26	5,338,477,309.41
Total liabilities	249,749,535.11	80,678,406.33	2,846,918.73	106,172,619.73	247,618,668.52	159,239,378.61	1,712,895,260.73	121,240,403,267.39
Minority equity				178,219.62				1,234,473,342.18
Equity attributable to shareholders of the parent company	197,837,739.73	236,193,810.45	50,753,312.73	70,547,180.96	-48,692,437.27	351,819,848.78	1,220,480,233.43	19,899,019,857.58
Shares of net assets calculated by shareholding proportion	43,140,497.54	94,477,524.18	20,301,325.09	24,691,513.34	-14,896,347.92	35,181,984.88	213,584,040.85	4,345,806,643.76
Adjustments		-8,567,040.00		2,743,501.48	14,896,347.92			-4,625,319.38
-Goodwill								
-Unrealized profits of internal transactions								
-Others								
Book value of equity	43,140,497.54	85,910,484.18	20,301,325.09	27,435,014.82	0.00	35,181,984.88	213,584,040.85	4,341,181,324.38

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	Opening Balance / Amount Incurred in Previous Period							
	FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun Wabco Automotive Control System Co., Ltd.	SmartLink	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Sanguard Automobile Insurance Co., Ltd.	First Automobile Finance Co., Ltd.
investment in associated enterprises								
Fair value of equity investment in associated enterprises with public offer								
Operating income	914,790,890.78	530,991,735.99		22,514,120.71	41,156,020.53	1,152,304,641.48	361,691,496.28	4,618,818,450.60
Net Profit	15,386,409.45	11,440,957.11	-2,799,575.28	-763,126.65	-45,270,604.68	8,359,047.01	65,791,109.70	1,821,159,023.60
Net profit from discontinued operations								
Other comprehensive income								-33,088.66
Total comprehensive income	15,386,409.45	11,440,957.11	-2,799,575.28	-763,126.65	-45,270,604.68	8,359,047.01	65,791,109.70	1,821,125,934.94
Dividends received from associated enterprises in the current year	4,907,799.92							

(3) 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 Period
Suzhou Zhito Technology Co., Ltd.	-14,896,347.92	-31,025,803.29	-45,922,151.21

Other notes: none

IX. Risks Related to Financial Instruments

The main financial instruments of the Company include monetary capital, notes receivable, accounts receivable, receivables financing, other receivables, current portion of non-current assets, other current assets, long-term receivables, notes payable, accounts payable, other payables, current portion of non-current liabilities, lease liabilities and long-term payables. Details of each financial instrument have been disclosed in relevant notes. The risks related to these financial instruments and the risk management policies adopted by the Company to reduce these risks are described below. The management of the Company ensures to control above risks within a limited range by managing and monitoring these risk exposures.

1. Risk management objectives and policies

The Company carries out risk management to achieve an appropriate balance between risks and benefits, minimize the negative impact of risks on the Company's business performance, and maximize the interests of shareholders and other equity investors. The Company, based on the risk management objectives, adopts the basic risk management strategy of determining and analyzing various risks faced by the Company, establishing an appropriate baseline for risk tolerance and carrying out risk management, and supervising various risks in a timely and reliable manner to control the risks within a limited range.

Main risks caused by financial instruments of the Company include credit risk, liquidity risk and market risk (including exchange rate risk and interest rate risk).

(1) Credit risk

Credit risk refers to the risk of financial loss to the Company caused by the counterparty's failure to perform its contractual obligations.

The Company manages credit risks by portfolio classification. Credit risk mainly arises from bank deposits, notes receivable, accounts receivable, other receivables, long-term receivables, etc.

The Company's deposits are mainly deposited in state-owned banks and other large and medium-sized listed banks, and the Company does not expect significant credit risks in its bank deposits.

The Company makes relevant policies to control the credit risk exposure of notes receivable, accounts receivable, other receivables and long-term receivables. The Company evaluates the credit qualification of customers and sets the credit period based on their financial conditions, credit records and other factors such as current market situations. The Company will monitor the credit records of customers regularly, and take measures such as written reminders, reduction of credit period or cancellation of credit period for customers with poor credit records, so as to ensure that the overall credit risk is within a controllable range.

The debtors of the Company's accounts receivable are customers distributed in different industries and regions. The Company carries out continuous credit assessment on the financial condition of accounts receivable and purchases credit guarantee insurance when appropriate.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantee that may expose the Company to credit risk.

The accounts receivable of the top five customers account for 69.47% of the total accounts receivable of the Company. Other receivables of the top five companies with debts account for 24.23% of the total other receivables of the Company.

(2) Liquidity risk

Liquidity risk refers to the risk of capital shortage when the Company performs its obligation requiring settlement by cash or other financial assets.

The Company maintains and monitors cash and cash equivalents deemed adequate by the management during liquidity risk management to meet the Company's operating needs and reduce the impact of fluctuations in cash flows. The management of the Company monitors the use of bank loans and ensures compliance with the loan agreements. Meanwhile, the Company obtains commitments from major financial institutions to provide sufficient reserve funds to meet short-term and long-term funding needs.

The Company raises working capital by collecting funds generated from operating businesses as well as bank loans and other loans. The unused bank loan limit of the Company was CNY 14.206 billion as of June 30, 2022.

(3) Market risk

Market risk of financial instruments refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to the changes in market price, including interest rate risk, exchange rate risk and other price risks.

Interest rate risk

The risk of changes in cash flow of financial instruments caused by changes in interest rates of the Company is mainly related to bank loans with floating interest rates. It is the policy of the Company to maintain floating interest rates on these loans.

Sensitivity analysis on interest rate risk:

The sensitivity analysis on interest rate risk is based on the assumption that changes in market interest rates affect interest income or expenses on variable rate financial instruments.

