



FAW JIEFANG GROUP CO., LTD.

Annual Report 2022

April 2023

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 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, Ji Yizhi, 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 annual report.

Except for the following directors, other directors attended the board meeting to review the 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
Bi Wenquan	Director	Work	Liu Yanchang

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

In the section of business review and analysis, the Company has provided a detailed description of the potential risks and corresponding measures that

may be faced in the future development of the Company. Investors are kindly requested to pay attention to the relevant content. 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

1. 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).
2. The original Auditor's Report sealed by Pan-China Certified Public Accountants LLP and sealed and signed by Pan-China's CPAs
3. 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
Company, the Company, FAW Jiefang	Refers to	FAW JIEFANG GROUP CO.,LTD.
Jiefang Limited	Refers to	FAW Jiefang Automotive Co., Ltd.
FAW, FAW Group	Refers to	China FAW Group Co., Ltd.
FAW Car Co., Ltd.	Refers to	China FAW Co., Ltd.
FAW Car	Refers to	FAW Car Co., Ltd.
FAW-Bestune	Refers to	FAW Bestune Car Co., Ltd.
Finance company	Refers to	First Automobile Finance Co., Ltd.
Board of Directors	Refers to	Board of Directors of FAW JIEFANG GROUP CO.,LTD.
Shareholders' meeting	Refers to	Shareholders' Meeting of FAW JIEFANG GROUP CO.,LTD.
Board of Supervisors	Refers to	Board of Supervisors of FAW JIEFANG GROUP CO.,LTD.
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
Company Law	Refers to	Company Law of the Peoples Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
Articles of Association	Refers to	Articles of Association of FAW JIEFANG GROUP CO.,LTD.
Reporting Period	Refers to	January 1, 2022-December 31, 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 Information

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		
Registered address	No. 2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province		
Zip code of registered address	130011		
History of changes in registered address of the Company	In 2020, the Company carried out major asset restructuring, and the registered address was changed from No. 4888 Weishan Road, High-tech Industrial Development Zone, Changchun City, Jilin Province to No. 2259 Dongfeng Street, Automobile Development Zone, Changchun City, Jilin Province.		
Office address	No. 2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province		
Postal code of office address of the Company	130011		
Company Website	www.fawjiefang.com.cn		
E-mail	faw0800@fawjiefang.com.cn		

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
Telephone	0431-80918881 0431-80918882	0431-80918881 0431-80918882
Fax	0431-80918883	0431-80918883
E-mail	faw0800@fawjiefang.com.cn	faw0800@fawjiefang.com.cn

III. Information Disclosure and Keeping Location

Website of the stock exchange disclosing annual report of the Company	http://www.szse.cn
Name and website of the media disclosing annual report of the Company	Securities Times, China Securities Journal and CNINFO (http://www.cninfo.com.cn)
Keeping location of the Annual Report of the Company	FAW Capital Operation Department

IV. Changes in Registration

Unified Social Credit Code	91220101244976413E
Changes in main business since the company went public	In 2020, the Company completed major asset restructuring, and changed its main business from research, development, production, and sales of passenger cars to research, development, production, and sales of commercial vehicles.
Changes in controlling shareholders in the past	1. In June 2011, FAW, the original controlling shareholder of the Company, carried out major business restructuring, and founded FAW Car Co., Ltd. as the main sponsor in order to improve the corporate governance structure and establish a modern enterprise system. FAW transferred all its shares from the Company into FAW Car Co., Ltd., and the two parties completed the equity registration and transfer procedures in April 2012. After the equity transfer, the total share capital of the Company did not change and remained at 1,627,500,000 shares. FAW Car Co., Ltd.

	<p>holds 862,983,689 shares of the Company, accounting for 53.03% of the total shares, and is the controlling shareholder of the Company. The actual controller does not change and is still the SASAC.</p> <p>2. In March 2020, the China Securities Regulatory Commission approved major asset restructuring project of the Company. The Company issued 2,982,166,212 shares directly to FAW Car Co., Ltd. to pay the price difference for the major asset restructuring. After the issuance, the total share capital of the Company increased to 4,609,666,212 shares. FAW Car Co., Ltd. holds 3,845,149,901 shares of the Company, accounting for 83.41% of the total shares, and is the controlling shareholder of the Company. The Company's actual controller is still SASAC.</p>
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V. Other relevant data

Accounting firm hired by the Company

Name of Accounting Firm	Grant Thornton Certified Public Accountants (Special General Partnership)
Office address of the accounting firm	Saite Plaza, No. 22 Jian'guomen Wai Avenue, Chaoyang District, Beijing
Name of the accountants	Xi Dawei and Yang Dongmin

Sponsor institution employed by the Company to perform continuous supervision duties in the reporting period

Applicable Not applicable

Financial consultant employed by the Company to perform continuous supervision duties in the reporting period

Applicable Not applicable

VI. Main Accounting Data and Financial Indicators

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

Yes No

	2022	2021	Increase or decrease compared to that of last year	2020
Operating income (CNY)	38,331,747,083.88	98,751,242,669.55	-61.18%	113,681,085,047.92
Net profit attributable to shareholders of the listed company (CNY)	367,745,445.34	3,899,854,760.39	-90.57%	2,671,714,284.27
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (CNY)	1,714,242,885.11	3,581,266,777.71	-147.87%	1,616,754,125.48
Net cash flows from operating activities (CNY)	5,135,243,969.35	15,203,123,279.16	-133.78%	780,466,106.07
Basic earnings per share (CNY/share)	0.0735	0.8412	-91.26%	0.5796
Diluted earnings per share (CNY/share)	0.0735	0.8412	-91.26%	0.5796
Weighted average return on equity	1.50%	15.37%	Reduced by 13.87%	10.75%
	End of 2022	End of 2021	Increase or decrease compared with that at the end of last year	End of 2020
Total assets (CNY)	56,772,860,616.12	69,765,943,932.81	-18.62%	64,237,522,674.22
Net assets attributable to shareholders of the listed company (CNY)	23,719,427,082.48	26,242,240,723.26	-9.61%	24,560,505,430.40

The lower net profit of the Company before or after the deduction of non-recurring profits and losses in the last three fiscal years is negative, and the audit report of the most recent year shows that the going-concern ability of the Company is uncertain

Yes No

The lower net profit before or after the deduction of non-recurring gains and losses is negative.

Yes No

Item	2022	2021	Remarks
Operating income (CNY)	38,331,747,083.88	98,751,242,669.55	Sales revenue of complete vehicles, parts and components, materials, and purchased semi-finished products, etc.
Deducted amount of operating income (CNY)	30,729,859.27	29,091,844.99	Rental income and entrusted operating income
Amount after the deduction of operating income (CNY)	38,301,017,224.61	98,722,150,824.56	Deduct the rental income and entrusted operating income

VII. 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.

VIII. Seasonal Main Financial Indicators

Unit: CNY

	Q1	Q2	Q3	Q4
Operating income	15,156,239,359.47	7,715,295,902.09	7,583,447,502.59	7,876,764,319.73
Net profit attributable to shareholders of the listed company	452,160,338.37	-282,006,451.05	-822,585,061.27	1,020,176,619.29
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	387,674,220.34	-493,921,024.52	-963,409,131.93	-644,586,949.00
Net cash flows from operating activities	-2,359,016,036.31	3,802,153,762.94	-1,943,215,192.33	-4,635,166,503.65

Is there any significant difference between the above financial indicators or the sum and the financial indicators in the quarterly and semi-annual financial reports disclosed by the Company?

Yes No

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

Applicable Not Applicable

Unit: CNY

Item	Amount in 2022	Amount in 2021	Amount in 2020	Description
Profits or losses on disposal of non-current assets (including the write-off part of the provision for impairment of assets withdrawn)	871,031,108.06	458,484.79	4,460,089.95	It refers to the net gain on disposal of non-current assets.
Government subsidies	1,635,846,930.83	336,044,406.64	297,470,522.64	

included in the current profit and loss (except those closely related to the Company normal operations, conforming to the State policies and regulations and enjoyed persistently in line with certain standard rating or ration)				
Profits or losses from debt restructuring		684,628.03	100,401.80	
Net current profit and loss of the subsidiary acquired in business combination involving entities under common control from the beginning of the period to the combination date			797,130,572.68	
Reversal of impairment provision for receivables subject to separate impairment test	15,110,580.89	11,809,885.69	42,540,789.87	It mainly refers to the reversal of impairment provision for receivables subject to separate impairment test.
Trustee fee earned from entrusted management	864,779.87	471,698.11		The trustee fee
Non-operating income and expenses other than the above	127,429,456.42	28,144,798.08	1,112,504.19	They mainly refer to the net non-operating income and expenses
Other losses and profits conforming to the definition of non-recurring profit and loss		117,055,384.99	219,970,000.00	Other non-recurring profits and losses
Less: amount affected b	568,294,525.62	176,081,303.65	306,737,153.67	

income tax				
Amount affected by minority shareholder's equity (after-tax)			1,087,568.67	
Total	2,081,988,330.45	318,587,982.68	1,054,960,158.79	--

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Section III Management Discussion and Analysis

I. Industry of the Company in the Reporting Period

The Company shall meet the disclosure requirements for the automobile manufacturing industry specified in the "No. 3 Guideline of Shenzhen Stock Exchange on Self-Regulatory Supervision of Listed Companies - Industry Information Disclosure."

In 2022, the commercial vehicle industry experienced a tough period due to the effect of three factors, i.e. macro economy, cyclical regulation, and overdraft. The domestic macro economy was seriously affected by economic downturn, and the annual GDP growth rate was about 3%, which did not reach the expected value. Investment support was reduced, domestic consumption remained low, export growth rate was sharply declined, highway freight turnover showed negative growth, and the macro economy slowed down unexpectedly, leading to a significant decrease in demand in the commercial vehicle market. The commercial vehicle market was affected by factors such as the early elimination of National III vehicles and the early procurement of National V vehicles in 2020 and the first half of 2021, there was a serious phenomenon of more vehicles and less freight in the freight industry in 2022, the freight rate continued to be low, and the number of practitioners of the freight industry was reduced sharply. In addition to the reduction in demand for the industry, other industry environments also brought adverse effects to enterprise development. The cost of raw materials and parts as well as the price of new energy batteries were increased continuously due to the effect of global systemic inflation, therefore, the profits of automobile enterprises were squeezed continuously. The structural shortage of chips still put huge pressure on the supply side of the automobile industry.

In 2022, National VI emission standard was implemented. National VI products are greatly expensive than National V products, the product structure of the industry is generally more complex, and customers are unwilling to purchase National VI products, therefore, the overall market demand in 2022 is not as expected. The export sales of medium and heavy trucks were increased significantly in 2022 because the overseas layout of domestic heavy truck enterprises was improved gradually, the product competitiveness was increased continuously, and the recognition of overseas customers for medium and heavy trucks exported from China was increased as well.

FAW Jiefang is a commercial vehicle manufacturer, and its business performance mainly depends on the growth of industry demand, its product competitiveness and its own cost control ability. In 2022, when facing the challenge of a huge decline in the commercial vehicle market, and other risks and challenges intertwined, the Company tried its best to change and survive in the upheaval, adjusted its business strategy in time, increased its terminal share, reduced inventory and resolved channel risks, thus achieving stable development, progress and quality improvement at the same time. The Company sold 140,000 medium and heavy trucks throughout the year, accounting for 25.7% of the domestic market terminal share as indicated by Hebei Beidou Data Technology Co. LTD., and always leading the high-quality development of commercial vehicle industry.

II. Main Businesses of the Company in the Reporting Period

The Company shall meet the disclosure requirements for the automobile manufacturing industry specified in the "No. 3 Guideline of Shenzhen Stock Exchange on Self-Regulatory Supervision of Listed Companies - Industry Information Disclosure."

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 a leading trend. Main business, products, and business model of the Company were not changed significantly in the reporting period.

The current production capacity of the Company's main factories is 393,000 complete vehicles. In recent years, the Company has increased investment in technological transformation continuously, accelerated the adjustment of production capacity structure, and implemented continuous resource optimization and intelligent upgrading for high-end and new energy products. It has formed a number of advanced manufacturing bases with industry-leading levels, and has obvious technical and capacity advantages in the commercial vehicle industry, laying a solid

foundation to continue to lead the market. Jiefang J7 Intelligent Factory was awarded the pilot and demonstration of big data industry development by the Ministry of Industry and Information Technology, and Jimo Factory and Huishan Factory were awarded the benchmark intelligent factories in the automobile industry. By adhering to the green factory strategy, and protecting the "blue sky", "clear water" and "pure land" according to high standards, the Company has won the title of national green factory and Jimo Factory has been included in the second batch of intelligent photovoltaic pilot demonstration list of the Ministry of Industry and Information Technology.

Manufacturing, production and operation of complete vehicle in the reporting period

Applicable Not Applicable

Production and sales of complete vehicles

	Production			Sales Qty		
	This Reporting Period	Same Period of Last Year	Year-on-year Increase and Decrease	This Reporting Period	Same Period of Last Year	Year-on-year Increase and Decrease
By vehicle type						
Medium/Heavy truck	123,011	320,485	-61.62%	140,384	373,420	-62.41%
Light-duty truck	27,560	54,051	-49.01%	29,414	65,335	-54.98%
Bus	241	904	-73.34%	251	905	-72.27%
Total	150,812	375,440	-59.83%	170,049	439,660	-61.32%

Reasons for year-on-year change of more than 30%

Applicable Not Applicable

The effect of economic downturn is great, which leads to poor logistics, shrinking market demand in the industry, and decline in the production and sales volume of various models.

Construction of parts and components supporting system

In terms of the construction of parts and components resource platform, the Company complies with the "steady first-class resource network strategy", aims at the development of the new four-modernization, strengthens the construction and control of supplier platform, and builds a supporting system with high quality and low price continuously. In addition, the Company further cooperates with excellent suppliers at home and abroad by means of strategic cooperation and joint venture cooperation in order to meet the market demand. At present, the three core assemblies of the Company's main models, i.e. engine, transmission and axle, are produced

independently, and the core parts and components are resource-oriented in fields such as new energy, intelligent vehicle software and hardware, after-market and intelligent connected services. The Company guarantees the vehicle quality and reputation by controlling the purchase by implementing access evaluation, strengthening performance assessment and capability review, and supervising and controlling the supplier's process effectively while adhering to the principle of quality first.

Production and operation of automobile parts and components in the reporting period

Applicable Not applicable

Automobile finance business performed by the Company

Applicable Not applicable

Business related to new energy vehicles performed by the Company

Applicable Not Applicable

Production and operation of complete new energy vehicles and parts & components

Unit: CNY

Product category	Production Capacity	Production	Sales volume	Sales revenue
Truck	40,000 vehicles/year	2,490	2,611	879,931,321.70
Bus	3,000 vehicles/year	127 vehicles	112 vehicles	103,524,352.84

III. Analysis of Core Competitiveness

The Company shall meet the disclosure requirements for the automobile manufacturing industry specified in the "No. 3 Guideline of Shenzhen Stock Exchange on Self-Regulatory Supervision of Listed Companies - Industry Information Disclosure."

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. New energy products cover all mainstream scenarios of the market segment. Guided by "leading technology, pioneering experience, integrated innovation, enhanced application, collaboration and efficiency", FAW Jiefang has built a strong and complete independent R&D system in China from foresight technology, engine, transmission and axle to complete vehicle, and formed an efficient and collaborative R & D team of more than 2,000 people. With the five core capabilities, including scientific and technological innovation, lean design, performance development, trial production verification and experimental verification, the Company has created five technical platforms with low carbonization, informatization, intelligence, electrification and high quality, become one of the commercial vehicle enterprises mastering the core technologies of world-class complete vehicles and three power assemblies, and passed ISO9001, IATF16949 and GB9001B quality system certifications. It is also a national-level independent automobile product R&D and test certification base. In recent years, by accurately grasping the demands of market segment, FAW Jiefang has successfully built ten core product technology advantages, including system fuel saving, long oil drain interval, light weight, independent assembly, independent electronic control, independent post processing, new energy, intelligent drive, long-term maintenance and maintenance free. Therefore, FAW Jiefang always maintains an industry-leading position in the fierce market competition.