The Company had no interest-bearing debts such as bank loans as of June 30, 2022.

Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in fair value or future cash flows of financial instruments due to changes in foreign exchange rates. The exchange rate risk may arise from financial instruments valued in a foreign currency other than the recording currency.

The foreign exchange risk borne by the Company is mainly related to euros. Main business activities of the Company are settled in CNY, except that the subsidiary established in Austria holds assets settled in euros. The balance of Company's assets and liabilities were all in CNY as of June 30, 2022, except a small amount of monetary capitals including the balance in euros. Therefore, the Company does not believe that the exchange rate risk faced is significant.

2. Capital management

The Company prepares capital management policy to ensure continuous operation of the Company, thus providing returns to shareholders, benefiting other stakeholders, and maintaining the best capital structure to reduce capital costs.

In order to maintain or adjust the capital structure, the Company may adjust the financing method, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Company monitors the capital structure based on the asset-liability ratio (i.e. total liabilities divided by total assets). The asset-liability ratio of the Company was 66.05% as of June 30, 2022.

X. Disclosure of Fair Value

1. Others

The fair value level can be divided as follows according to the lowest level of input value that is significant for the whole fair value measurement:

Level 1: Quotation of the same assets or liabilities in active markets (unadjusted).

Level 2: Observable inputs other than market quotations for assets or liabilities in Level 1 are used directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Any input value (non-observable input value) not based on observable market data is used for assets or liabilities.

The Company's financial assets and financial liabilities measured at amortized cost mainly include monetary capital, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, other payables, etc.

XI. Related Parties and Related Transactions

1. Information about parent company of the Company

Name of Parent Company	Place of Registration	Nature of Business	Registered Capital	Shareholding Proportion of the Parent Company in the Company	Voting Right Proportion of the Parent Company in the Company
FAW	Changchun	Production and sales of automobiles and parts	CNY 78,000,000,000.00	65.76%	65.76%

Description of the parent company of the Company: The ultimate controlling party of the Company is China FAW Group Co., Ltd.

Other notes: The registered capital of the parent company has not changed in the reporting period.

2. Subsidiaries of the Company

For details of subsidiaries of the Company, please refer to 1 in VIII "Interests in Other Entities" of Section X - Financial Report.

3. Information about joint ventures and associated enterprises of the Company

For details of important joint ventures or associated enterprises of the Company, please refer to 2 in VIII "Interests in Other Entities" of Section X - 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
First Automobile Finance 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 Ansteel Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
Changchun Wabco Automotive Control System Co., Ltd.	Associated enterprise of the Company
Suzhou Zhito Technology Co., Ltd.	Associated enterprise of the Company
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Associated enterprise of the Company
SmartLink	Associated enterprise of the Company

Other notes: none

4. Information about other related parties

Name of Other Related Parties	Relationship between Other Related Parties and the Company
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party
FAW Changchun Automobile Trading Service Co., Ltd.	The same ultimate controlling party
Changchun Automotive Test Center Co., Ltd.	The same ultimate controlling party
FAW Foundry Co., Ltd.	The same ultimate controlling party
FAW New Energy Vehicle Sales (Shenzhen) Co., Ltd.	The same ultimate controlling party
FAW Logistics Co., Ltd.	The same ultimate controlling party
FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	The same ultimate controlling party
FAW Logistics (Qingdao) Co., Ltd.	The same ultimate controlling party
FAW Mold Manufacturing Co., Ltd.	The same ultimate controlling party
FAW Harbin Light Automobile Co., Ltd.	The same ultimate controlling party
FAW Fuhua Ecological Co., Ltd.	The same ultimate controlling party
FAW Forging (Jilin) Co., Ltd.	The same ultimate controlling party
FAW-Volkswagen Automotive Co., Ltd.	The same ultimate controlling party
FAW (Dalian) International Logistics Co., Ltd.	The same ultimate controlling party
Wuxi Sawane Spring Co., Ltd.	The same ultimate controlling party
Qiming Information Technology Co., Ltd.	The same ultimate controlling party
Chengdu Qiming Chunrong Information Technology Co., Ltd.	The same ultimate controlling party
First Automobile Finance Co., Ltd.	The same ultimate controlling party
Sanguard Automobile Insurance Co., Ltd.	The same ultimate controlling party

Name of Other Related Parties	Relationship between Other Related Parties and the Company
FAW Asset Management Co., Ltd.	Other related parties
FAW Changchun Comprehensive Utilization Co., Ltd.	Other related parties
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Other related parties
FAW Changchun Communication Technology Co., Ltd.	Other related parties
FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	Other related parties
FAW Changchun Industrial Sodis Management Service Co., Ltd.	Other related parties
FAW Changchun Industrial Shuixing Rubber and Plastic Products Co., Ltd.	Other related parties
Changchun FAW United Casting Company	Other related parties
Changchun FAWAY Automobile Components Co., Ltd.	Other related parties
Changchun FAWSN Group Co., Ltd.	Other related parties
Changchun Yidong Clutch Co., Ltd.	Other related parties
Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	Other related parties
FAW Jingye Engine Co., Ltd.	Other related parties
FAW Jilin Automobile Co., Ltd.	Other related parties
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Other related parties
Shandong Pengxiang Automobile Co., Ltd.	Other related parties
China Unicom Intelligent Network Technology Co., Ltd.	Other related parties
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Other related parties
Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	Other related parties
Hainan Tropical Automobile Test Co., Ltd.	Other related parties
Harbin FAW Transmission Co., Ltd.	Other related parties
Fawer Auto Parts Co., Ltd.	Other related parties
Volkswagen FAW Engine (Dalian) Co., Ltd.	Other related parties
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Other related parties
Changchun Wabco Automotive Control System Co., Ltd.	Other related parties
Suzhou Zhito Technology Co., Ltd.	Other related parties
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Other related parties
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Other related parties

Name of Other Related Parties	Relationship between Other Related Parties and the Company
SmartLink	Other related parties

Other notes: Changchun First Automobile Service Trade Co., Ltd. is renamed as FAW Fuhua Ecological Co., Ltd.