2. Marketing and procurement: Adhering to the customer value orientation, the Company has taken the lead in establishing a marketing service system with complete functions. The marketing service network composed of more than 900 dealers, more than 1,000 service providers, more than 50 spare parts centers and more than 100 spare parts dealers covers more than 200 prefecture-level cities in China, with a coverage rate of 96% in cities with a capacity of more than 1,000 vehicles. With a national average service radius of 47 kilometers, it is at the leading level in the industry and provides users with 24-hour efficient and high-quality services. The Company is

committed to integrating global high-quality resources to provide a strong guarantee for the high reliability of Jiefang trucks. In recent years, the Company has 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 and establish joint ventures with them.

3. In terms of production and manufacturing, the Company has a complete manufacturing system from raw materials to core components, from key assemblies to complete vehicles, and its processing and manufacturing depth ranks among the industry leaders. The Company has five complete vehicle bases in Changchun, Qingdao, Chengdu/Guanghan, Liuzhou and Foshan, three assembly bases in Changchun, Wuxi and Dalian, and five new business companies, including FOR.J, SmartLink, Zhito, Jiefang Shidai, and Diyi Yuansu. In 2022, FAW Jiefang J7 Intelligent Factory was selected by the Ministry of Industry and Information Technology as a pilot and demonstration project for the development of big data industry.

4. Overseas: The Company's products are exported to 80 countries and regions such as Southeast Asia, the Middle East, Latin America, Africa and Eastern Europe, and the Company has more than 80 core dealers and nearly 300 distributors in nearly 40 countries and regions around the world. The Company has set up three overseas subsidiaries in South Africa, Russia and Tanzania, and export models such as J6, JH6, and Hu V.

IV. Analysis of Main Business

1. Overview

In 2022, the Company improved its ability and seized opportunities in the new era, and forged ahead with vigor and enthusiasm while maintaining innovation and reform! When facing changes and challenges in the internal and external environment, the Company identified and dealt with such changes, adjusted its business strategy in time, survived by reducing risks, improved its capability, and made unprecedented efforts to face the unprecedentedly severe situation. It focused on grabbing terminals, reducing inventory, costs, expenses and risks, and enhancing confidence. The staff of FAW Jiefang made great efforts and achieved extraordinary business results: the sales volume of complete vehicles reached 170,000, and the terminal share of medium and heavy trucks in the domestic market indicated by Hebei Beidou Data Technology Co. LTD. was 25.7%; a great breakthrough was made in the export, with a sales volume of 28,000

vehicles and a year-on-year increase of 98%. The total inventory decreased significantly compared with the beginning of the year, and the channel risk was cleared, which laid a good foundation for striking in 2023. In 2022, the Company was awarded the "State-owned Enterprises Governance Demonstration Enterprise" and the "China Machinery Industry Quality Award". The J7 Intelligent Factory was selected by the Ministry of Industry and Information Technology as the "Demonstration Factory of Intelligent Manufacturing", and its brand value led the commercial vehicle industry for 11 consecutive years.

(1) National VI products: Link with the research, production, supply, marketing and service system efficiently, establish a closed-loop management mechanism for problems, implement end-to-end problem tackling, close the loop for all key problems, launch nearly 120 new products, with a market share of more than 12%, and improve the reputation of National VI products greatly; promote the planning of product packages for J100 and J7 2026 to achieve commercial success; pay close attention to the assembly upgrading project, strengthen the collaborative development of assembly products, and promote the development of related series products in sequence; upgrade and update light vehicles continuously, and launch 6.5t new platform products and 22 LINKTOUR vehicles, so as to improve the competitiveness continuously.

(2) New energy products: Create a differentiated product portfolio, make the products cover all mainstream scenarios in the market segment, and achieve a sales volume of 2,723 vehicles. Develop nearly 70 new energy products and accelerate product upgrading continuously on the three technical routes of battery/battery swap, hybrid power and fuel cell. Strengthen the cooperation with ecological partners and create a "circle of friends" in the power, finance, terminal cooperation and battery swap industries. Strengthen the cooperation with energy supplement enterprises, new energy ecological partners and refitting plants in typical new energy fields such as steel, electricity, coal and mining, so as to increase market sales, i.e. more than 500 hydrogen fuel cell vehicles have been ordered, indicating that the products are widely recognized by the market. Promote the complete vehicle leasing scheme on a pilot basis, and win the bidding of pilot leasing of 100 pure electric light trucks in Chengdu and the leasing of over 20 postal vehicles in Changchun.

(3) Intelligent vehicle products: Cooperate with leading logistics enterprises to conduct trial operation of super trucks, start independent verification of J6V_L2+/L3 product, and accelerate the reserve of redundant drive-by-wire chassis. Achieve IoV T-box 2.0 full-line switching; real-

name authentication of stock IoV cards; development of super APP map desktop theme function, which is adapted to J101 and J167 models for the first time. Digital key is equipped with J167 model to build the basic service platform and verify the full vehicle control function. Lento EV Jiefangxing APP is launched. The first full-scenario intelligent diagnosis and repair service for commercial vehicles is realized.

(4) Technological innovation: Improve the three capabilities of innovation, achievement transformation and innovation collaboration continuously, and make breakthroughs in nearly 70 leading core technologies in the industry, with a year-on-year increase of 20%; prepare nearly 300 standards, obtain more than 1,500 patents, and make major breakthroughs in key technological projects of SASAC. In the field of traditional vehicles, the heavy-duty in-cylinder direct-injection hydrogen engine was launched and ignited for the first time in China, reaching the international leading technical level. The 13L extreme lightweight heavy-duty tractor has reached the industry leading level, and major breakthroughs have been made in core technologies such as ultra-low wind resistance cab. In the field of new energy vehicles, light-duty pure electric and heavy-duty fuel-powered forward-looking vehicles are produced for the first time, and major breakthroughs have been made in core technologies such as 8-wire high-speed and high-power flat-wire oil-cooled motors. In the field of intelligent connected vehicles, major breakthroughs have been made in core technologies such as autonomous forward-looking vehicles, dual-system intelligent cabs, domain integration E/E architecture platforms, and digital keys.

(5) Business innovation: Accelerate the implementation of Columbus smart logistics opening plan, build a collaborative innovation mechanism inside and outside emerging industries, and improve the ecosystem construction. Innovate the joint operation mode of intelligent vehicles, expand the actual commercial scale, and sell more than 300 intelligent vehicles. The connected ecology creates the first IoV brand in the industry, with more than 2.1 million registered users of Jiefangxing APP. The Company focuses on the after-market, expands the scope of "four value-added services" (i.e. ETC, refueling, fleet management and security officer), and serves more than 130,000 vehicles in total; pays attention to accelerating the realization of new ecological products such as second-hand vehicles and online freight platforms, with the transaction volume of second-hand vehicle business exceeding CNY 100 million; promotes the implementation of fleet management solutions in four fields, including refrigeration, mixing, muck and sanitation. Accelerate resource distribution and establish the "Jiefang Shidai" joint venture.

(6) Digital and intelligent transformation: Formulate and implement the "1143" digital and intelligent transformation framework of FAW Jiefang, complete the top-level 4A architecture design and transformation blueprint planning with the TOGAF method, accelerate the application of information and digital technologies such as big data, cloud computing and Internet of Things, deeply integrate with the business in the four major fields, build digital capabilities such as data management system, and improve overall operational efficiency of the Company.

(7) Capital operation: There are 12 shareholding enterprises in total affiliated to the Company, with a total investment income of CNY 347 million in 2022. The Company has formulated management documents and built a long-term management mechanism. The Company has deployed in the fields of intelligent driving (Zhito), IoV (SmartLink) and after-market operation (FOR.J) since 2019. In 2022, the Company made a strategic investment in Refire Technology and establishing Diyi Yuansu to improve the strategic layout of the fuel cell industry; promoted the implementation of Jiefang Shidai projects, and laid out the operation business of the new energy after-market.

2. Revenues and costs

(1) Composition of Operating Income

Unit: CNY

	2022		2021		Year-on-year Increase and Decrease
	Amount	Proportion in Operating Income	Amount	Proportion in Operating Income	
Total operating income	38,331,747,083.88	100%	98,751,242,669.55	100%	-61.18%
By Industries					
Automobile industry	38,331,747,083.88	100.00%	98,751,242,669.55	100.00%	-61.18%
By products					
Commercial vehicles	33,483,232,308.59	87.35%	91,119,202,713.23	92.27%	-63.25%
Spare parts and others	4,848,514,775.29	12.65%	7,632,039,956.32	7.73%	-36.47%
By areas					
Northeast China,	19,888,808,283.34	51.89%	45,436,940,546.97	46.01%	-56.23%

North China, Northwest China and Southwest China					
East China, South China and Central China	18,442,938,800.54	48.11%	53,314,302,122.58	53.99%	-65.41%

(2) Information about industries, products, regions and sales model accounting for more than 10% of the Company's operating income or operating profit

Applicable Not Applicable

Unit: CNY

	Operating income	Operating costs	Gross Profit Rate	Increase/Decrease of Operating Income over the Same Period of Last Year	Increase/Decrease of Operating Cost over the Same Period of Last Year	Increase/Decrease of Gross Profit Rate over the Same Period of Last Year
By Industries						
Automobile industry	36,242,318,100.83	33,608,683,181.19	7.27%	-62.05%	-60.96%	Reduced by 2.60%
By products						
Commercial vehicles	33,483,232,308.59	31,214,534,982.58	6.78%	-63.25%	-62.14%	Reduced by 2.73%
Spare parts and others	2,759,085,792.24	2,394,148,198.61	13.23%	-37.15%	-33.99%	Reduced by 4.14%
By areas						
Northeast China, North China, Northwest China and Southwest China	18,804,687,270.68	17,714,709,552.71	5.80%	-57.21%	-55.32%	Reduced by 3.97%
East China, South China and Central China	17,437,630,830.15	15,893,973,628.48	8.85%	-66.18%	-65.77%	Reduced by 1.11%

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 last year

Applicable Not applicable

(3) Whether physical sales revenue of the Company is greater than the labor service revenueYes No

Industry Classification	Item	Unit	2022	2021	Year-on-year Increase and Decrease
Automobile industry	Sales Qty	Vehicle	170,049	439,660	-61.32%
	Production output	Vehicle	150,812	375,440	-59.83%
	Storage amount	Vehicle	13,235	31,397	-57.85%

Reasons for the year-on-year change of relevant data by more than 30%

Applicable Not Applicable

- 1) The production and sales volume is decreased compared with the same period of the previous year, which is mainly due to the serious impact of economic downturn, resulting in poor logistics and shrinking market demand in the industry.
- 2) Inventory is decreased compared with the same period of the previous year, which is mainly because that the inventory is consumed and less capital is occupied.

(4) Performance of major sales contracts and major procurement contracts signed by the Company as of the reporting periodApplicable Not applicable**(5) Composition of operating cost**

Industry and Product Classification

Unit: CNY

Industry Classification	Item	2022		2021		Year-on-year Increase and Decrease
		Amount	Proportion in Operating Cost	Amount	Proportion in Operating Cost	
Automobile industry	Material cost	31,126,255,860.34	88.30%	78,454,527,843.72	88.34%	-60.33%
	Others	4,125,915,026.19	11.70%	10,354,810,924.88	11.66%	-60.15%

Unit: CNY

Product Classification	Item	2022		2021		Year-on-year Increase and Decrease
		Amount	Proportion in Operating Cost	Amount	Proportion in Operating Cost	
Commercial vehicles	Commercial vehicles	31,214,534,982.58	88.55%	82,453,077,973.29	92.84%	-62.14%
Spare parts and others	Spare parts and others	4,037,635,903.95	11.45%	6,356,260,795.31	7.16%	-36.48%

Note: None

(6) Whether the consolidation scope is changed in the reporting period

Yes No

FAW Jiefang New Energy Automotive Sales Co., Ltd, a subsidiary of the Company, merged FAW Jiefang Automotive Sales Co., Ltd., the former subsidiary of the Company, on the base date of September 30, 2022.

(7) Significant changes or adjustments in business, products or services of the Company in the reporting period

Applicable Not applicable

(8) Information about main customers and main suppliers

Information about main customers of the Company

Total sales amount of the top five customers (CNY)	8,697,732,382.08
Proportion of total sales amount of the top five customers in total annual sales amount	22.69%
Proportion of sales of related parties in total annual sales of the top five customers	17.65%

Information about top 5 customers of the Company

S/N	Customer name	Sales (CNY)	Proportion in Total Annual Sales
1	China FAW Group Import & Export Co., Ltd.	5,921,179,357.98	15.45%
2	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	842,004,381.84	2.20%

3	Customer 1	841,177,182.46	2.19%
4	Customer 2	646,895,474.90	1.69%
5	Customer 3	446,475,984.90	1.16%
Total	--	8,697,732,382.08	22.69%

Other information about main customers

Applicable Not applicable

Information about main suppliers of the Company

Total purchase amount of the top five suppliers (CNY)	5,315,280,198.91
Proportion of total purchase amount of the top five suppliers in total annual purchase amount	14.07%
Proportion of the purchase amount of related parties in the total annual purchase amount of the top five suppliers	2.75%

Information about the top 5 suppliers of the Company

S/N	Name of Supplier	Purchase Amount (CNY)	Proportion in Total Annual Purchase Amount
1	Supplier 1	1,888,113,028.36	5.00%
2	Fawer Auto Parts Co., Ltd.	1,040,303,880.14	2.75%
3	Supplier 2	973,607,675.50	2.58%
4	Supplier 3	751,844,490.95	1.99%
5	Supplier 4	661,411,123.96	1.75%
Total	--	5,315,280,198.91	14.07%

Other information about main suppliers

Applicable Not applicable

3. Cost

Unit: CNY

	2022	2021	Year-on-year Increase and Decrease	Description of Major Changes
Sales expenses	1,255,882,221.64	1,754,344,114.38	-28.41%	
Administrative expenses	2,040,339,354.62	2,453,597,224.68	-16.84%	

Financial expenses	-1,052,600,813.17	-1,220,634,963.43	-13.77%	
R&D expenses	2,895,655,097.73	3,328,946,673.10	-13.02%	

4. R&D investment

Applicable Not Applicable

Name of Main R&D Projects	Project purpose	Project progress	Proposed Objectives	Expected Impact on the Company's Future Development
J7 series expanded models development project	Follow the "domestic first-class and world-class" enterprise development strategy, and develop domestic high-end benchmark heavy trucks independently to achieve a new level of domestic truck quality.	Development phase	Maintain the high-end positioning of products, pursue excellent quality, and improve product quality continuously in the efficient long-distance trunk express market, expand the market capacity of high-end vehicle products year by year, realize double sales volume, and lead the industry development.	Support the Company's strategy of developing a "domestic first-class and world-class" enterprise, and contribute hard-core products to the product layout during the 14th Five-Year Plan period.
JH6 series expanded models development project	Upgrade the products of JH6 platform to ensure leading competitiveness of Jiefang brand.	Planning stage	Maintain the mid-to-high-end positioning of products in the six core markets such as general freight, express freight, green transport and urban construction truck, strengthen the advantages of highway vehicles in the mid-to-high-end market and renew the brand image of engineering vehicles by optimizing the complete	Enhance the competitiveness of the Company's medium and heavy vehicle product line and major products, and contribute hard-core products to the product layout in the 14th Five-Year Plan period.

			vehicle reliability, comfort and TCO.	
J6L upgraded product development project	Focus on customers' pain points, market and technology, face the high-end market of medium-sized vehicles in China, rank first in comprehensive competitiveness of medium-sized truck products in China, and achieve commercial success and customer satisfaction.	Closed	Meet the requirements of different series and different market segments for flat/raised floor and 6/7/9/11L engine combinations.	Build intelligent high-end medium-sized vehicles with the largest space, lowest fuel consumption and strong competitiveness in China, improve sales volume and profit margin of existing products, solve users' pain points, and support the Company's to achieve the share in medium-sized vehicle market.
Fuel Cell Product Development Project	Develop fuel cell products, cover all the three major technical routes, meet the requirements of demonstration operation subsidies, and support the increase of new energy products.	Development phase	Cover typical scenarios of the three demonstration city clusters of fuel cells, develop a whole series of products such as fuel-electric traction, fuel-electric dump, special fuel-electric and fuel-electric logistics, and apply for demonstration operation projects together with mainstream fuel-electric system partners to realize the batch sales and operation of fuel-electric products.	Complete the layout of three major technical routes, reserve the fuel cell products development technology, support the research and development of independent fuel cell products, build a benchmark image for the new energy industry, and support the Company to lead the new energy industry continuously.
Jiefang intelligent driving product development	Develop aided driving and restricted-region high-level	Development phase	Develop intelligent vehicle series products, realize aided driving in trunk logistics scenarios	With the commercial operation of emerging industries in multiple scenarios, the Company's

<p>project</p>	<p>intelligent driving commercial vehicle products based on customer needs, so as to help the Company to realize the commercialization of intelligent vehicle industry in a short period.</p>		<p>and high-level intelligent driving in multiple restricted-region scenarios such as ports and sanitation, and develop full-stack intelligent driving software and hardware core technologies by itself to create independent core competitiveness.</p>	<p>R&D capability and competitiveness in the intelligent networking field are improving continuously, so that it can realize the strategic transformation to intelligent transportation solution provider in a short period.</p>
<p>Jiefangxing APP IoV platform development project</p>	<p>The project is implemented to realize networking of the Company's off-line vehicles, so as to meet the regulatory requirements for monitoring and provide customers with remote functions or services such as remote vehicle control, intelligent diagnosis and repair, OTA upgrade, etc. In addition, IoV big data can be realized in the fields of research, production, marketing and service based on millions of</p>	<p>Iterative operation phase</p>	<p>The full-stack self-developed IoV platform series products cover three major sub-platforms, i.e. vehicle terminal, mobile terminal and cloud terminal, realize the digitalization of vehicle operation information at the vehicle terminal, and realize vehicle-cloud connection based on self-developed Tbox products. At the mobile terminal, the Company optimizes and iterates the mobile phone Jiefangxing APP continuously, and builds the exclusive in-vehicle OS for Jiefang commercial vehicles independently. At the cloud terminal, it optimizes the IoV cloud platform continuously to</p>	<p>With continuous product iteration and service optimization of the project, the achievements will improve digital, networking and intelligent experience of commercial vehicle users significantly, help the Company to lay out in the field of commercial vehicle ecology, promote the digital transformation of products and services, and enter the commercial cycle of data-driven iteration.</p>

	connected vehicles, so as to support the layout of the Company in ecological services.		improve stability, security and concurrency. The Company creates the first IoV brand in the commercial vehicle industry through the construction at vehicle terminal, mobile terminal and cloud terminal.	
Upgraded transmission product development project	Develop transmission products complying with noise regulations and fuel consumption regulations to improve the competitiveness of complete vehicles.	Development phase	Complete the development of drive axle and AMT products. Improve the comprehensive competitiveness of assembly products to make sure that the comprehensive index is higher than that of main competitive products at home and abroad.	Provide competitive drive axle and AMT transmission products for the Company's vehicle platform, improve the competitiveness of vehicle products, and support the Company to lead the industry continuously.
Research on 55% thermal efficiency power system technology of diesel engine	Break through 55% thermal efficiency technology of diesel engine.	Research phase	Break through high compression ratio fast dual-zone combustion system and other technologies to challenge the 55% thermal efficiency of commercial vehicle diesel engines.	Improve the effective thermal efficiency of diesel engines, achieve the goal of product low carbonization, and reserve technologies for complying with the fuel consumption regulations in the next stage.
Fuel cell system integration technology development	Break through the integration and control technology of commercial vehicle fuel cell system.	Research phase	Reach the system power of 100 kW.	Build the technical competitiveness of the Company's first-class fuel cell products and fill the technical gap of the Company's independent fuel cell system.

Information about R&D personnel of the Company

	2022	2021	Change ratio
Number of R&D personnel (person)	2,904	2,419	20.05%
Proportion of R&D personnel	14.27%	11.70%	Increased by 2.57%
Educational background structure of R&D personnel			
Bachelor's degree	1,907	1,582	20.54%
Master's degree	943	791	19.22%
Doctor's degree	36	29	24.14%
Junior college degree	18	17	5.88%
Age structure of R&D personnel			
Under 30 years old	1,065	802	32.79%
30-40 years old	1,159	1,094	5.94%
41-50 years old	465	348	33.62%
51~60 years old	215	175	22.86%

Information about R&D investment of the Company

	2022	2021	Change ratio
Amount of R&D Investment (CNY)	2,895,655,097.73	3,328,946,673.10	-13.02%
Proportion of R&D Investment in Operation Income	7.55%	3.37%	Increased by 4.18%
Capitalization amount of R&D investment (CNY)	0.00	0.00	0.00%
Proportion of capitalized R&D investment in total R&D investment	0.00%	0.00%	0.00%

Reasons and influence of major changes in the composition of the R&D personnel

Applicable Not applicable

Reasons for significant changes in the proportion of total R&D investment in operating income compared with the previous year

Applicable Not applicable

Reasons for and the rationality of great change in the capitalization rate of R&D investment

Applicable Not applicable

5. Cash flow

Unit: CNY

Item	2022	2021	Year-on-year Increase and Decrease
Sub-total of cash inflows from operating activities	44,778,021,694.80	87,046,159,008.10	-48.56%
Sub-total of cash outflows from operating activities	49,913,265,664.15	71,843,035,728.94	-30.52%
Net cash flows from operating activities	-5,135,243,969.35	15,203,123,279.16	-133.78%
Sub-total of cash inflows from investing activities	1,715,798,644.98	5,138,340,537.10	-66.61%
Sub-total of cash outflows from investment activities	3,345,556,203.30	2,535,852,081.71	31.93%
Net cash flows from investment activities	-1,629,757,558.32	2,602,488,455.39	-162.62%
Sub-total of cash inflows from financing activities		332,790,748.16	-100.00%
Sub-total of cash outflows from financing activities	3,080,358,351.01	2,380,869,368.70	29.38%
Net cash flows from financing activities	-3,080,358,351.01	-2,048,078,620.54	-50.40%
Net increase in cash and cash equivalents	-9,845,007,165.71	15,755,996,673.07	-162.48%

Description on main factors influencing major changes in relevant data on a year-on-year basis

Applicable Not Applicable

(1) "Subtotal of cash inflows from operating activities" of this year is decreased by 48.56% compared with the previous year, which is mainly due to the impact of multiple factors such as shrinking industry demand, and decreasing sales volume and sales outstanding.

(2) "Subtotal of cash outflows from operating activities" of this year is decreased by 30.52% compared with the previous year, which is mainly due to the impact of multiple factors such as shrinking industry demand, and decreasing output and purchase expenditure.

(3) "Net cash flows from operating activities" of this year is decreased by 133.78% compared with the previous year, which is mainly due to the impact of multiple factors such as shrinking industry demand, and decreasing output, sales volume and payables.

(4) "Subtotal of cash inflows from investment activities" of this year is decreased by 66.61% compared with the previous year, which is mainly due to the non-recovery of fixed-term deposits this year.

(5) "Subtotal of cash outflows from investment activities" of this year is increased by 31.93% compared with the previous year, which is mainly due to the increase in foreign investment this year.

(6) "Net cash flows from investment activities" of this year is decreased by 162.62% compared with the previous year, which is mainly due to the non-recovery of fixed-term deposits and the increase in foreign investment this year.

(7) "Subtotal of cash inflows from financing activities" of this year is decreased by 100% compared with the previous year, which is mainly because that there is no business this year.

(8) "Subtotal of cash outflows from financing activities" of this year is increased by 29.38% compared with the previous year, which is mainly due to the increase in cash paid for dividend distribution.

(9) "Net cash flows from financing activities" of this year is decreased by 50.40% compared with the previous year, which is mainly due to the increase in cash paid for dividend distribution.

(10) "Net increase in cash and cash equivalents" of this year is decreased by 162.48% compared with the previous year, which is mainly due to the impact of multiple factors such as shrinking industry demand, and decreasing output, sales volume and payables.

Description on reasons for the significant difference between the net cash flows generated from the operating activities in the reporting period and the net profit of this year

Applicable Not Applicable

Refer to Section X - "Financial Report VII", Notes to Items in Consolidated Financial Statements and Section 60 "Supplementary Information to Cash Flow Statement" for details.

V. Analysis of Non-main Business

Applicable Not applicable

VI. Analysis of Assets and Liabilities

1. Major changes in asset composition

Unit: CNY

	End of 2022		Early 2022		Increase/Decrease in Proportion	Description of Major Changes
	Amount	Proportion in Total Assets	Amount	Proportion in Total Assets		
Monetary capital	21,041,473,417.71	37.06%	30,761,262,721.40	44.09%	-7.03%	

Accounts receivable	867,090,338.4 2	1.53%	1,279,693,951. 70	1.83%	-0.30%	
Contract assets	11,129,624.75	0.02%	53,047,687.72	0.08%	-0.06%	
Inventories	6,382,739,897. 83	11.24%	9,268,120,531. 25	13.28%	-2.04%	
Investment property	80,647,597.48	0.14%	80,202,825.09	0.11%	0.03%	
Long-term equity investments	4,692,648,635. 84	8.27%	4,766,734,671. 74	6.83%	1.44%	
Fixed assets	9,612,922,810. 28	16.93%	9,236,789,322. 03	13.24%	3.69%	
Project under construction	1,902,143,354. 11	3.35%	965,997,208.2 3	1.38%	1.97%	
Right-of-use assets	198,220,342.5 9	0.35%	143,766,265.4 4	0.21%	0.14%	
Contract liabilities	1,629,524,704. 35	2.87%	2,700,642,475. 91	3.87%	-1.00%	
Lease liabilities	54,814,603.06	0.10%	88,307,218.05	0.13%	-0.03%	

High proportion of overseas assets

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

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

For details, please refer to Note 61 "Assets with restricted ownership or use right" in part VII "Notes to Items in Consolidated Financial Statements" of Section X - Financial Report.

VII. Investment Analysis

1. Overall

Applicable Not Applicable

Investment Amount in the Reporting Period (CNY)	Investment Amount in the Same Period of Previous Year (CNY)	Variation range
516,780,000.00	44,000,000.00	1,074.50%

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.

VIII. Sale of Major Assets and Equity

1. Sale of major assets

Applicable Not Applicable

Full Text of 2022 Report of FAW JIEFANG GROUP CO., LTD.

Counter party	Assets Sold	Date of Sale	Transaction Price (CNY 10,000)	Net Profit Contributed by the Asset to the Listed Company from the Beginning of the Current Period to the Date of Sale (CNY 10,000)	Effect of Sale on the Company	Proportion of Net Profit Contributed by Asset Sales to the Listed Company in the Total Net Profit	Pricing Principle of Asset Sale	Related Party Transaction or Not	Relationship with the Counterparty (Applicable to Related Party Transaction)	Whether All Property Rights of the Assets Involved Have Been Transferred	Whether All Credits and Debts Involved Have Been Transferred	Whether Implemented as Scheduled. If Not, Provide the Reasons and the Measures Taken by the Company	Date of Disclosure	Disclosure Index
Qingdao Land Reserve and Consolidation Center	FAW Jiefang Qingdao Automobile Plant is located in Plot 4, Licang District, Qingdao City, with a total area of 410,217.3 m ² .	December 16, 2022	110,143.80	87,229.98	This reserve and consolidation will not affect normal operation of the Company and FAW Jiefang Qingdao Automobile Plant, and will be conducive to optimizing the asset structure, revitalizing the stock assets, increasing the	237.20%	Asset appraisal pricing	No	N/A	Yes	No	Implemented as planned	December 16, 2022	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800#latestAnnouncement

					working capital, focusing on its own core business, improving the operation and management efficiency, meeting the needs of overall development strategy, and having a positive impact on the financial condition of the Company.									
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2. Sale of major equity

Applicable Not applicable

IX. 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 10,803,012,500	52,345,947,283.22	19,544,748,824.40	38,331,747,083.88	-305,554,763.44	7,048,469.29
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 10,000,000,000	142,573,353,431.36	20,755,902,658.83	6,570,745,844.89	2,611,391,202.35	1,806,213,013.58

Acquisition and disposal of subsidiaries in the reporting period

Applicable Not Applicable

Company Name	Methods of acquisition and disposal of subsidiaries in the reporting period	Impact on overall production, operation and performance
FAW Jiefang Automotive Sales Co., Ltd.	Merger by absorption	No significant impact on current production and operation

Description of main holding and joint-stock companies: none

X. Structured Entities Controlled by the Company

Applicable Not applicable

XI. Outlook for Future Development of the Company

1. Competition pattern and development trend of the Company's industry

In the next three years, the demand of residents will recover gradually with the economic recovery, and the market demand of the commercial vehicle industry will increase gradually compared with that in the tough period of 2022. The report of the 20th National Congress of the Communist Party of China clearly states that "the great rejuvenation of Chinese nation shall be promoted by realizing Chinese-type modernization", puts forward 17 goals in becoming a strong country, and proposes eight requirements for the commercial vehicle industry, including high-quality development, supply chain guarantee, digital upgrading, overseas breakthroughs and innovative development. It is estimated that China's GDP growth rate will be about 5% from 2023 to 2025, which is relatively stable. The pressure on logistics industry practitioners will be reduced, the profitability will be improved, and the domestic commercial vehicle market will recover steadily. There will be more opportunities in the export market because the competitiveness of domestic products is improved and the acceptance of Chinese products by foreign countries is increased. The credit policy for new energy commercial vehicles is planned to be implemented in 2025, so that the penetration rate of new energy commercial vehicles will increase rapidly in the next three years. The Company will have great opportunities in overseas market, new energy and solutions in the future.

The medium and heavy truck industry market is more and more mature, and the market competition is more and more homogeneous, therefore, the industry will have higher requirements for product innovation and technological innovation, the report of the 20th National Congress of the Communist Party of China points out that innovation is the first driving force, and enterprises with strong innovation ability in the industry will have more advantages in the future competition. FAW Jiefang, as a "world-class professional, refined, distinctive and innovative demonstration enterprise" certified by SASAC, has five core capabilities: scientific and technological innovation, lean design, performance development, trial production verification and experimental verification, and will have more development advantages in future competition.

2. Development strategy and business plan of the Company

In 2023, the Company will perform all production and operation tasks throughout the year based on the general idea of "aiming at one goal, focusing on the leading mainline, adhering to innovation and reform drive and strengthening the overcoming of key problems in five major fields", always rank first in the industry, improve the awareness of crisis, carry forward the spirit of struggle, and achieve all objectives and complete all tasks of 2023 with extraordinary action and innovation. We are committed to making unremitting efforts to become a "world-class automobile enterprise and a century-old national automobile brand", and contribute to the construction of a manufacturing power and a transportation power.

(1) Aiming at strategic objectives, adhering to strategic guidance, accelerating the implementation of strategies and strengthening strategic management. Refresh the strategic planning continuously, strengthen key special research on topics such as new models, and explore new development paths constantly based on the development trend of traditional and emerging industries. Accelerate the implementation process of solutions, build systematic solution system capability and market competitiveness, and create new growth points for the Company's profit.