5. Information of 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
China FAW Group Co., Ltd. and other related parties	Goods purchase and reception of labor services	69,322,916.67	614,160,000.00	No	224,854,895.70
FAW	Goods purchase and reception of labor services	137,571,360.06	534,290,000.00	No	283,346,731.59
China FAW Group Import & Export Co., Ltd.	Goods purchase and reception of labor services	45,346,979.72	959,820,000.00	No	65,324,202.38
FAW Foundry Co., Ltd.	Goods purchase and reception of labor services	264,317,382.66	1,452,440,000.00	No	1,054,834,595.19
FAW Forging (Jilin) Co., Ltd.	Goods purchase and reception of labor services	195,192,720.59	917,570,000.00	No	590,578,809.96
FAW Logistics	Goods	155,444,625.15	560,080,000.00	No	298,038,347.80

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
Co., Ltd.	purchase and reception of labor services				
FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	Goods purchase and reception of labor services	29,848,441.66	145,350,000.00	No	35,742,303.72
FAW Logistics (Qingdao) Co., Ltd.	Goods purchase and reception of labor services	132,447,632.30	422,000,000.00	No	291,389,088.99
FAW Mold Manufacturing Co., Ltd.	Goods purchase and reception of labor services	7,752,418.52	137,050,000.00	No	
Qiming Information Technology Co., Ltd.	Goods purchase and reception of labor services	31,889,903.88	294,580,000.00	No	135,166,223.28
Changchun FAWSN Group Co., Ltd.	Goods purchase and reception of labor services	166,091,546.54	933,850,000.00	No	756,711,000.42
Changchun FAWAY Automobile Components Co., Ltd.	Goods purchase and reception of labor services	125,298,339.31	526,170,000.00	No	456,390,204.85
The Ninth	Goods	99,069,799.94	823,850,000.00	No	210,394,510.27

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
Institute of Project Planning & Research of China Machinery Industry (FIPPR)	purchase and reception of labor services				
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Goods purchase and reception of labor services	115,077,342.40	418,270,000.00	No	317,657,774.90
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Goods purchase and reception of labor services	124,182,905.17	266,470,000.00	No	194,439,610.80
SmartLink	Goods purchase and reception of labor services	56,377,549.17	271,710,000.00	No	5,216,266.62
Changchun Yidong Clutch Co., Ltd.	Goods purchase and reception of labor services	111,271,220.54	570,710,000.00	No	348,405,230.38
Fawer Auto Parts Co., Ltd.	Goods purchase and reception of labor services	581,666,983.45	2,737,930,000.00	No	1,845,693,609.89
Shandong Pengxiang Automobile Co., Ltd.	Goods purchase and reception of	136,864,850.80	922,870,000.00	No	561,421,389.97

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
	labor services				

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
FAW Harbin Light Automobile Co., Ltd.	Sales of goods	5,885,228.80	9,630,298.34
China FAW Group Import & Export Co., Ltd.	Sales of goods	2,292,647,625.45	963,019,948.04
FAW Logistics (Qingdao) Co., Ltd.	Sales of goods	7,736,830.19	
FAW Fuhua Ecological Co., Ltd.	Sales of goods	115,783,309.46	2,201,089,212.15
Changchun Automotive Test Center Co., Ltd.	Sales of goods	5,531,086.80	
Volkswagen FAW Engine (Dalian) Co., Ltd.	Sales of goods	8,250,254.03	
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Sales of goods	16,606,503.41	32,546,371.08
Suzhou Zhito Technology Co., Ltd.	Sales of goods	22,641,300.00	
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Sales of goods	342,974,356.23	1,238,897,249.87
FAW Changchun Comprehensive Utilization Co., Ltd.	Sales of goods	83,819,550.59	201,527,116.73
China FAW Group Co., Ltd. and other related parties	Sales of goods	19,886,116.10	57,602,081.22
FAW Foundry Co., Ltd.	Sales of goods		43,302,922.22

Description of related transactions of purchasing or selling goods and providing or receiving labor services: none

(2) Related entrusted management/contracting and entrusted management/outsourcing

Statement of Entrusted Management/Contracting of the Company:

Unit: CNY

Name of the Client/Employer	Name of the Trustee/Contractor	Type of Entrusted/Contracted Assets	Start Date of Entrustment/Contracting	Termination date of Entrustment/Contracting	Pricing Basis of Entrustment Income/Contracting Income	Entrustment Income/Contracting Income Recognized in the Current Period
China FAW Co., Ltd.	FAW JIEFANG AUTOMOTIVE CO., LTD. and its designated entities	Equity entrustment	November 1, 2019	October 31, 2022	Entrustment Management Agreement	0.00

(3) Related lease

The Company as the lessor:

Unit: CNY

Name of the 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 and buildings	2,678,255.50	1,386,905.14
FAW	Houses and buildings	3,022,825.56	844,614.54
Fawer Auto Parts Co., Ltd.	Houses and buildings	197,702.76	
FAW Changchun Communication Technology Co., Ltd.	Land	109,541.28	
Shandong Pengxiang Automobile Co., Ltd.	Houses and buildings	377,350.46	

The Company as the lessee:

Unit: CNY

Name of the Lessor	Type of Leased Assets	Rental Expenses for Simplified Short-term Leases and Low-value Asset Leases		Variable Lease Payments not Included in Lease Liabilities Measurement		Rent Paid		Interest Expense on Lease Liabilities Assumed		Increased Right-of-use Assets	
		Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period
FAW Group	House and land					2,132,938.00	2,603,816.82	262,865.98	346,980.30		15,080,040.03
FAW	Houses and buildings					4,427,832.76	8,371,019.30	773,218.73	1,045,370.42		8,605,787.96
FAW Asset Management Co., Ltd.	Houses and buildings					157,096.00		5,750.02			426,014.07
FAW Changchun Automobile Trading Service Co., Ltd.	Sightseeing vehicle		39,568.14								

Description of related lease

The Company as the lessor:

1. The Company leases the house located at No. 1063, Chuangye Street to Changchun Automotive Test Center Co., Ltd., with an area of 14,924.5 square meters, an annual rent of CNY 5,165,800 (including tax), and a lease term from April 1, 2020 to March 31, 2023, according to the house lease contract (JF-ZNB20200010) signed between them.
2. The Company leases the land used by the test center located in the commercial courtyard of Jiefang Company to Changchun Automotive Test Center Co., Ltd., with an area of 5,500 square meters, an annual rent of CNY 451,600 (including tax), and a lease term from April 1, 2020 to March 31, 2023, according to the house lease contract (JF-ZNB20200021) signed between them.
3. The Company leases the factory site located at No.2 Loushan Road, Licang District, Qingdao City to Changchun Automotive Test Center Co., Ltd., with a total construction area of 532 m² and a land area of 7.7 mu, and a lease term from January 1, 2022 to December 31, 2024, according to the house lease contract signed between them. The rent of the leased area in the first year is CNY 213,100 (including tax), which will increase by 3% from the next year.
4. The Company leases the No.2 workshop of Gearbox Factory, Transmission Division, FAW Shaft Gear Park in the Green Park, Changchun City, Jilin Province, with a lease area of 2,097.9 square meters, an annual rent of CNY 844,600 (including tax) and a lease term from January 1, 2022 to December 31, 2022, to China FAW Co., Ltd. (Party B) for heat treatment and processing of gears according to the house lease contract signed between them.
5. The Company leases the houses located in the east commercial courtyard and the Nong'an test site to China FAW Co., Ltd., with an area of 5,331.41 square meters, an annual rent of CNY 1,055,600 (including tax), and a lease term from April 1, 2020 to March 31, 2023, according to the house lease contract signed between them.
6. The Company leases the assembly workshop plot located in Liuzhou Jiefang Factory, Xiushuiheng 6th Road, Yufeng District, Liuzhou City to Drive Shaft Branch of Fawer Auto Parts Co., Ltd., with an area of 1,752 m², an annual rent of CNY 431,000 (including tax), and a lease term from July 1, 2021 to June 30, 2024, according to the workshop lease contract signed between them.
7. The Company leases two lands located in the Transmission Division of FAW Shaft Gear Park in Changchun Green Park, Jilin Province, with a leased area of 22 square meters for each, to FAW Changchun Communication Technology Co., Ltd. (Party B) according to the land lease contract signed between them to build communication base stations for China Telecom, China Mobile and China Unicom. The lease term of base station 1 is from December 10, 2020 to December 9, 2023, with an annual rent of CNY 12,000 (including tax); the lease term of base station 2 is from July 20, 2020 to July 19, 2023, with an annual rent of CNY 12,000 (including tax).
8. The Company leases the land located 30 meters east of the intersection of Benchi Road and Jiefang Viaduct, with an area of 22 square meters, an annual rent of CNY 12,000 (including tax) and a lease term from July 20, 2020 to January 19, 2022; the green belt (300 meters due east of Gate 7) located at the intersection of Road 1 and Road

13, with an area of 22 square meters, an annual rent of CNY 12,000 (including tax), and a lease term from July 20, 2020 to July 19, 2023, to FAW Changchun Communication Technology Co., Ltd. according to the land lease contract signed between them.

9. The Company leases the assembly workshop plot located in Liuzhou Jiefang Factory, Xiushuiheng 6th Road, Yufeng District, Liuzhou City to Shandong Pengxiang Automobile Co., Ltd., with an area of 3344 m², an annual rent of CNY 822,600 (including tax), and a lease term from July 1, 2021 to June 30, 2024, according to the workshop lease contract signed between them.

The Company as the lessee:

1. China FAW Group Co., Ltd. leases the land located at Tangnan First Branch, Liangxi District, Wuxi City, with a lease term from April 1, 2020 to March 31, 2025, and an annual rent of CNY 4,265,900 (including tax), to the Company according to the lease agreement signed between them.

2. China FAW Co., Ltd. leases the tool workshop for storage located at No. 83, Dongfeng Street, with an area of 10000 m² and an annual rent of CNY 2,848,991 (including tax) to the Transmission Branch of FAW JIEFANG AUTOMOTIVE CO., LTD., and that with an area of 3868 m² and annual rent of CNY 1,001,809 (including tax) to the Truck Factory, and both with a lease term from January 1, 2021 to December 31, 2023, according to the lease agreement signed between the Company and China FAW Co., Ltd.

3. China FAW Co., Ltd. leases the No.1 workshop of Axle Company located at No.83 Dongfeng Street, with an area of 30,203.05 m², an annual rent of CNY 8,371,019.3 (including tax) and a lease term from April 1, 2020 to May 31, 2025, to the Transmission Branch of FAW JIEFANG AUTOMOTIVE CO., LTD. according to the lease agreement signed between the Company and China FAW Co., Ltd.

4. China FAW Co., Ltd. leases 18 buildings in total located at Dongfeng Avenue and Heping Avenue, with an area of 3,496.19 m², an annual rent of CNY 734,227.22 (including tax) and a lease term from April 1, 2020 to March 31, 2025, to FAW JIEFANG AUTOMOTIVE CO., LTD. according to the lease agreement signed between the Company and China FAW Co., Ltd.