(2) Focusing on the leading mainline of market and product, building first-class marketing power and product power vigorously, and consolidating the first place of commercial vehicles. Keep the absolute first place of medium and heavy-duty trucks and expand their leading advantages in China. Make sure that the growth rate of light trucks is the first, and the export of new energy vehicles overseas will increase.

(3) Adhering to innovation and reform drive, building core advantages, and promoting transformation and development. Keep up with cutting-edge technology and increase R&D investment to ensure technological innovation. Promote the exploration of new models, incubation of new businesses and mining of new value points, expand the scope of ecosystem, and improve the revenue capacity of new business forms continuously to ensure business form innovation. Promote IPD change and integrated change firmly, and improve the ability of autonomous change continuously to achieve management change.

(4) Strengthening the overcoming of key problems in five major fields, accelerating the improvement of capabilities, and promoting the business development to a new level. Strengthen the improvement of profitability, and focus on the minimum profitability based on the general idea of "increasing margin, reducing cost and increasing income"; strengthen the improvement of

digital and intelligent transformation capability, improve the 4A architecture on the basis of "1143" framework, enhance the digital system capacity building, and accelerate the deep integration of business; strengthen the improvement of comprehensive quality capability and accelerate the creation of world-class quality competitiveness; strengthen the improvement of supply chain security guarantee capability, focus on building world-class procurement competitiveness, improve the capability of procurement integration system, pay close attention to the replacement of domestic resources, and improve the resilience and security level of the supply chain steadily; strengthen the improvement of manufacturing technology capacity, adjust the resource layout, and pay more attention to new energies.

(5) Aiming at the goals of various business sectors, cooperating with each other, improving the overall operation capability and level, and supporting the overall development of the Company.

3. Possible risks to the Company's operation

(1) International market competition risk

Risk description:

The international situation in 2023 is still complex and severe, and there continues to be intense competition in the domestic commercial vehicle market, with many factors interacting with each other. Amid the interweaving of both positive and negative factors in the market, it is expected that the overseas demand will slow down moderately. As a result, the competition in the overseas market will become more intense, accompanied by unfavorable situations such as foreign car companies accelerating their layout in Chinese market and the increasing cautious attitude of commercial vehicle consumers. The company is facing significant competitive pressures.

Solutions:

In order to enhance the international competitiveness of the Company and stabilize its global market position, the Company plans overseas exclusive products with international competitiveness, strives to meet the needs of the international market, and comprehensively promotes more high-quality products to key markets. Explore the potential for competition from multiple dimensions, rely on overseas marketing network with a certain scale, leverage strengths, improve image, and expand international market influence. Increase brand publicity in key markets, coordinate with marketing strategies, and promote the achievement of international

market business goals.

(2) Risk of market environment change of new energy vehicles

Risk description:

The new energy vehicle market continues to grow rapidly, with both production and sales reaching new highs. Affected by the overall environment, the production and sales of new energy commercial vehicles continue to rise, and the penetration rate is steadily increasing. In the next three years, the production, sales and penetration rate of new energy commercial vehicles in China will usher in rapid growth. In this environment, the new energy policy will be further adjusted, and the intense competition between the Company and its competitors will continue for a long time. At the same time, under the bargaining pressure of upstream and downstream enterprises, the market position of new energy commercial vehicles will be challenged in a complex environment.

Solutions:

Based on the Company's strategy, carry out a value analysis of the entire industry chain, identify unfavorable factors in the new energy field, enhance the control ability of core technologies, and improve the new energy ecosystem. Lay out product platforms, targeting typical areas of new energy, conducting in-depth research on promotional scenarios, and promoting the entry of competitive products into the market through partnerships with powerful enterprises and other ways.

(3) Domestic market risk

Risk description:

Due to the decline in economic growth, the domestic commercial vehicle market is over-saturated, and the competition for existing stocks will continue. Despite slight improvement in the logistics industry, unfavorable factors such as energy price fluctuations caused by international turbulence continue to greatly suppress the demand for commercial vehicles in the domestic market. It is expected that the Company will face certain market competition pressure domestically.

Solutions:

Adapt to market changes by formulating appropriate policies and promotion strategies, while consolidating current competitiveness, actively exploring underserved and untapped niche markets, and seeking growth. Continue to carry out activities in key regions and important

channels, look for opportunities, explore demand, enhance product competitiveness and support market competition situation. Strengthen the collection of leads, with all employees approaching for the end customers to seize their demands.

XII. Reception, Investigation, Communication, Interview and Other Activities in the Reporting Period

Applicable Not Applicable

Reception Time	Reception Location	Reception Mode	Type of Reception Object	Reception Object	Main Contents of Discussion and Information Provided	Index of Basic Information of Investigation
March 31, 2022	Meeting room of the company	Telephone communication	Organization	Yunjun AMC, Springs Capital, Tebon Fund, Fujian Danjin Hengxin Asset Management Co., Ltd., Fullgoal Fund, ICBC Ansheng Asset Management Co., Ltd., GF Securities, Guolian Securities, Guosen Securities, Huatai Securities, Huaxi Securities, China Everwin Asset, Horizon Asset, Shanghai Huili Asset Management Co., Ltd., Bocommlife Asset Management Co., Ltd., Minsheng Securities, Nanfang Tianchen (Beijing) Investment Management Co., Ltd., Nanshan Life Insurance Co., Ltd., Ping An Asset Management Co., Ltd., Credit Suisse, UBS, Three Gorges Capital Holding Co., Ltd., Shanghai Trust, Whitestream Fund, Shanghai Electric Group Finance Co., Ltd., Tianni Investment, Shangcheng Investment, Shengang Securities, Shenguo Investment, Capital Securities, TF Securities, Tianhong Asset Management, Himalaya Capital, Yadoo Investment, Changjing Securities, China Merchants Fund, China Life, CICC, Sinowise Investment, China Securities, CITIC Securities, China Post Fund, Brighter Investment, CLOUDALPHA MASTER FUND, destination capital, Greencourt Capital, GREENWOODS, Polunin Capital	Operation and development planning of the Company, no relevant information is provided	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz000800#research
April 14, 2022	Meeting room of the company	Others	Others	Investors participating in FAW Jiefang 2021 Annual Performance Presentation	Operation and development planning of the Company, no relevant information is provided	

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July 22, 2022	Meeting room of the company	Field Research	Organization	Jilin Securities Regulatory Bureau, Northeast Securities, small and medium-sized investors	Operation and development planning of the Company, no relevant information is provided
October 31, 2022	Meeting room of the company	Telephone communication	Organization	BRILLIANCE - BRILLIANT PARTNERS FUND LP, CICC, Essence Securities Asset Management, Fullgoal Fund Management Co Ltd, Headwater, Oasis, POLUNIN CAPITAL PARTNERS LTD, Stonelake, Beijing Yunjun AMC, Truevalue Asset Management, Eastmoney Securities, Orient Fund, GF Securities, Guolian Securities, Haitong Asset Management, Hangzhou Xinghai Weilai Private Fund, Haojun Investment, Huaxi Securities, Credit Suisse, UBS, Shaanxi Xinghe Canyon Asset Management Co., Ltd., KS Fund, SAIC Finance, Tianni Investment, Shanghai Zhongyu Investment Co., Ltd., Shenzhen Hengyuan Asset Management Co., Ltd., Shenzhen Longgang District Yindao Fund Investment Co., Ltd., Capital Securities, Taikang Pension, Himalaya Capital, Yadoo Investment, Yingda Asset Management Co., Ltd., Changjing Securities, PICC, CITIC Securities	Operation and development planning of the Company, no relevant information is provided

Section IV Corporate Governance

I. Basic Information about Corporate Governance

In 2022, the Company continued to improve its governance structure, established and improved its internal management and control system, and improved the standard operation level in strict accordance with relevant laws and regulations such as the *Company Law*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies*, and the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, as well as relevant normative documents of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, and the *Articles of Association*. At present, the actual governance situation of the Company meets requirements of the China Securities Regulatory Commission's normative documents for the governance of listed companies.

The Company revised the *Articles of Association* and implemented the approval procedures of the Board of Directors and the shareholders' meeting strictly in the reporting period in combination with the actual situation according to relevant requirements of China Securities Regulatory Commission and SASAC in order to further improve its governance structure since it has repurchased and canceled the restricted shares that have been granted to some incentive objects but have not yet been released from sale according to the *Restricted Share Incentive Plan (Draft)*, resulting in changes in registered capital and share capital. In addition, the Company formulated the *Working System of the Secretary of the Board of Directors*, revised the *Investor Relations Management System*, and implemented the approval procedures of the Board of Directors strictly in order to further improve its standardized operation ability and protect the legitimate rights and interests of investors.

1. Shareholders and shareholders' meeting

The Company standardizes the convening, holding and voting procedures of the shareholders' meeting in strict accordance with the *Company Law*, the *Code of Corporate Governance of Listed Companies*, the *Rules for Shareholders' Meeting of Listed Companies*, the *Articles of Association*, etc. The shareholders' meeting combines on-site and online voting to facilitate shareholders to fully exercise their rights. There is a shareholder exchange link at the shareholders' meeting, in which shareholders can fully express their opinions and suggestions to ensure the right of speech

of minority shareholders. The Company employs professional lawyers to witness and provide legal opinions on the convening of the meeting, the qualifications of attendees and the convener, voting procedures and voting results, etc., so as to ensure standardized operation of the meeting.

2. Directors and the Board of Directors

The Board of Directors of the Company consists of 9 directors, including 3 independent directors. The composition and qualifications of the members of Board of Directors comply with relevant laws and regulations. In the reporting period, all directors of the Company were able to do their work according to relevant laws and regulations, attend the board meeting and the shareholders' meeting, perform their duties faithfully and diligently, and protect the interests of the Company and shareholders. The Board of Directors of the Company has three special committees, namely, the Strategy Committee, the Audit and Risk Control Committee and the Remuneration and Appraisal Committee, each of which operates in strict accordance with the *Articles of Association*, the *Rules of Procedure of the Board of Directors* and their working rules, studies various professional matters, and provides scientific and professional opinions and suggestions for the decision-making of the Board of Directors.

3. Supervisors and the Board of Supervisors

The Board of Supervisors of the Company consists of 5 supervisors, including 4 employee representative supervisors. The composition and qualifications of the members of Board of Supervisors comply with relevant laws and regulations. In the reporting period, all supervisors of the Company can perform their duties conscientiously according to the *Articles of Association* and the *Rules of Procedure of the Board of Supervisors*, supervise the regular reports, related transactions, major matters, performance of directors and senior executives, etc., and protect legitimate interests of the Company and shareholders.

4. Relationship between controlling shareholders and listed companies

Controlling shareholders of the Company can regularize their own behaviors according to the *Code of Corporate Governance for Listed Companies*, the *No. 1 Guidelines for Self-discipline Supervision of Listed Companies - Standardized Operation of Listed Companies on the Main Board* and the *Articles of Association*, and do not interfere with the operation and decision-making activities of the Company directly or indirectly without obtaining permission of the shareholders' meeting, or occupy non-operational funds of the Company, or obtain guarantee from the Company. The Company has independent and complete business and independent

operation capabilities, and is independent of controlling shareholders in terms of business, personnel, assets, organizations and finance.

5. Information disclosure and transparency

The Company discloses relevant information truthfully, accurately, completely, timely and fairly in strict accordance with relevant laws and regulations as well as the *Major Information Internal Reporting System* and the *Information Disclosure Management System*, and designates newspapers and websites such as Securities Times, China Securities Journal and CNINFO as the media for information disclosure, so as to provide equal opportunities for all investors to obtain information of the Company. The Company attaches great importance to investor relations management, strengthens communication with investors through investigation, telephone, email, interactive platform, etc., and responds to investors' consultations carefully. It shall strengthen the management of internal information, register insiders earnestly, and safeguard the legitimate rights and interests of investors.

6. Stakeholders

The Company fully respects and safeguards the legitimate rights and interests of stakeholders, attaches importance to its social responsibility, communicates and exchanges actively with stakeholders, strives to coordinate and balance the interests of shareholders, employees, society and other parties, coexists harmoniously with stakeholders, and promotes sustainable, stable and healthy development of the Company together with them.

Whether there is significant difference between the actual situation of corporate governance and laws, administrative regulations and the regulations on the governance of listed companies issued by the China Securities Regulatory Commission

Yes No

There is no significant difference between the actual situation of corporate governance and laws, administrative regulations and the regulations on the governance of listed companies issued by the China Securities Regulatory Commission.

II. Independence of the Company from Controlling Shareholders and Actual Controllers in Terms of Guaranteeing the Company's Assets, Personnel, Finance, Organizations and Business

The Company operates in strict accordance with relevant laws and regulations, has independent and complete operation capabilities, and is completely independent from controlling shareholders in terms of business, personnel, assets, organizations, finance, etc. Specific steps are as follows:

1. Business: The Company has independent business operation systems for production, procurement and sales, has complete legal person property rights, can organize and take production and operation activities independently, and is independent of controlling shareholders.

2. Personnel: The Company has independent personnel management organization and system, and establishes an independent and complete salary management system. The senior executives of the Company are full-time employees and receive salary from the Company.

3. Assets: The Company has independent procurement, production and sales systems and supporting facilities, and has rights to own, control, dispose of and obtain earnings from its assets. No asset of the Company is occupied by controlling shareholders.

4. Organization: The Company has independent production, operation and office organizations, and has set up a perfect organizational structure. The Board of Directors, the Board of Supervisors and other internal organizations operate independently, and do not work together with controlling shareholders.

5. Finance: The Company has an independent and complete financial department which is equipped with full-time financial personnel, establishes an independent and standardized accounting system and financial management system, opens an independent bank account, and pays taxes independently according to law.