5. China FAW Co., Ltd. leases the house located at No. 45, Heping Street to the Company, with an area of 5,278.75 square meters, an annual rent of CNY 1,557,231.25 (including tax), and a lease term from April 1, 2020 to March 31, 2025, according to the lease contract signed between them.

6. FAW Asset Management Co., Ltd. leases the residential house located at No. 18 Xijiang Road, Liuzhou City, with an area of 2,379.5 m², an annual rent of CNY 1,570,960,000 (including tax) and a lease term from January 1, 2020 to December 31, 2022, to Liuzhou Branch for use according to the lease agreement signed between the Company and FAW Asset Management Co., Ltd.

7. FAW Changchun Automobile Trading Service Co., Ltd. leases three Hongqi H5 cars to the Company as sightseeing vehicles, with a rent of CNY 4,968 (including tax)/month/car, and a lease term from January 4, 2019 to January 4, 2022, according to the car lease contract signed between them.

(4) Remuneration of key management personnel

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Remuneration of key management personnel	15,228,996.18	17,555,413.98

(5) Other related transactions

① Interest income and interest expense

Related Parties	Content of Related Transaction	Amount Incurred in Current Period (CNY 10,000)	Amount Incurred in the Previous Period (CNY 10,000)
First Automobile Finance Co., Ltd.	Interest income	17,744.08	18,486.16

6. Receivables and payables of related parties

(1) Receivables

Unit: CNY

Project Name	Related Parties	Ending Balance		Opening Balance	
		Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts
Accounts receivable	FAW	3,224,356.65	10,982.25	148,038.86	503.33
Accounts receivable	China FAW Group Import & Export Co., Ltd.	771,150,288.04	827,499.69	133,665,249.08	133,665.25
Accounts receivable	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	52,763,670.55	2,902,224.84	43,738,644.78	168,532.52
Accounts receivable	Changchun Automotive Test Center Co., Ltd.	5,617,679.60	19,100.11	3,953,858.47	13,443.11
Accounts receivable	FAW Jingye Engine Co., Ltd.			1,820,957.23	1,820,957.23
Accounts	FAW Asset			1,051,901.58	2,484.47

Project Name	Related Parties	Ending Balance		Opening Balance	
		Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts
receivable	Management Co., Ltd.				
Accounts receivable	FAW-Volkswagen Automotive Co., Ltd.			343,200.00	1,166.88
Accounts receivable	FAW Harbin Light Automobile Co., Ltd.			157,790.76	536.49
Accounts receivable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.			63,207.42	214.91
Accounts receivable	Fawer Auto Parts Co., Ltd.	8,972.71	30.51	58,079.00	197.47
Accounts receivable	FAW Changchun Communication Technology Co., Ltd.	66,000.00	224.40		
Accounts receivable	FAW Changchun Comprehensive Utilization Co., Ltd.	1,721,263.44	5,852.29		
Prepayments	China FAW Group Import & Export Co., Ltd.	622,728,933.44		299,415,808.16	
Prepayments	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	69,084,800.00		31,280,800.00	
Prepayments	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.			23,451,243.21	
Prepayments	FAW Mold Manufacturing Co., Ltd.	13,751,495.26		11,355,895.26	
Prepayments	Qiming Information Technology Co., Ltd.	7,441,683.80		7,041,353.80	
Prepayments	SmartLink	4,494,055.79		2,364,055.79	
Prepayments	FAW Changchun Tianqi Process Equipment Engineering Co.,			537,315.00	

Project Name	Related Parties	Ending Balance		Opening Balance	
		Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts
	Ltd.				
Prepayments	FAW Changchun Communication Technology Co., Ltd.	30,749.36			
Other receivables	FAW	8,227,110.28	5,675,883.38	8,227,110.28	5,675,883.38
Other receivables	FAW Asset Management Co., Ltd.	482,529.21	10,431.31	241,717.46	10,431.31
Other receivables	FAW Mold Manufacturing Co., Ltd.			79,212.46	4,586.40
Other receivables	FAW Logistics Co., Ltd.			59,402.96	3,439.43
Other receivables	FAW Forging (Jilin) Co., Ltd.			37,596.07	2,176.81
Other receivables	FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.			5,801.51	335.91
Other receivables	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	10,728,984.01	10,728.98		

(2) Payables

Unit: CNY

Project Name	Related Parties	Ending Book Balance	Opening Book Balance
Accounts payable	FAW Forging (Jilin) Co., Ltd.	39,966,359.95	220,555,696.82
Accounts payable	FAW Foundry Co., Ltd.	28,369,138.75	183,830,708.06
Accounts payable	Fawer Auto Parts Co., Ltd.	180,929,957.34	169,640,260.34
Accounts payable	Changchun FAWAY Automobile Components Co., Ltd.	3,781.55	152,148,699.11
Accounts payable	Changchun FAWSN Group Co., Ltd.	20,634,355.59	129,367,496.49
Accounts	SmartLink	28,120,257.40	99,415,297.12