III. Horizontal Competition

☑Applicable ☐ Not Applicable

Problem type	Type of Relationship with Listed Company	Company Name	Nature of company	Causes	Solutions	Work Progress and Follow-up Plan
Horizontal competition	Controlling shareholder	China FAW Group Co., Ltd.	Others	In 2020, the listed company completed major asset restructuring, and its main business was changed to the R&D, production and sales of commercial vehicles. FAW Harbin Light Automobile Co., Ltd. and FAW Hongta Yunnan Automobile Manufacturing Co., Ltd., which are members of FAW Light Commercial Vehicle Co., Ltd., a subsidiary of FAW, are engaged in some light truck businesses. There is horizontal competition or potential horizontal competition between them and the listed company.	FAW Harbin Light Automobile Co., Ltd. (hereinafter referred to as "Harbin Light Automobile") and FAW Hongta Yunnan Automobile Manufacturing Co., Ltd. (hereinafter referred to as "FAW Hongta") are in a state of discontinuation or loss currently, with heavy burden and unstable profitability. FAW promises that it will entrust all shares of Harbin Light Automobile and FAW Hongta under its actual control to Jiefang Limited for management, and inject the equities of Harbin Light Automobile and FAW Hongta under its actual control to listed companies in batches or at one time in an appropriate way, or transfer them to other unrelated third parties at a reasonable price and in a reasonable	Perform as promised

					<p>way, or prevent the light truck company from engaging in light truck related businesses by exercising shareholders' rights, and perform relevant internal approval procedures as soon as possible after the above procedures are initiated within 12 months after meeting the requirements that the return on net assets of Harbin Light Automobile and FAW Hongta is not lower than that of listed companies in the same period and increasing the earnings per share of listed companies after restructuring.</p>	
Horizontal competition	Controlling shareholder	China FAW Co., Ltd.	Others	<p>In 2020, the listed company completed major asset restructuring, and its main business was changed to the R&D, production and sales of commercial vehicles. FAW Harbin Light Automobile Co., Ltd. and FAW Hongta Yunnan Automobile Manufacturing Co., Ltd., which are members of FAW Light Commercial Vehicle Co., Ltd., a subsidiary of FAW Car Co., Ltd.,</p>	<p>Harbin Light Automobile and FAW Hongta are in a state of discontinuation or loss currently, with heavy burden and unstable profitability. FAW Car Co., Ltd. promises that it will urge to entrust all shares of Harbin Light Automobile and FAW Hongta under its actual control to Jiefang Limited for management, and inject the equities of Harbin Light Automobile and FAW Hongta under its actual control to</p>	Perform as promised

				are engaged in some light truck businesses. There is horizontal competition or potential horizontal competition between them and the listed company.	listed companies in batches or at one time in an appropriate way, or transfer them to other unrelated third parties at a reasonable price and in a reasonable way, or prevent the light truck company from engaging in light truck related businesses by exercising shareholders' rights, and perform relevant internal approval procedures as soon as possible after the above procedures are initiated within 12 months after meeting the requirements that the return on net assets of Harbin Light Automobile and FAW Hongta is not lower than that of listed companies in the same period and increasing the earnings per share of listed companies after restructuring.	
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IV. 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'	Extraordinary shareholders'	84.94%	February 16, 2022	February 17, 2022	Reviewed and approved the <i>Proposal on Estimated Amount of Daily Related Transactions</i>

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meeting of 2022	meeting				<i>in 2022, the Proposal on Estimated Amount of Financial Business with First Automobile Finance Co., Ltd. in 2022, the Proposal on Change of Registered Capital of the Company and the 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, the 2021 Annual Work Report of the Board of Supervisors, the 2021 Annual Financial Statements, the 2021 Profit Distribution Plan, the 2021 Annual Report and its Summary, and the Proposal on Electing Li Hongjian as the Non-independent Director of the Company.</i>
Second Extraordinary Shareholders' Meeting of 2022	Extraordinary shareholders' meeting	84.14%	September 16, 2022	September 17, 2022	Reviewed and approved the <i>Proposal on Electing Liu Yanchang as a Non-independent Director of the Company, the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, the Proposal on Change of Registered Capital of the Company and the Proposal on Amending the Articles of Association</i>
Third Extraordinary Shareholders' Meeting of 2022	Extraordinary shareholders' meeting	83.91%	November 18, 2022	November 19, 2022	Reviewed and approved the <i>Proposal on Renewal of Employment of Financial Audit Institutions, the Proposal on Renewal of Employment of Internal Control Audit Institutions, the Proposal on Repurchase and Cancellation of Partial</i>

					<i>Restricted Shares in the Phase I Restricted Share Incentive Plan, the Proposal on Change of Registered Capital of the Company and the Proposal on Amending the Articles of Association</i>
Fourth Extraordinary Shareholders' Meeting of 2022	Extraordinary shareholders' meeting	2.11%	December 14, 2022	December 15, 2022	Reviewed and approved the <i>Proposal on Increasing the Estimate of Daily Related Party Transactions in 2022</i>

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

Applicable Not applicable

V. Directors, Supervisors and Senior Executives

1. Basic Information

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Name	Position	Employment Status	Gender	Age	Start Date of Tenure	Ending Date of Tenure	Number of Shares Held at the Beginning of the Period (share)	Number of Increased Shares in the Current Period (share)	Number of Reduced Shares in the Current Period (share)	Other Increase/Decrease (share)	Number of Shares Held at the End of the Period (share)	Reasons for the Increase or Decrease of Shares
Hu Hanjie	Chairman of the Board	In-service	Male	58	April 23, 2020	April 21, 2023	334,331				334,331	
Wu Bilei	Director	In-service	Male	52	October 14, 2021	April 21, 2023	228,552				228,552	
Zhang Guohua	Director	In-service	Male	50	June 23, 2020	April 21, 2023	228,493				228,493	
Bi Wenquan	Director	In-service	Male	50	September 15, 2021	April 21, 2023						
Li Hongjian	Director	In-service	Male	50	April 29, 2022	April 21, 2023						
Liu Yanchang	Director	In-service	Male	59	September 16, 2022	April 21, 2023						
Han Fangming	Independent director	In-service	Male	56	April 22, 2020	April 21, 2023						
Mao Zhihong	Independent director	In-service	Male	61	April 22, 2020	April 21, 2023						
Dong Zhonglang	Independent director	In-service	Male	58	April 22, 2020	April 21, 2023						
Yang Xiao	Director	Departure from office	Male	49	April 22, 2020	August 29, 2022						
Liu	Director	Departure	Male	51	June 23, 2020	March 29, 2022						

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Changqing		from office										
Wang Yanjun	Chairman of Board of Supervisors	In-service	Male	59	September 15, 2021	April 21, 2023						
Xu Haigen	Employee Supervisor	In-service	Male	58	April 22, 2020	April 21, 2023						
Wang Lijun	Employee Supervisor	In-service	Male	54	April 22, 2020	April 21, 2023						
Duan Yinghui	Employee Supervisor	In-service	Male	52	April 22, 2020	April 21, 2023						
Ren Ruijie	Employee Supervisor	In-service	Male	39	April 22, 2020	April 21, 2023						
Wu Bilei	General Manager	In-service	Male	52	September 17, 2021	April 21, 2023						
Yu Changxin	Executive Deputy General Manager	In-service	Male	50	November 28, 2022	April 21, 2023						
Ji Yizhi	Deputy General Manager	In-service	Male	53	October 19, 2022	April 21, 2023	192,778				192,778	
Tian Haifeng	Deputy General Manager	In-service	Male	50	October 19, 2022	April 21, 2023	192,778				192,778	
Li Sheng	Deputy General Manager	In-service	Male	46	October 19, 2022	April 21, 2023	192,778				192,778	
Kong	Deputy	Departure	Male	50	March 26, 2020	October 19, 2022	228,498				228,498	

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Dejun	General Manager	from office										
Wang Ruijian	Deputy General Manager	Departure from office	Male	59	March 26, 2020	October 19, 2022	253,496				253,496	
Shang Xingwu	Deputy General Manager	Departure from office	Male	56	March 26, 2020	October 19, 2022	228,631				228,631	
Ou Aimin	Deputy General Manager	Departure from office	Male	56	March 26, 2020	October 19, 2022	229,010				229,010	
Wang Jianxun	Secretary of the Board of Directors	In-service	Male	39	July 23, 2020	April 21, 2023	192,778				192,778	
Total	--	--	--	--	--	--	2,502,123	0	0	0	2,502,123	--

Whether any director or supervisor during term of office leaves office or any senior executive is dismissed in the reporting period

Yes No

(1) In the reporting period, Yang Xiao and Liu Changqing, directors of the Company, resigned from their posts as directors of the 9th Board of Directors and members of the Special Committee of the Board of Directors due to job transfer, and will hold no post in the Company any more after the resignation. Kong Dejun, Wang Ruijian, Shang Xingwu and Ou Aimin, the Deputy General Managers, resigned due to job-related reasons, in which Wang Ruijian continued to hold other posts in the Company, and Kong Dejun, Shang Xingwu and Ou Aimin did not hold other posts in the Company.

(2) The restricted shares held by Kong Dejun, Shang Xingwu and Ou Aimin were partially repurchased and canceled, and the cancellation completion announcement was issued on January 17, 2023 according to the *Restricted Share Incentive Plan (Draft)* of the Company. After

resigning from the post of Deputy General Manager of the Company, Kong Dejun, Wang Ruijian, Shang Xingwu and Ou Aimin will strictly abide by the *Several Provisions on Reduction of Shares Held by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies*, the *No. 1 Guidelines for Self-discipline Supervision of Listed Companies - Standardized Operation of Listed Companies on the Main Board*, and *Detailed Rules for the Implementation of Reducing Shares Held by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies on the Shenzhen Stock Exchange*, etc.

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 Yanchang	Director	Elected	September 16, 2022	
Liu Changqing	Director	Departure from office	March 29, 2022	Job changes
Yang Xiao	Director	Departure from office	August 29, 2022	Job changes
Yu Changxin	Executive Deputy General Manager	Appointed	November 28, 2022	
Ji Yizhi	Deputy General Manager	Appointed	October 19, 2022	
Tian Haifeng	Deputy General Manager	Appointed	October 19, 2022	
Li Sheng	Deputy General Manager	Appointed	October 19, 2022	
Kong Dejun	Deputy General Manager	Departure from office	October 19, 2022	Work
Wang Ruijian	Deputy General Manager	Departure from office	October 19, 2022	Work
Shang Xingwu	Deputy General Manager	Departure from office	October 19, 2022	Work
Ou Aimin	Deputy General Manager	Departure from office	October 19, 2022	Work

2. Employment status

Professional background, main work experience and main responsibilities of current directors, supervisors and senior executives of the Company

Director:

Mr. Hu Hanjie is currently the General Manager Assistant of FAW, the Chairman and Secretary of the Party Committee of FAW JIEFANG GROUP CO., LTD., the Executive Director and Secretary of the Party Committee of FAW Jiefang Automotive Co., Ltd., and a deputy to the 15th Changchun Municipal People's Congress. He has served successively as the Deputy General Manager of FAW - Volkswagen Automobile Co., Ltd. and General Manager of Sales Company,

Secretary of the Party Committee and Executive Deputy General Manager of FAW Jiefang Automotive Co., Ltd., General Manager and Secretary of the Party Committee of FAW Jiefang Automotive Co., Ltd., Executive Deputy Director and Deputy Secretary of the Party Committee of FAW Jiefang Business Headquarters (General Manager and Deputy Secretary of the Party Committee of FAW Jiefang Automotive Co., Ltd), General Manager Assistant of FAW Car Co., Ltd., Deputy Director of Jiefang Business Headquarters, Deputy Secretary of the Party Committee (General Manager and Deputy Secretary of the Party Committee of FAW Jiefang Automotive Co., Ltd.), General Manager Assistant of FAW Car Co., Ltd., Director of Jiefang Business Headquarters, Secretary of the Party Committee (Chairman and Secretary of the Party Committee of FAW Jiefang Automotive Co., Ltd.), etc.

Mr. Wu Bilei is currently the General Manager and Deputy Secretary of the Party Committee of FAW JIEFANG GROUP CO., LTD., the General Manager and Deputy Secretary of the Party Committee of FAW Jiefang Automotive Co., Ltd., and the General Manager of the medium and heavy vehicle product line of the headquarters. He has served successively as the Deputy Chief Engineer of Technical Center of China FAW Group Corporation and Deputy Director of Product Management Department of FAW Jiefang Automotive Co., Ltd., Vice President of Commercial Vehicle R&D Institute of Technical Center of China FAW Group Corporation and Deputy Director of Product Management Department of FAW Jiefang Automotive Co., Ltd., Vice President of Commercial Vehicle Development Institute of Jiefang Business Headquarters, Vice President of Commercial Vehicle Development Institute of Jiefang Business Headquarters and Deputy Director of Product Management Department of Jiefang Business Headquarters (Jiefang Company). President and Secretary of the Party Committee of Commercial Vehicle Development Institute of Jiefang Business Headquarters, President and Secretary of the Party Committee of Commercial Vehicle Development Institute of FAW Jiefang Automotive Co., Ltd., Deputy General Manager of FAW JIEFANG GROUP CO., LTD., etc.

Mr. Zhang Guohua is currently the Deputy Secretary of the Party Committee and Chairman of the Labor Union of FAW JIEFANG GROUP CO., LTD. and the Deputy Secretary of the Party Committee and Chairman of the Labor Union of FAW Jiefang Automotive Co., Ltd. He has served successively as the Senior Manager of Organization and Personnel Department and Director of Senior Manager Management Office of China FAW Group Corporation, Senior Manager of Organization and Personnel Department and Senior Manager of Social Business

Management Department of China FAW Group Corporation, Deputy General Manager (Deputy Director) of Human Resources Department (Party Committee Cadre Department) of China FAW Group Corporation, etc.

Mr. Bi Wenquan is currently the General Manager of Production Logistics Department of FAW. He has served successively as the Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection, Head of the Labor Union of Tianjin FAW Xiali Automobile Co., Ltd., Executive Deputy Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection and Chairman of the Labor Union of FAW Tianjin Business Division, Deputy General Manager of FAW Car Co., Ltd., Deputy General Manager of FAW Bestune Car Co., Ltd., General Manager of FAW Engineering and Production Logistics Department, etc.

Mr. Li Hongjian is currently the leader of the preparatory team of the National Automotive Intelligent Technology Innovation Center. He has served successively as the Director of Intelligent and Connected Vehicle R&D Department of FAW Technology Center, Vice President of FAW R&D Institute and President of Innovation Technology Research Institute, and General Manager of FAW Strategy and Innovation Planning Department.

Mr. Liu Yanchang is currently a full-time external director, convener/team leader of the subsidiary of FAW Financial Management Department (Office of the Board of Directors). He has served successively as the Deputy Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection and Chairman of the Labor Union of FAW Jiefang Automotive Co., Ltd., Deputy Secretary of the Party Committee and Chairman of the Labor Union of FAW JIEFANG GROUP CO., LTD., Deputy Secretary of the Party Committee, Head of the Labor Union and Chairman of the Labor Union of FAW-Volkswagen Automobile Co., Ltd.

Mr. Han Fangming is currently the President of the Chahar Institute, a think tank on foreign affairs and international relations, and a senior consultant to the Board of Directors of TCL Technology Group. He is also the Vice Chairman of China Overseas-educated Scholars Development Foundation, the Deputy Editor-in-Chief of Public Diplomacy Quarterly of CICG, the Vice Chairman of China National Association For International Studies, the Vice Chairman of China Southeast Asian Research Association, the Director of the National Council of the Chinese People's Association for Friendship with Foreign Countries, and the Director of Chinese People's Institute of Foreign Affairs. He has served successively as a member of the 10th, 11th, 12th and

13th CPPCC, Deputy Director of the CPPCC Foreign Affairs Committee, and Director, Executive Director and Vice Chairman of TCL Group.

Mr. Mao Zhihong is currently the Director, Professor and Doctoral Supervisor of the Department of Accounting, School of Business and Management, Jilin University. He is also the Vice President of Changchun Accounting Society. He has served as the Associate Professor of Jilin University of Finance and Trade (which was renamed Changchun University of Taxation, i.e. the current Jilin University of Finance and Economics).

Mr. Dong Zhonglang is currently the managing partner of Zhuhai Yinshan Capital Equity Investment Management Co., Ltd. He has served successively as the Director of Linde (Xiamen) Forklift Co., Ltd., the General Manager of Shanghai Oulin Logistics Co., Ltd., the Logistics Director of Weichai Power Group, and the partner of Eastern Bell Capital (Shanghai).

Supervisor:

Mr. Wang Yanjun is currently the General Counsel and Deputy General Manager of FAW Audit and Legal Department (who is responsible for presiding over the work). He has served successively as the General Manager and Secretary of the Party Committee of FAW-GM Hongta Yunnan Automobile Manufacturing Co., Ltd., the Deputy General Manager of FAW Asset Management Co., Ltd. (who is responsible for presiding over the work), and General Manager of FAW Asset Management Co., Ltd., etc.

Mr. Xu Haigen is currently a Senior Executive Manager of the Powertrain Division of FAW Jiefang Automotive Co., Ltd. He has served successively as the Deputy General Manager of Wuxi Diesel Engine Branch of FAW Jiefang Automotive Co., Ltd., the Deputy Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection and Chairman of the Labor Union of Wuxi Diesel Engine Factory of FAW Jiefang Automotive Co., Ltd., the Deputy Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection and Chairman of the Labor Union of Engine Division of Jiefang Business Headquarters, and the Deputy Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection and Chairman of the Labor Union of Engine Division of FAW Jiefang Automotive Co., Ltd.

Mr. Wang Lijun is currently the Deputy Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection and Head of the Labor Union of Qingdao Vehicle Business Division (FAW Jiefang Qingdao Automobile Plant) of FAW Jiefang Automotive Co., Ltd. He has served successively as the Deputy Secretary of the Party Committee (who is responsible for

presiding over the work), the Secretary of the Commission for Discipline Inspection and the Chairman of the Labor Union of the Distribution Center of FAW Car Co., Ltd., the Manager of the Distribution Plant of FAW-Volkswagen Automobile Co., Ltd., the Director of the Powertrain Division of FAW-Volkswagen Automobile Co., Ltd. and the Manager of the Changchun Distribution Plant, the Director of the Distribution Center and Secretary of the Party Committee of FAW Car Co., Ltd., and the Deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Commission and Chairman of the Labor Union of the Transmission Division of FAW Jiefang Automotive Co., Ltd.

Mr. Duan Yinghui is currently the Director and Secretary of the Party Committee of the Truck Factory of FAW Jiefang Automotive Co., Ltd. He has served successively as the Deputy General Manager of FAW Jiefang (Qingdao) Automotive Co., Ltd. and the Deputy Director of FAW Jiefang Product Management Department, the Deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Commission and Head of the Labor Union of Qingdao Vehicle Division (FAW Jiefang (Qingdao) Automotive Co., Ltd.) of FAW Jiefang Business Headquarters, and the Deputy Secretary of the Party Committee, Secretary of the Discipline Inspection Commission and Chairman of the Labor Union of FAW Jiefang Qingdao Vehicle Division (FAW Jiefang (Qingdao) Automotive Co., Ltd.).

Mr. Ren Ruijie is currently the Director of the Party-Masses Work Department of FAW JIEFANG GROUP CO., LTD. He has served successively as the Acting Director and Director of the Party Committee Organization Office of the Party Committee Work Department of FAW Jiefang Automotive Co., Ltd., the Office Director of the Management Department of FAW Jiefang Automotive Co., Ltd., the Office Director of the Management Department of FAW Jiefang Business Headquarters (FAW Jiefang), the Director of Party Building Office of Party-Masses Work Department of FAW Jiefang Automotive Co., Ltd., and the Deputy Director of Party-Masses Work Department of FAW Jiefang Automotive Co., Ltd. (who is responsible for presiding over the work), etc.

Senior executives other than directors and supervisors:

Mr. Yu Changxin is currently the Executive Deputy General Manager of FAW JIEFANG GROUP CO., LTD. and the Executive Deputy General Manager of FAW Jiefang Automotive Co., Ltd. He has served successively as the Deputy General Manager of Marketing Headquarters (Sales Company) of FAW Jiefang Business Headquarters (Jiefang Company) and the Deputy

General Manager of Qingdao Business Division and Head of Marketing Service Department of Jiefang Company, the Deputy Director of Marketing Headquarters (Deputy General Manager of FAW Jiefang Automobile Sales Company) of FAW Jiefang Automotive Co., Ltd. and the Deputy General Manager of Qingdao Vehicle Division (Qingdao Company), the General Manager of Commercial Vehicle Overseas Marketing Department of FAW Jiefang Automotive Co., Ltd. and Deputy General Manager of China FAW Group Import & Export Co., Ltd., the Deputy General Manager of China FAW Group Import & Export Co., Ltd., and the General Manager and Deputy Secretary of the Party Committee of China FAW Group Import & Export Co., Ltd., etc.

Mr. Ji Yizhi is currently the Deputy General Manager of FAW JIEFANG GROUP CO., LTD. and the Deputy General Manager and General Counsel of FAW Jiefang Automotive Co., Ltd. and the General Manager of New Energy Business Division. He has served successively as the Executive Deputy General Manager of the Engine Division of FAW Jiefang Automotive Co., Ltd. and the General Manager and Secretary of the Party Committee of FAW Jiefang Dalian Diesel Engine Co., Ltd., the General Manager and Secretary of the Party Committee of the Bus Division of FAW Jiefang Automotive Co., Ltd. (the Manager and Secretary of the Party Committee of the Bus Factory), the General Manager and Secretary of the Party Committee of the Bus Division of FAW Jiefang Automotive Co., Ltd. (the Manager and Secretary of the Party Committee of the Bus Factory) and the Deputy Director of the Marketing Headquarters (the Deputy General Manager of JFAW Jiefang Sales Company), and the General Manager of New Energy Division and the General Manager of Bus Division of FAW Jiefang Automotive Co., Ltd.

Mr. Tian Haifeng is currently the Deputy General Manager of FAW Jiefang Group Co., Ltd. and the Deputy General Manager of FAW JIEFANG AUTOMOTIVE CO., LTD. He has served successively as the Director of Procurement Department of Jiefang Business Headquarters (FAW Jiefang Automotive Co., Ltd.), the Director of Procurement Department of FAW Jiefang Automotive Co., Ltd., and the Deputy General Manager of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant) and the Manager of Qingdao Factory of FAW Jiefang Automotive Co., Ltd.

Mr. Li Sheng is currently the Deputy General Manager of FAW JIEFANG GROUP CO., LTD., and the Deputy General Manager of FAW Jiefang Automotive Co., Ltd., and the General Manager and Secretary of the Party Committee of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant), and the General Manager of Qingdao Medium and Heavy-duty

Vehicle Product Line and the General Manager of Light Vehicle Product Line of Qingdao Vehicle Division. He has served successively as the General Manager Assistant and Director of R&D Department of FAW Jiefang (Qingdao) Automotive Co., Ltd., the Senior Manager of Qingdao Vehicle Division (Qingdao Company) of Jiefang Business Headquarters, the Assistant to President of Commercial Vehicle Development Institute of FAW Jiefang Automotive Co., Ltd. and the Senior Manager and Director of R&D Department of Qingdao Vehicle Division (Qingdao Company), the Deputy General Manager of Qingdao Vehicle Division (Qingdao Company) of FAW Jiefang Automotive Co., Ltd. and Assistant to President of Commercial Vehicle Development Institute, the Vice President of Commercial Vehicle Development Institute of FAW Jiefang Automotive Co., Ltd. and the Deputy General Manager and Director of R&D Department of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant), and the Executive Deputy General Manager of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant) of FAW Jiefang Automotive Co., Ltd., etc.

Mr. Wang Jianxun is currently the Secretary of the Board of Directors and Director of the Capital Operation Department of FAW JIEFANG GROUP CO., LTD. He has served successively as the Deputy Office Director and Office Director of the Board of Directors of TCL Group Co., Ltd., the Deputy General Manager of Shenzhen Create Century Machinery Co., Ltd., etc.

Status of post held in the firm of shareholders

Applicable Not Applicable

Name of Employees	Name of Shareholder	Position in the Shareholder	Start Date of Tenure	Ending Date of Tenure	Whether Remuneration and Allowance are Received from the Shareholder
Hu Hanjie	China FAW Group Co., Ltd.	General Manager Assistant	August 1, 2020		No
Bi Wenquan	China FAW Group Co., Ltd.	General Manager of Production Logistics Department	February 1, 2023		Yes
Li Hongjian	National Automotive Intelligent Technology Innovation Center	Leader of preparatory team	December 1, 2022		Yes
Liu Yanchang	China FAW Group Co., Ltd.	Full-time external director, convener/team leader of subsidiary of Financial Management Department (Office of the Board of Directors)	July 1, 2022		Yes
Wang Yanjun	China FAW Group Co., Ltd.	General Counsel and Deputy General Manager of the Audit and Legal Department (who is responsible for presiding	January 1, 2021		Yes

		over the work)			
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Position in other organizations

Applicable Not Applicable

Name of Employees	Name of Other Organizations	Position in Other Organizations	Start Date of Tenure	Ending Date of Tenure	Whether Remuneration and Allowance are Received from Other Organizations
Han Fangming	Chahar Institute, a think tank on foreign affairs and international relations	President	October 1, 2009		Yes
Mao Zhihong	Jilin University	Director, Professor and Doctoral Supervisor of the Department of Accounting, School of Business and Management	November 1, 2000		Yes
Dong Zhonglang	Zhuhai Yinshan Capital Equity Investment Management Co., Ltd.	Managing Partner	May 1, 2017		Yes

Penalties imposed by securities regulatory authorities in the past three years on directors, supervisors and senior executives currently in office or leaving office in the reporting period

Applicable Not applicable

3. Remuneration of Company's Directors, Supervisors and Senior Management

Decision-making procedure, determination basis and actual payment of remuneration for directors, supervisors and senior executives

Decision-Making Process of Compensation of Directors, Supervisors and Senior Management	<p>Only the remuneration for directors (excluding independent directors) and supervisors currently in office shall be paid, and the remuneration for directors and supervisors who have left the office shall be paid by their employers.</p> <p>The remuneration paid by the Company to relevant directors, supervisors and senior executives shall be determined by the Board of Directors.</p>
Decision Basis of Compensation of Directors, Supervisors and Senior Management	<p>For directors (except independent directors), supervisors and senior executives who receive remuneration from the Company, the annual salary system is implemented, mainly including annual base salary and annual performance salary. The annual performance salary is determined according to business performance, performance assessment and performance and other indicators of the Company in the reporting period.</p>
Remuneration Paid to Directors, Supervisors and Senior Management	<p>In the reporting period, a total of CNY 450,000 (tax inclusive) of allowances were paid to independent directors, and reasonable expenses (including travel expenses, office expenses, training expenses, etc.) required to attend the Company's board of directors, shareholders' meeting and exercise their functions and powers in accordance with relevant regulations can be reimbursed by the Company on actual circumstances. The remuneration paid to other directors, supervisors and senior executives other than the above personnel is CNY 23,046,500 (tax inclusive).</p>

Compensations of Directors, Supervisors and Senior Executives of the Company in the Reporting Period

Unit: CNY 10,000

Name	Position	Gender	Age	Employment Status	Total Pre-tax Compensation Received from the Company	Whether remuneration is obtained from related parties of the Company
Hu Hanjie	Chairman of the Board	Male	58	In-service	248.20	No
Wu Bilei	Director and General Manager	Male	52	In-service	194.47	No
Zhang Guohua	Director	Male	50	In-service	166.02	No
Bi Wenquan	Director	Male	50	In-service		Yes
Li Hongjian	Director	Male	50	In-service		Yes
Liu Yanchang	Director	Male	59	In-service		Yes
Yang Xiao	Director	Male	49	Departure from office		Yes
Liu Changqing	Director	Male	51	Departure from office		Yes
Han Fangming	Independent director	Male	56	In-service	15.00	No
Mao Zhihong	Independent director	Male	61	In-service	15.00	No
Dong Zhonglang	Independent director	Male	58	In-service	15.00	No
Wang Yanjun	Chairman of Board of Supervisors	Male	59	In-service		Yes

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Xu Haigen	Employee Supervisor	Male	58	In-service	97.54	No
Wang Lijun	Employee Supervisor	Male	54	In-service	106.85	No
Duan Yinghui	Employee Supervisor	Male	52	In-service	153.37	No
Ren Ruijie	Employee Supervisor	Male	39	In-service	105.22	No
Yu Changxin	Executive Deputy General Manager	Male	50	In-service	5.02	No
Ji Yizhi	Deputy General Manager	Male	53	In-service	131.20	No
Tian Haifeng	Deputy General Manager	Male	50	In-service	119.23	No
Li Sheng	Deputy General Manager	Male	46	In-service	148.74	No
Kong Dejun	Deputy General Manager	Male	50	Departure from office	179.02	No
Wang Ruijian	Deputy General Manager	Male	59	Departure from office	170.22	No
Shang Xingwu	Deputy General Manager	Male	56	Departure from office	176.82	No
Ou Aimin	Deputy General Manager	Male	56	Departure from office	159.88	No
Wang Jianxun	Secretary of the Board of Directors	Male	39	In-service	142.85	No
Total	--	--	--	--	2,349.65	--

Note: The annual performance salary included in the total remuneration in 2022 is settled based on the performance evaluation results in 2021.

VI. Performance of Duties by Directors in the Reporting Period

1. Information of the Board of Directors during the reporting period

Session	Date	Date of Disclosure	Meeting Resolution
The 21st Meeting of the 9th Board of Directors	January 27, 2022	January 28, 2022	<i>The Proposal on Estimated Amount of Daily Related Transactions in 2022, Proposal on Estimated Amount of Financial Business with First Automobile Finance Co., Ltd. in 2022, Proposal on Risk Assessment Report of First Automobile Finance Co., Ltd., Proposal on Change of Registered Capital of the Company, Proposal on Amending the Articles of Association, and Proposal on Convening the First Extraordinary Shareholders' Meeting of 2022</i> were deliberated and adopted.
The 22nd Meeting of the 9th Board of Directors	January 28, 2022	—	<i>The 2022 Fixed Assets Investment Plan and 2022 Equity Investment Plan</i> were deliberated and adopted.
The 23rd Meeting of the 9th Board of Directors	March 29, 2022	March 31, 2022	<i>The 2021 Annual Business Summary and 2022 Annual Business Plan, 2021 Annual Work Report of the Board of Directors, 2021 Annual Financial Statements and 2022 Annual Financial Budget, 2021 Annual Report and its Summary, 2021 Profit Distribution Plan, 2021 Social Responsibility Report, Proposal on Electing Li Hongjian as the Non-independent Director of the Company, 2021 Internal Control Evaluation Report, 2021 Annual Report on Rule of Law Construction and Compliance Management, 2021 Annual Internal Audit Report, 2021 Annual Internal Control System Work Report and Proposal on Convening 2021 Annual Shareholders' Meeting</i> were deliberated and adopted.

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The 24th Meeting of the 9th Board of Directors	April 29, 2022	—	The First Quarterly Report of 2022 was deliberated and adopted.
The 25th Meeting of the 9th Board of Directors	May 31, 2022	—	The <i>2021 Performance Evaluation Results of Senior Executives, 2021 Performance Assessment and Remuneration Encashment Plan for Senior Executives, 2022 Total Salary and Labor Cost Plan, 2022 Performance Appraisal Indicator Plan, 2022 Performance Assessment Indicator Plan for Senior Executives, 2022 Base Salary Plan for Senior Executives, and Proposal on Implementing the Construction of the Supporting System for the Functions and Powers of the Board of Directors</i> were deliberated and adopted.
The 26th Meeting of the 9th Board of Directors	August 29, 2022	August 31, 2022	The <i>Business Summary for the First Half of 2022 and Business Plan for the Second Half of 2022, 2022 Semi-annual Report and its Summary, the Proposal on Risk Assessment Report of First Automobile Finance Co., Ltd., 2022 Semi-annual Work Report of Internal Audit, 2022 Mid-year Adjustment Scheme of Equity Investment Plan, 2022 Mid-year Adjustment Scheme of Fixed Assets Investment Plan, Proposal on Formulating the Working System of the Secretary of the Board of Directors, Proposal on Amending the Investor Relations Management System, Proposal on By-election of Members of the Strategy Committee of the Board of Directors, Proposal on Adjusting the Repurchase Price of Restricted Shares in the Phase I Restricted Share Incentive Plan, Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, Proposal on Change of Registered Capital of the Company, Proposal on</i>

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			<i>Amending the Articles of Association, Proposal on Electing Liu Yanchang as the Non-independent Director of the Company, and Proposal on Convening the Second Extraordinary Shareholders' Meeting of 2022 were deliberated and adopted.</i>
The 27th Meeting of the 9th Board of Directors	October 19, 2022	October 20, 2022	<i>The Proposal on Appointment of Deputy General Manager of the Company, Proposal on By-election of Members of the Audit and Risk Control Committee of the Board of Directors and Proposal on By-election of Members of the Remuneration and Appraisal Committee of the Board of Directors were deliberated and adopted.</i>
The 28th Meeting of the 9th Board of Directors	October 28, 2022	October 29, 2022	<i>The Third Quarterly Report of 2022, Proposal on Renewal of Employment of Financial Audit Institutions, Proposal on Renewal of Employment of Internal Control Audit Institutions, Third Quarterly Work Report of Internal Audit in 2022, Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, Proposal on Change of Registered Capital of the Company, Proposal on Amending the Articles of Association, and Proposal on Convening the Third Extraordinary Shareholders' Meeting of 2022 were deliberated and adopted.</i>
The 29 th Meeting of the 9 th Board of Directors	November 28, 2022	November 29, 2022	<i>The Proposal on Increasing the Estimate of Daily Related Transactions in 2022, Proposal on Appointment of the Executive Deputy General Manager of the Company and Proposal on Convening the Fourth Extraordinary Shareholders' Meeting of 2022 were deliberated and adopted.</i>
The 30 th Meeting of the 9 th	December 15, 2022	December 16, 2022	<i>The Medium- and Long-term Development Plan of the Company,</i>