Project Name	Related Parties	Ending Book Balance	Opening Book Balance
payable			
Accounts payable	Shandong Pengxiang Automobile Co., Ltd.	162,051,000.42	73,531,515.19
Accounts payable	FAW Logistics (Qingdao) Co., Ltd.	105,082,009.75	68,025,114.39
Accounts payable	Changchun Yidong Clutch Co., Ltd.	42,931,709.74	67,047,152.21
Accounts payable	FAW Logistics Co., Ltd.	82,617,632.36	57,571,100.02
Accounts payable	Qiming Information Technology Co., Ltd.	24,029,396.23	41,883,498.37
Accounts payable	FAW	17,472,584.58	38,452,564.39
Accounts payable	Changchun Automotive Test Center Co., Ltd.	59,360.00	35,547,810.00
Accounts payable	FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	15,247,389.29	17,089,430.56
Accounts payable	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.		14,533,080.61
Accounts payable	FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.		9,272,615.36
Accounts payable	FAW (Dalian) International Logistics Co., Ltd.	2,080,121.61	6,106,590.35
Accounts payable	FAW Changchun Automobile Trading Service Co., Ltd.	0.82	5,721,646.90
Accounts payable	Suzhou Zhito Technology Co., Ltd.		4,487,478.33
Accounts payable	FAW Harbin Light Automobile Co., Ltd.		4,172,366.61
Accounts payable	FAW Changchun Comprehensive Utilization Co., Ltd.	3,467,411.69	3,294,031.20
Accounts payable	FAW Changchun Industrial Sodis Management Service Co., Ltd.	179,898.40	2,790,797.22
Accounts payable	FAW Mold Manufacturing Co., Ltd.	64,800.00	2,434,279.91
Accounts payable	FAW Fuhua Ecological Co., Ltd.		2,375,954.69
Accounts payable	Wuxi Sawane Spring Co., Ltd.	472,994.41	1,555,556.34
Accounts payable	Sanguard Automobile Insurance Co., Ltd.	2,054,319.50	1,283,140.98
Accounts payable	Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.		961,433.87

Project Name	Related Parties	Ending Book Balance	Opening Book Balance
Accounts payable	FAW Changchun Communication Technology Co., Ltd.	3,982.00	843,342.80
Accounts payable	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	79,280,606.16	735,721.78
Accounts payable	FAW Changchun Industrial Shuixing Rubber and Plastic Products Co., Ltd.	508,293.86	676,420.56
Accounts payable	Changchun FAW United Casting Company		667,354.32
Accounts payable	China FAW Group Import & Export Co., Ltd.	3,208,260.56	642,326.53
Accounts payable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	40,247.56	478,759.95
Accounts payable	Hainan Tropical Automobile Test Co., Ltd.	31,977.00	437,094.00
Accounts payable	FAW Group	831.00	367,385.00
Accounts payable	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.		175,200.00
Accounts payable	Chengdu Qiming Chunrong Information Technology Co., Ltd.		159,215.21
Accounts payable	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	114,974.64	156,685.65
Accounts payable	FAW Jilin Automobile Co., Ltd.		126,000.00
Accounts payable	Harbin FAW Transmission Co., Ltd.	93,627.49	93,627.49
Accounts payable	Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	2,541.38	16,448.28
Accounts payable	China Unicom Intelligent Network Technology Co., Ltd.		12,984.00
Accounts received in advance	Changchun Automotive Test Center Co., Ltd.	2,471,935.24	1,288,392.99
Accounts received in advance	Shandong Pengxiang Automobile Co., Ltd.		205,656.00
Accounts received in advance	FAW Logistics Co., Ltd.	11.16	
Accounts received in advance	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	33,404,094.97	
Contract liabilities	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	796,299.12	79,085,729.95

Project Name	Related Parties	Ending Book Balance	Opening Book Balance
Contract liabilities	FAW Fuhua Ecological Co., Ltd.		36,893,039.11
Contract liabilities	Suzhou Zhito Technology Co., Ltd.		12,317,158.00
Contract liabilities	FAW Changchun Comprehensive Utilization Co., Ltd.		4,364,564.62
Contract liabilities	China FAW Group Import & Export Co., Ltd.	1,341.83	632,188.13
Contract liabilities	Shandong Pengxiang Automobile Co., Ltd.	436,036.83	492,805.88
Contract liabilities	FAW Asset Management Co., Ltd.		23,388.96
Contract liabilities	FAW New Energy Vehicle Sales (Shenzhen) Co., Ltd.		8,060.00
Contract liabilities	Harbin FAW Transmission Co., Ltd.	134.65	134.65
Contract liabilities	FAW Logistics Co., Ltd.		11.16
Contract liabilities	FAW Changchun Comprehensive Utilization Co., Ltd.	2,457,089.66	
Other payables	FAW Group	233,303,791.17	233,303,791.17
Other payables	FAW	6,603,120.79	216,522,779.89
Other payables	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	158,016,708.38	178,013,170.48
Other payables	FAW Mold Manufacturing Co., Ltd.	42,730,081.53	42,797,927.25
Other payables	Qiming Information Technology Co., Ltd.	15,990,903.00	37,234,276.05
Other payables	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	20,220,000.00	20,700,000.00
Other payables	China FAW Group Import & Export Co., Ltd.	2,679,534.40	2,782,645.30
Other payables	FAW Fuhua Ecological Co., Ltd.		1,397,786.21
Other payables	Shandong Pengxiang Automobile Co., Ltd.	2,036,533.19	1,050,000.00
Other payables	Sanguard Automobile Insurance Co., Ltd.		274,539.31
Other payables	FAW Changchun Communication Technology Co., Ltd.	757,573.73	207,971.15
Other payables	FAW Asset Management Co., Ltd.		3,925.62

Project Name	Related Parties	Ending Book Balance	Opening Book Balance
Other payables	Fawer Auto Parts Co., Ltd.	30,988,968.39	
Other payables	Changchun Yidong Clutch Co., Ltd.	5,880,397.48	
Other payables	FAW Foundry Co., Ltd.	5,963,517.62	
Other payables	Changchun FAWSN Group Co., Ltd.	21,030,969.93	
Other payables	Changchun FAWAY Automobile Components Co., Ltd.	54,339,637.71	
Other payables	FAW Forging (Jilin) Co., Ltd.	5,836,044.82	
Other payables	SmartLink	4,012,812.05	
Other payables	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	17,543.38	

7. Commitments of related parties

The *Profit Forecast Compensation Agreement between FAW Car Co., Ltd. and China FAW Co., Ltd.* signed by FAW Car Co., Ltd. and China FAW Co., Ltd. on August 29, 2019 indicates that, for the purchased assets, the audited revenue shares of mainstream product-related patents and proprietary technologies assessed with income method and realized in 2020, 2021 and 2022 were not less than CNY 655.889 million, CNY 688.1552 million and CNY 109.3864 million respectively.