Board of Directors			<p><i>2023 Annual Equity Investment Plan, 2023 Annual Fixed Assets Investment Plan, Proposal on Land Purchase and Reserve of Subsidiaries, Proposal on Investment of Subsidiaries in Changchun Automobile Test Center Co., Ltd., Proposal on the Achievement of Unlocking Conditions in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Incentive Plan, Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, Proposal on Change of Registered Capital of the Company, Proposal on Amending the Articles of Association, and Work Plan of the Board of Directors in 2023</i> were deliberated and adopted.</p>
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2. Attendance of Directors at the Meeting of the Board of Directors and Shareholders' Meeting

Attendance of Directors at the Meeting of the Board of Directors and the Shareholders' Meeting							
Name of Director	Number of Meetings of the Board of Directors to be Attended in the Reporting Period	Number of Meetings of the Board of Directors Attended in Person	Number of Meetings of the Board of Directors Attended via Communication	Number of Meetings of the Board of Directors Attended by Entrustment	Number of Absences from the Meeting of the Board of Directors	Failure to Attend the Meeting of the Board of Directors in Person for Two Consecutive Times or Not	Number of Shareholders' Meetings Attended
Hu Hanjie	10	4	6			No	3
Wu Bilei	10	3	5	2		No	4
Zhang Guohua	10	4	6			No	5
Bi Wenquan	10	1	5	4		No	0

Li Hongjian	6	2	3	1		No	0
Liu Yanchang	4	2	2			No	2
Yang Xiao	6	1	4	1		No	0
Liu Changqing	3	0	3			No	0
Han Fangming	10	3	6	1		No	3
Mao Zhihong	10	4	6			No	5
Dong Zhonglang	10	4	6			No	5

Explanation on two consecutive absences from the Meeting of the Board of Directors in person: none

3. Objections Raised by Directors on Relevant Matters of the Company

Whether the directors raise objections to relevant matters of the Company

Yes No

In the reporting period, the directors did not raise any objection to the relevant matters of the Company.

4. Additional Description of Performance of Duties by Directors

Whether the directors' relevant suggestions to the Company have been adopted

Yes No

Explanation of Directors on Adoption or Failure to Adopt Relevant Suggestions to the Company

In the reporting period, all directors of the Company carried out their work in strict accordance with the *Company Law*, *Securities Law*, *Rules Governing Listing of Stocks on Shenzhen Stock Exchange*, *Articles of Association* and other relevant laws and regulations. They faithfully and diligently performed their duties, paid attention to the standardized operation of the Company, actively attended the meeting of the board of directors and the shareholders' meeting, carefully deliberated various proposals, and based on the actual situation of the Company, put forward

relevant opinions and suggestions from the aspects of the Company's development strategy, standardized operation, etc., thus ensuring scientific, timely and efficient decision-making and safeguarding the legitimate rights and interests of the Company and shareholders.

VII. Conditions of Special Committees under the Board of Directors in the Reporting Period

Name of Committee	Members	Number of Meetings Held	Date	Contents	Important Comments and Suggestions Put Forward	Other Performance of Duties	Details of Objections
Audit and Risk Control Committee	Mao Zhihong, Han Fangming, Yang Xiao.	3	March 15, 2022	The <i>2021 Financial Audit Report of the Company, 2021 Internal Audit Report of the Company and 2021 Internal Control Evaluation Report</i> are deliberated.	All proposals were agreed.		None
			April 29, 2022	The <i>First Quarterly Report of 2022</i> was deliberated	The proposal was approved.		None
			August 26, 2022	The <i>2022 Semi-annual Report and Its Summary and 2022 Semi-annual Work Report of Internal Audit</i> were deliberated.	All proposals were agreed.		None
Audit and Risk Control Committee	Mao Zhihong, Han Fangming, Liu Yanchang.	1	October 26, 2022	The <i>Third Quarterly Report of 2022, Proposal on Renewal of Employment of Financial Audit Institutions, Proposal on Renewal of Employment of Internal Control Audit Institutions, and Third Quarterly Work Report of Internal Audit in 2022</i> were deliberated.	All proposals were agreed.		None

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Remuneration and Appraisal Committee	Dong Zhonglang, Yang Xiao, Mao Zhihong.	1	May 31, 2022	The performance evaluation results of senior executives, performance assessment indicators of senior executives and other topics were deliberated.	All proposals were agreed.		None
Remuneration and Appraisal Committee	Dong Zhonglang, Mao Zhihong, Liu Yanchang.	1	December 15, 2022	The <i>Proposal on the Achievement of Unlocking Conditions in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Incentive Plan</i> was deliberated.	The proposal was approved.		None
Strategy Committee	Hu Hanjie, Wu Bilei, Han Fangming, Dong Zhonglang.	1	August 26, 2022	The <i>2022 Mid-year Adjustment Scheme of Equity Investment Plan</i> and <i>2022 Mid-year Adjustment Scheme of Fixed Assets Investment Plan</i> were deliberated.	All proposals were agreed.		None
Strategy Committee	Hu Hanjie, Wu Bilei, Li Hongjian, Han Fangming, Dong Zhonglang.	1	December 15, 2022	The <i>Medium- and Long-term Development Plan of the Company, 2023 Annual Equity Investment Plan, 2023 Annual Fixed Assets Investment Plan, and Proposal on Investment of Subsidiaries in Changchun Automobile Test Center Co., Ltd.</i> were deliberated.	All proposals were agreed.		None

VIII. Working Condition of the Board of Supervisors

Whether the Board of Supervisors has found any risks in the Company's supervision activities in the reporting period

Yes No

The Board of Supervisors has no objection to the supervision matters in the reporting period.

IX. Employees of the Company**1. Number, Specialty Composition and Education Level of Employees**

Number of on-the-job employees of the parent company at the end of the reporting period (person)	155
Number of on-the-job employees of main subsidiaries at the end of the reporting period (person)	20,189
Total number of on-the-job employees at the end of the reporting period (person)	20,344
Total number of employees receiving compensation in the current period (person)	21,529
Number of retired employees whose expenses shall be borne by the parent company and major subsidiaries (person)	25
Specialty composition	
Category	Number (person)
Production personnel	12,220
Sales personnel	1,064
Technicians	5,886
Financial personnel	346
Administrative personnel	828
Total	20,344
Education background	
Category	Number (person)
Doctor's degree	50
Master's degree	1,536
Bachelor's degree	7,983
Junior college degree	4,426

High school and below	6,349
Total	20,344

2. Compensation Policy

According to the requirements of relevant national labor laws, regulations and policies, the Company adheres to the principle of "fairness, impartiality and openness" and combines the actual situation of the Company to continuously improve and perfect the performance salary system of the Company. In order to fully mobilize the enthusiasm of employees and improve their work performance, based on the post contribution salary system and oriented by value creation, the Company controls the total salary by "salary package", links the salary distribution to the performance and contribution of employees, and continuously implements special rewards and annual rewards, effectively giving play to the leverage role of salary incentives. In addition, the Company has signed labor contracts with employees in accordance with laws and regulations, paid various social insurances such as basic endowment insurance, basic medical insurance, work-related injury insurance and unemployment insurance as well as housing provident funds, actively implemented supplementary endowment insurance and supplementary medical insurance systems, established and improved welfare systems, thus protecting the legitimate rights and interests of employees in all aspects. The company does not need to bear the expenses of retired personnel which have been included in the social security system, but needs to bear the expenses of retired veterans.

3. Training plan

In 2022, the Company's talent training and cultivation were carried out targetedly and systematically, focusing on solving business pain points and difficulties and meeting the Company's and employees' development needs, with the orientation towards supporting the Company's strategic development and the goal of achieving organizational performance. Leadership: Focus on the training of management cadres, the construction of grass-roots teams, the rapid transformation of new managers, the implementation of classified policies, and the continuous implementation of leadership standardization training and cultivation programs. For senior managers and reserve senior managers, implement the piloteer development plan, innovation leader development plan and peak climber cultivation plan; for secondary managers, carry out special plans such as "Sailing", "Peiyuan" and "Qingfeng"; and for reserve secondary

managers, carry out "Foundation Building" and "Longmen" plans, so as to solidly improve the leadership skills of managers at all levels and create excellent leadership. Professionalism: Focus on the Company's annual key work and employee post competency requirements, and carry out professional training in the fields of quality management, cost reduction and efficiency improvement, new energy, digital-intelligent transformation, intelligent networking, intelligent manufacturing, IPD reform, etc. Carry out examinations on total quality management and digital-intelligent transformation, and effectively consolidate professional basic knowledge to steadily improve the professional ability of personnel at all levels. Skills: Carry out relevant skills training in the aspects of post operation skills improvement, on-site problem solving, new production line empowerment, techniques and skills inheritance, etc.

4. Labor Outsourcing

Applicable Not applicable

X. Profit Distribution and Transfer from Capital Reserve to Share Capital of the Company

Profit distribution policies in the reporting period, especially the formulation, implementation or adjustment of cash dividend policy

Applicable Not Applicable

The Company held the 23rd Meeting of the 9th Board of Directors, the 21st Meeting of the 9th Board of Supervisors, and the 2021 Annual Shareholders' Meeting on March 29, 2022 and April 29, 2022, respectively, to deliberate and adopt the 2021 annual profit distribution plan: Based on 4,654,114,613 shares of the Company, a cash dividend of CNY 6.50 (tax inclusive) shall be distributed to all shareholders for every 10 shares, and a cash dividend of CNY 3,025,174,498.45 (tax inclusive) shall be distributed, and the remaining undistributed profits shall be carried forward to the next accounting year. The Company does not convert reserves into share capital.

The profit distribution plan has been implemented on June 20, 2022.

Special Description of Cash Dividend Policy	
Whether the provisions of the Articles of Association or the requirements of resolutions of the Shareholders' Meeting are met:	Yes
Whether the dividend standard and proportion are definite and clear:	Yes
Whether the relevant decision-making procedures and mechanisms are	Yes

complete:	
Whether the independent directors have fulfilled their duties and played their due roles:	Yes
Whether the minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected:	Yes
Whether the conditions and procedures are compliant and transparent when the cash dividend policy is adjusted or changed:	N/A

The Company made profits in the reporting period and the parent company had a positive profit available for shareholders, but no cash dividend distribution plan was proposed

Applicable Not Applicable

Reasons for profitability in the reporting period and positive profit available for shareholders of the parent company but no cash dividend distribution plan proposed	Purpose and Use Plan of Undistributed Profits of the Company
Based on the Company's operating conditions, cash flow level and investment, it is not proposed to distribute profits in 2022.	Retained and undistributed profits are mainly used to meet the needs of the Company's daily operation, which can relieve the Company's financial strain, thus benefiting the Company's production, operation and development, enhancing the ability to resist risks, realizing the sustainable, stable and healthy development of the Company, and better safeguarding the long-term interests of shareholders.

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

Applicable Not applicable

The Company plans not to distribute cash dividends, issue bonus shares or convert reserves into share capital in the year.

XI. 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 November 13, 2020, the Company held the 9th meeting of the 9th Board of Directors and the 8th meeting of the 9th Board of Supervisors respectively to deliberate and adopt the *Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD. (Draft) and Its Abstract* and other proposals. The relevant proposals were deliberated and adopted at the First Extraordinary Shareholders' Meeting of 2021 held by the Company on January 11, 2021.

(2) On January 15, 2021, the Company held the 12th Session of the 9th Meeting of the Board of Directors and the 11th Session of the 9th Meeting of the Board of Supervisors respectively, and reviewed and approved the *Proposal on Adjusting the List of the First Batch of Incentive Objects and the Number of Grants of the First Restricted Share Incentive Plan* and the *Proposal on Granting Restricted Shares to the Incentive Objects of the First Restricted Share Incentive Plan for the First Time*. On February 1, 2021, the Company disclosed the *Announcement on the Completion of the First Grant Registration of Phase I Restricted Share Incentive Plan*, in which the restricted shares in the incentive plan were first granted to 319 persons, totaling 40,987,700 shares, with a grant price of CNY 7.54 per share. The restricted shares granted were listed on February 5, 2021.

(3) 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 to deliberate and adopt the *Proposal on Granting Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan to Incentive Objects, Proposal on Adjusting the Repurchase Price of Restricted Shares in the Phase I Restricted Share Incentive Plan, Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan* and other relevant proposals. On January 6, 2022, the Company disclosed the *Announcement on Completion of Registration of Grant of Reserved Part of Restricted Shares in Phase I Restricted Share Incentive Plan*, in which reserved part of restricted shares in the incentive plan were granted to 33 persons, totaling 3,721,600 shares, with a grant price of CNY 6.38 per share. The restricted shares granted were listed on January 10, 2022. On January 17, 2022, the Company disclosed the *Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares*, in which all restricted shares granted to 2 incentive objects but not yet released, totaling 260,857 shares, with a repurchase price of CNY 7.04 per share.

(4) On August 29, 2022, the Company held the 26th meeting of the 9th Board of Directors and the 23rd meeting of the 9th Board of Supervisors respectively to deliberate and adopt the *Proposal on Adjusting the Repurchase Price of Restricted Shares in the Phase I Restricted Share Incentive Plan* and *Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan*. On September 16, 2022, the relevant repurchase and cancellation proposals were deliberated and adopted at the Second Extraordinary Shareholders' Meeting of 2022 held by the Company. On November 14, 2022, the Company disclosed the *Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares*, in which all or some restricted shares granted to 6 incentive objects but not yet released were repurchased and canceled, totaling 789,711 shares, with a repurchase price of CNY 6.39/share.

(5) On October 28, 2022, the Company held the 28th meeting of the 9th Board of Directors and the 24th meeting of the 9th Board of Supervisors respectively to deliberate and adopt the *Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan*. On November 18, 2022, the Proposal was deliberated and adopted at the Third Extraordinary Shareholders' Meeting of 2022 held by the Company. On January 17, 2023, the Company disclosed the *Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares*, in which all or some restricted shares granted to 11 incentive objects but not yet released were repurchased and canceled, totaling 1,359,247 shares, with a repurchase price of CNY 6.39/share.

(6) On December 15, 2022, the Company held the 30th meeting of the 9th Board of Directors and the 26th meeting of the 9th Board of Supervisors respectively to deliberate and adopt the *Proposal on the Achievement of Unlocking Conditions in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Incentive Plan* and *Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan* were deliberated and adopted. On February 3, 2023, the Company disclosed the *Indicative Announcement on Listing and Circulation of Unlocked Shares in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Share Incentive Plan*, in which there are 311 incentive objects that meet the unlocking conditions this time and 13,042,347 restricted shares unlocked, and these shares are listed on February 6, 2023.