8. Others

(1) Deposits and interests of finance companies

Unit: CNY

Project Name	Related Parties	Content	2022.06.30	2021.06.30
Monetary capital	First Automobile Finance Co., Ltd.	Deposits and interests of finance company included in bank deposits	20,891,397,211.96	26,321,804,811.08

XII. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date: The Company had no other commitments that should be disclosed as of June 30, 2022.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

Contingent liabilities arising from pending litigation and arbitration and their financial impact

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Amount of Subject (CNY)	Case Progress
Farasis Energy Technology (Ganzhou) Co., Ltd.	The Company, FAW Bestune Car Co., Ltd., Shanghai Ruimei New Energy Technology Co., Ltd.	Other contract cases	Shanghai Second Intermediate People's Court	116,394,488.78	First instance
Farasis Energy Technology (Ganzhou) Co., Ltd.	The Company, FAW Bestune Car Co., Ltd., Shanghai Ruimei New Energy Technology Co., Ltd.	Other contract cases	Changchun Intermediate People's Court	45,702,880.00	First instance
JinRon Factors (Shanghai) Co., Ltd.	Jiefang Limited	Other contract cases	Shanghai Pudong New Area People's Court	32,091,768.51	First instance
Chongqing Branch, Bank of Harbin	Zhou Qinglong, Qijiang Changfeng Gear (Group) Co., Ltd., Lin Xiying, Qijiang Changfeng Forging Co., Ltd., Zhou Xiaojun, Jiefang Limited (third party)	Other cases	Beijing High People's Court	30,426,121.54	Second instance
Bai Haitao	FAW Jiefang Automotive Sales Co., Ltd.	Product liability cases	Dalateqi People's Court of Inner Mongolia	19,899,350.00	First instance of retrial
Lin Maolin	Jiefang Limited	Lease contract case	Dalian Ganjingzi District People's Court	9,040,010.76	First instance
Zheng Ruiguo, Lian Meiying, Zhang Yujun, Zhang Ziling	Natural persons such as Wang Jihui and Wei Mengmeng, insurance companies, Dongfeng Automobile Co., Ltd. (31 defendants), FAW Group	Traffic accident liability case	Suizhou Intermediate People's Court	1,353,495.62	Second instance
Huaiyuan Changtong Transportation Co., Ltd.	Bengbu Huaxin Automobile Sales & Service Co., Ltd., FAW Group	Product quality case	Bengbu Yuhui District People's Court	1,248,346.47	First instance
Zhang Zhengming, Ma Xiumei	Qingdao Changjiu Logistics Co., Ltd., Wuxi Huipeng Automobile Sales Co., Ltd., Qingdao Jianhang Runtong Logistics Co., Ltd., FAW Jiefang (Qingdao) Automotive Co., Ltd.	Traffic accident liability case	Qingdao Jimo District People's Court	1,056,666.00	First instance

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Amount of Subject (CNY)	Case Progress
Cao Zhuanyin、Cao Quanzheng、Cao Yinling、Cao Jinling	Natural persons such as Wang Jihui and Wei Mengmeng, insurance companies, Dongfeng Automobile Co., Ltd. (31 defendants), FAW Group	Traffic accident liability case	Suizhou Intermediate People's Court	1,004,405.62	Second instance
Other 28 items				8,237,155.41	

The Company had no other contingencies to be disclosed as of June 30, 2022.

(2) Explanation is also required when the Company has no important contingencies to be disclosed

The Company has no important contingencies to be disclosed.

XIII. Events after the Balance Sheet Date

The Company had no events after the balance sheet date to be disclosed as of June 30, 2022.

XIV. Other Important Matters

1. Annuity plan

The Company decides to participate in the enterprise annuity plan implemented by FAW Group from January 1, 2010, and 5 other companies will implement self-defined enterprise annuity plans according to the *Labor Law of the People's Republic of China*, the *Trust Law of the People's Republic of China*, the *Trial Measures for Enterprise Annuity* (Order No. 20 of the Ministry of Labor and Social Security) and other laws and regulations, and in combination with actual situation of the Company.

Main contents of annuity plan are as follows:

(1) "Enterprise annuity" mentioned in this plan refers to the enterprise supplementary endowment insurance system voluntarily established by the enterprise and its employees according to national policies and regulations on the basis of purchasing the basic endowment insurance and fulfilling the payment obligation according to law, and is an integral part of the enterprise employee compensation and welfare system.

(2) Organization, management and supervision: Enterprise representatives and employee representatives establish the FAW Enterprise Annuity Council (hereinafter referred to as the Annuity Council) through collective negotiation. The Annuity Council is composed of enterprise and employee representatives, of which not less than one third are employee representatives. As the trustee of the Plan, the Annuity Council is responsible for operating and managing the enterprise annuity fund of FAW Group.

(3) Fund raising and payment methods: The expenses required for enterprise annuity are jointly paid by the enterprise and employees.

(4) Account management: The enterprise annuity fund implements a full accumulation system and is managed by personal accounts. At the same time, enterprise accounts are established to collect unvested rights and interests.

(5) Fund management: The enterprise annuity fund consists of the following items: ① Enterprise's payment; ② Employees' payment; ③ Investment and operation income. The enterprise annuity fund is entrusted to the Annuity Council for management. The enterprise and employee representatives entrust the Company to sign the enterprise annuity fund entrusted management contract with the Annuity Council through collective negotiation, and entrust the Annuity Council for management and market-oriented operation of the enterprise annuity fund collected by this plan.

(6) Benefit planning and distribution: The employee's payment and its investment income belong to the employee; the part of enterprise's payment distributed to the individual account and its investment income belong to the employee as specified, and the part not belonging to the individual is transferred to the enterprise account.

(7) Payment method of enterprise annuity: ① For the retired employee and the employee completing the retirement procedures, the balance of the annuity personal account can be received at one time (or monthly, in several times or at one time based the balance of the individual account, the individual income tax burden, etc.); ② For the dead, the balance of the individual account of the enterprise annuity can be collected by the legal successor at one time; ③ For the overseas residents, the balance of the personal account of the enterprise annuity may be paid to him/her at one time according to his/her requirements.

2. Others

Lease: as lessee

The Company simplifies the short-term lease and low-value asset lease, and does not recognize the right-of-use assets and lease liabilities. The short-term lease, low-value assets and variable lease payments not included in the lease liabilities measurement are included in the expenses in the current period as follows:

Unit: CNY

Item	January-June 2022
Short-term lease	27,702,166.26
Low-value lease	
Variable Lease Payments not Included in Lease Liabilities Measurement	
Total	27,702,166.26

XV. Notes to Main Items of Parent Company's Financial Statements**1. Other receivables**

Unit: CNY

Item	Ending Balance	Opening Balance
Dividends receivable	17,920,972.75	
Other receivables	432,429.80	432,429.80
Total	18,353,402.55	432,429.80

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

Unit: CNY

Payable Nature	Ending Book Balance	Opening Book Balance
Current account	459,006.26	459,006.26
Total	459,006.26	459,006.26

2) Provision for bad debts

Unit: CNY

Provision for Bad Debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (without credit impairment)	Expected credit loss for the entire duration (with credit impairment)	
Balance on January 1, 2022	26,576.46			26,576.46
Balance on January 1, 2022 in the current period				
Balance on June 30, 2022	26,576.46			26,576.46

Changes in the book balance of the loss provision with significant changes in the current period

 Applicable Not applicable

Disclosure by aging

Unit: CNY

Aging	Ending Balance
Within 1 year (including 1 year)	459,006.26
7-12 months	459,006.26
Total	459,006.26

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	Amount Changed in the Current Period				Ending Balance
		Provision	Recovery or Reversal	Cancel after verification	Others	
Current account	26,576.46					26,576.46
Total	26,576.46					26,576.46

4) Other receivables from top five borrowers classified based on the ending balance

Unit: CNY

Company Name	Payment Nature	Ending Balance	Aging	Proportion in Total Ending Balance of Other Receivables	Ending Balance of Bad Debts Provision
Changchun Committee of Municipal and Rural Construction	Current account	459,006.26	7-12 months	100.00%	26,576.46
Total		459,006.26		100.00%	26,576.46

2. Long-term equity investment

Unit: CNY

Item	Ending Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Investment to subsidiaries	21,086,037,005.30		21,086,037,005.30	21,086,037,005.30		21,086,037,005.30
Investment to associated enterprises and joint ventures	4,829,031,761.86		4,829,031,761.86	4,554,765,365.23		4,554,765,365.23
Total	25,915,068,767.16		25,915,068,767.16	25,640,802,370.53		25,640,802,370.53

(1) Investment to subsidiaries

Unit: CNY

Investee	Opening Balance (Book Value)	Increase/Decrease in the Current Period				Ending Balance (Book Value)	Ending Balance of Impairment Provision
		Investment Increase	Investment Reduction	Provision for Impairment	Others		
FAW JIEFANG AUTOMOTIVE CO., LTD.	21,086,037,005.30					21,086,037,005.30	
Total	21,086,037,005.30					21,086,037,005.30	

(2) Investment to associated enterprises and joint ventures

Unit: CNY

Investor	Opening Balance (Book Value)	Increase/Decrease in the Current Period								Ending Balance (Book Value)	Ending Balance of Impairment Provision
		Investment Increase	Investment Reduction	Investment Gains or Losses Recognized by Equity Method	Adjustment to Other Comprehensive Incomes	Other Equity Changes	Cash Dividends or Profits Announced to be Paid	Provision for Impairment	Others		
I. Joint ventures											
II. Associated enterprises											
First Automobile Finance Co., Ltd.	4,341,181,324.38			280,639,831.32	-8,619.76					4,621,812,535.94	
Sanguard Automobile Insurance Co., Ltd.	213,584,040.85			11,594,274.68	-38,116.86		17,920,972.75			207,219,225.92	
Subtotal	4,554,765,365.23			292,234,106.00	-46,736.62		17,920,972.75			4,829,031,761.86	
Total	4,554,765,365.23			292,234,106.00	-46,736.62		17,920,972.75			4,829,031,761.86	

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		2,719,920,000.00
Long-term equity investment income calculated with equity method	292,234,106.00	383,431,507.45
Total	292,234,106.00	3,103,351,507.45

XVI. 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	42,431.19	It refers to the net gain on disposal of non-current assets.
Government subsidies included in current profits and losses (except for those closely related to normal business operations of the Company, conforming to national policies and regulations, and continuously enjoyed according to certain standard quota or quantity)	227,954,740.41	
Reversal of impairment provision for receivables subject to separate impairment test	12,000,000.00	It mainly refers to the reversal of impairment provision for receivables subject to separate impairment test.
Non-operating income and expenses other than the above	91,843,871.67	They mainly refer to the net non-operating income and expenses
Less: amount affected by income tax	55,440,351.77	
Total	276,400,691.50	--

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 common shareholders of the Company	0.65%	0.0366	0.0366
Net profit attributable to common shareholders of the Company after non-recurring profits and losses are deducted	-0.41%	-0.0228	-0.0228

3. Differences in accounting data under domestic and foreign accounting standards

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

Applicable Not applicable

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

Applicable Not applicable