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

Equity Incentives Obtained by Directors and Senior Executives of the Company

☑Applicable ☐ Not Applicable

Unit: share

Name	Position	Number of Stock Options Held at the Beginning of the Year	Number of Newly Granted Stock Options in the Reporting Period	Number of Exercisable Shares in the Reporting Period	Number of Exercised Shares in the Reporting Period	Exercise Price of Exercised Shares in the Reporting Period (CNY/share)	Number of Stock Options Held at the End of the Period	Market Price at the End of the Reporting Period (CNY/share)	Number of Restricted Shares Held at the Beginning of the Period	Number of Unlocked Shares in the Current Period	Number of Newly Granted Restricted Shares in the Reporting Period	Grant Price of Restricted Shares (CNY/share)	Number of Restricted Shares Held at the End of the Period
Hu Hanjie	Chairman of the Board							7.73	334,331			7.54	334,331
Wu Bilei	Director							7.73	228,552			7.54	228,552
Zhang Guohua	Director							7.73	228,493			7.54	228,493
Ji Yizhi	Deputy General Manager							7.73	192,778			7.54	192,778
Tian Haifeng	Deputy General Manager							7.73	192,778			7.54	192,778

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Li Sheng	Deputy General Manager							7.73	192,778			7.54	192,778
Wang Jianxun	Secretary of the Board of Directors							7.73	192,778			7.54	192,778
Total	--	0	0	0	0	--	0	--	1,562,488	0	0	--	1,562,488
Remarks	The restricted shares granted to the above-mentioned persons were granted on January 15, 2021 and listed on February 5, 2021, with a restricted period of 2 years (24 months). In the first release period, the granted restricted shares were unlocked and listed for circulation on February 6, 2023.												

Evaluation mechanism and incentives of senior executives

The Company has formulated corresponding plans for the evaluation and incentive mechanism of senior executives, and implemented a fair and transparent performance management system. The remuneration of senior executives shall be combined with the Company's performance and individual performance. The System and Reform Management Department of the Company shall be responsible for the daily evaluation, and the Remuneration and Appraisal Committee of the Board of Directors shall conduct a comprehensive evaluation.

2. Implementation of employee stock ownership plan

Applicable Not applicable

3. Other employee incentives

Applicable Not applicable

XII. Establishment and Implementation of Internal Control System in the Reporting Period**1. Construction and Implementation of Internal Control**

In the reporting period, the Company adhered to the structure guidance, and comprehensively and systematically sorted out the capability panorama and business structure in various fields of the Company against the excellent practices in the industry. At the same time, according to the *Basic Specification for Enterprise Internal Control*, supporting guidelines and other relevant regulations, the Company continuously improved the construction of hierarchical and graded document system. Through process operation, the Company timely organized the review, refresh and optimization of business processes and systems, and monitored the implementation of processes and systems to ensure the suitability, adequacy and effectiveness of internal control system construction, and to promote the efficient operation and continuous cyclic improvement of the management system.

2. Specific Conditions of Major Internal Control Deficiencies Found in the Reporting Period

Yes No

XIII. Management and Control of Subsidiaries by the Company in the Reporting Period

Company Name	Integration Plan	Integration Progress	Problems in Integration	Solutions Taken	Resolution Progress	Follow-up Resolution Plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIV. Internal Control Self-evaluation Report or Internal Control Audit Report**1. Internal Control Self-evaluation Report**

Disclosure Date of Full Text of Internal Control Evaluation Report	April 1, 2023	
Disclosure Index of Full Text of Internal Control Evaluation Report	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orGId=gssz0000800#latestAnnouncement	
Proportion of the Total Assets of the Unit Included in the Evaluation Scope to the Total Assets in the Company's Consolidated Financial Statements	100.00%	
Proportion of the Unit Operating Income Included in the Evaluation Scope to the Operating Income in the Company's Consolidated Financial Statements	100.00%	
Deficiency Identification Standard		
Category	Financial report	Non-financial Report
Qualitative Criteria	<p>Major deficiencies: The accounting firm issues the audit report with a disclaimer of opinion or an adverse opinion to the Company.</p> <p>Significant deficiencies: The accounting firm issues the auditor report with a qualified opinion to the Company; and the accounting firm issues the auditor report with a disclaimer of opinion or an adverse opinion to the Company.</p> <p>General deficiencies: The</p>	<p>Major deficiencies: fraudulent behaviors of directors, supervisors or corporate leaders of the Company; serious violation of national laws, regulations or normative documents by the Company; violation of decision-making procedures by the Company, resulting in major decision-making errors.</p> <p>Significant deficiencies: fraudulent behaviors of the main</p>

	<p>accounting firm issues the auditor report with a qualified opinion to the Company.</p>	<p>responsible persons of each unit of the Company; serious violation of national laws, regulations or normative documents by the company; violation of decision-making procedures by the company, resulting in decision-making errors.</p> <p>General deficiencies: fraudulent behaviors of other personnel of the Company; other control deficiencies that do not constitute major or significant deficiencies.</p>
<p>Quantitative Criteria</p>	<p>Identification criteria for internal control deficiencies related to assets and liabilities</p> <p>Major deficiencies: misstated (including potential) amount $\geq 5\%$ of the total assets at the end of the consolidated balance sheet of the previous year;</p> <p>Significant deficiencies: 3% of the total assets at the end of the consolidated balance sheet of the previous year \leq misstated (including potential) amount $< 5\%$ of the total assets at the end of the consolidated balance sheet of the previous year;</p> <p>General deficiencies: other control deficiencies except for major and significant deficiencies.</p> <p>Identification criteria for internal control deficiencies related to profits</p> <p>Major deficiencies: misstated (including potential) amount $\geq 5\%$ of the absolute value of the pre-tax</p>	<p>It is determined based on the amount of asset losses caused by internal control failure, and the standards are as follows:</p> <p>Major deficiencies: causing asset losses of CNY 10,000,000 and more;</p> <p>Significant deficiencies: causing asset losses of less than CNY 10,000,000 and greater than or equal to CNY 5,000,000;</p> <p>Minor deficiencies: causing asset losses of less than CNY 5,000,000.</p>

	<p>profit in the consolidated income statement of the previous year of the Company;</p> <p>Significant deficiencies: 3‰ of the absolute value of the pre-tax profit in the consolidated income statement of the previous year of the Company ≤ misstated (including potential) amount < 5‰ of the absolute value of the pre-tax profit in the consolidated income statement of the previous year of the Company;</p> <p>General deficiencies: other control deficiencies except for major and significant deficiencies.</p>	
Number of Major Deficiencies in Financial Report (Nr.)		0
Number of Major Deficiencies in Non-financial Report (Nr.)		0
Number of Significant Deficiencies in Financial Report (Nr.)		0
Number of Significant Deficiencies in Non-financial Report (Nr.)		0

2. Internal Control Audit Report

Applicable Not Applicable

Deliberations Paragraph in Internal Control Audit Report	
<p>In our opinion, FAW Jiefang maintained effective internal control over financial reporting in all material aspects as of December 31, 2022 in accordance with the <i>Basic Specification for Enterprise Internal Control</i> and relevant regulations.</p>	
Disclosure of Internal Control Auditor Report	Disclosure

Disclosure Date of Full Text of Internal Control Audit Report	April 1, 2023
Disclosure Index of Full Text of Internal Control Audit Report	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800#latestAnnouncement
Opinion Type of Internal Control Audit Report	Standard unqualified opinion
Whether there are major deficiencies in the non-financial report	No

Whether the accounting firm issues the internal control audit report with a non-standard opinion

Yes No

Whether the internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the Board of Directors

Yes No

XV. Rectification of Problems Found in the Self-inspection of the Special Action for Governance of Listed Companies: none

Section V Environmental and Social Responsibilities

I. Major Environmental Protection Issues

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

Yes No

Environmental protection related policies and industry standards

The Company strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Environmental Protection Tax Law of the People's Republic of China*, the *Measures for the Administration of the List of Key Units of Environmental Supervision*, the *Measures for the Administration of Legal Disclosure of Environmental Information of Enterprises*, the *Measures for the Administration of Hazardous Waste Transfer* and other relevant laws and regulations, as well as national and industrial standards such as the *Integrated Wastewater Discharge Standard (GB8978-1996)*, the *Integrated Emission Standard of Air Pollutants (GB16297-1996)*, the *Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2001)*, *Technical Guidelines for Environmental Impact Assessment - Acoustic Environment*, the *Technical Guideline for Deriving Hazardous Waste Management Plans and Records (HJ 1259-2022)*, the *Technical Specification for Pollution Control of Waste Plastics* and the *Technical Specifications for Acceptance of Environmental Protection Facilities for Completed Construction Projects - Automotive Industry (HJ 407-2021)*.

Administrative licensing for environmental protection

The Company strictly implemented the "Environmental Impact Assessment" and "Three Simultaneities" systems for all projects. All key pollutant discharging entities shall apply for pollutant discharge permits according to legal provisions, and strictly implement the pollutant discharge permit system.

S/N	Name of Organization	Application (renewal) Date of Pollutant Discharge Permit	Pollutant Discharge Permit No.	Validity Period (Year)
1	Truck Factory of FAW Jiefang Automotive Co., Ltd	December 30, 2022	91220101743028725R	5
2	Chengdu Branch of FAW Jiefang Automotive Co., Ltd.	July 14, 2022	91510114746407720B001V	5
3	Transmission Branch (Transformation Factory) of FAW Jiefang Automotive Co., Ltd.	December 31, 2021	91220101571131661N001Q	5
4	Transmission Branch (Axle Factory) of FAW Jiefang Automotive Co., Ltd.	December 31, 2021	91220101571131661N002V	5
5	Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd.	January 8, 2023	91220108MA170MRB74001V	5
6	FAW Jiefang (Qingdao) Automotive Co., Ltd.	January 18, 2022	91370200163567343M	5
7	Engine Branch of FAW Jiefang Automotive Co., Ltd.	December 8, 2022	912201017561635719001Q	5
8	Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd.	December 10, 2021	91320206330969017N001C	5
9	Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd.	October 5, 2021	91320200748159222H001Q	5
10	FAW Jiefang Dalian Diesel Engine Co., Ltd.	October 9, 2022	91210213717880308K001U	5

Industry Emission Standards and Specific Conditions of Pollutant Discharge Involved in Production and Operation Activities

Name of Company or Subsidiary	Types of Main Pollutants and Specific Pollutants	Names of Main Pollutants and Specific Pollutants	Discharge Mode	Number of Discharge Outlets	Distribution of Discharge Outlets	Discharge concentration/intensity	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	21mg/L	800mg/L	40.0669 t	630.104 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during waste gas production	71	Frame, cab, roof of non-metallic coating workshop	2.69mg/m ³	120mg/m ³	11.2945 t	335.4 t	No excessive discharge
Chengdu Branch of FAW Jiefang Automotive Co., Ltd.	Sewage	COD	Intermittent discharge	1	Southeast of the Company	64mg/L	500mg/L	0.3856 t	21.3 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during waste gas production	1	Roof of coating workshop	3.89mg/m ³	60mg/m ³	16.34 t	75.91 t	No excessive discharge
Transmission Branch (Transformation	Sewage	COD	Intermittent discharge of	2	1 in the northwest corner of substation 1	19mg/L	500mg/L	2.34 t	10 t	No excessive discharge

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Factory) of FAW Jiefang Automotive Co., Ltd.			wastewater		workshop and 1 in the southwest corner of substation 2 workshop					
	Exhaust 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	2.43mg/m ³	120mg/m ³	1.0 t	-	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	21mg/L	500mg/L	2.26 t	-	No excessive discharge
	Exhaust 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	2.51mg/ m ³	120mg/m ³	13.45 t	-	No excessive discharge
Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd.	Sewage	COD	Intermittent discharge of wastewater	1	South gate of sewage treatment station	21.5mg/L	500mg/L	1.4807 t	4.575 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during waste gas production	12	Roof of painting and welding workshop of the Company	1.33mg/m ³	120mg/m ³	6.2127 t	49.5 t	No excessive discharge
Engine Branch of FAW Jiefang Automotive	Exhaust gas	Non-methane hydrocarbon	Intermittent discharge of waste	3	Workshop roof	1.44mg/m ³	120 mg/m ³	0.0486 t	-	No excessive discharge

Co., Ltd.			gas							
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	30.78 t	≤ 243 t	No excessive discharge
	Exhaust 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	Nitrogen oxides 90 mg/m ³ , non-methane hydrocarbon: 4.3 mg/m ³	240 mg/m ³ for nitrogen oxide, 120 mg/m ³ for non-methane hydrocarbon	nitrogen oxide: 19.82 t, VOCs: 0.88 t Ton (t)	Nitrogen oxide: 27.2 t, VOC: 1.77 t	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	3.1 t	53.58 t	No excessive discharge
	Exhaust gas	Nitrogen oxide, non-methane hydrocarbon	Continuous discharge during production	6	Joint workshop	Nitrogen oxides 18mg/m ³ , non-methane hydrocarbon: 3.77mg/m ³	240 mg/m ³ for nitrogen oxide, 120 mg/m ³ for non-methane hydrocarbon	Nitrogen oxide: 0.99 t, VOCs: 0.46□Ton (t)	Nitrogen oxides 8.48 t for nitrogen oxide, 1.62 t for VOC	No excessive discharge
FAW Jiefang (Qingdao) Automotive Co., Ltd.	Sewage	COD, ammonia nitrogen	Continuous or intermittent discharge of wastewater	6	Outside the sewage treatment station of the Company	COD: 49.1mg/L Ammonia nitrogen: 1.96mg/L	COD: 500 mg/L; ammonia nitrogen: 45 mg/L	COD: 8.33 t; Ammonia nitrogen: 0.394 t	COD: 88.79 t; Ammonia nitrogen: 5.11 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during	81	Roof of each workshop of the Company	1.63mg/m ³	30mg/m ³	30.4 t	164.98 t	No excessive discharge

			waste gas production							
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:41 mg/L Ammonia nitrogen: 4.8 mg/L	COD: 300 mg/L; ammonia nitrogen: 30 mg/L	COD: 1.968 t; ammonia nitrogen: 0.5674 t	COD: 88.79 t; Ammonia nitrogen: 5.11 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon and nitrogen oxide	Continuous discharge during waste gas production	5	Roof of the Company's workshop	Non-methane hydrocarbon: 0.33 mg/m ³ ; nitrogen oxide: 88 mg/m ³	Non-methane hydrocarbon: 120 mg/m ³ ; nitrogen oxide: 240 mg/m ³	Non-methane hydrocarbon: 5.2542 t, nitrogen oxide: 1.756 t	Non-methane hydrocarbon: 14.2 t; nitrogen oxide: 11.967 t	No excessive discharge

Disposal of pollutants

(I) 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 (Transformation Factory) of FAW Jiefang Automotive Co., Ltd. uses the sewage treatment station in the Shaft Gear Park to treat the production wastewater of the Company. The total treatment capacity of the sewage treatment station is 80 tons/day. In the first half of the year, due to the failure of some facilities in the sewage treatment station, 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. On August 30, 2022, the facilities of the sewage treatment station were repaired, and the sewage station operated stably. After being treated by the sewage station and reaching the standard, the industrial wastewater is discharged into the Changchun Western Suburbs Sewage Treatment Plant for further treatment.

(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 3000 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 two internal sewage treatment stations which combine 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 2160 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 plant 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.

(II) 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. On December 3, 2022, the VOC treatment facilities for the coating line have been installed, realizing the networking operation with the Bureau of Ecology and Environment of Changchun.

(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. This project is being carried out. The equipment of the VOC treatment project has been installed, and the online testing and comparison of the equipment was completed in December 2022. It is currently in operation and commissioning.

(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 from coating is discharged after reaching the standard and being treated by water curtain paint mist treatment device + activated carbon adsorption, and the waste gas generated from test run is discharged after reaching the standard and being treated by SCR post-treatment + alkali liquor washing exhaust gas treatment device.

(III) 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.

(IV) 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.

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 2022 shows that all monitoring indicators meet the requirements of all national emission regulations and standards.

Relevant conditions of investment in environmental governance and protection, and payment of environmental protection taxes

In 2022, the Company paid a total of more than CNY 46,000,000 including various environmental governance expenses and environmental protection facilities.

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 implements 5 PV projects, achieving 9.4 MW of clean energy grid-connected power generation, further reducing carbon emissions.

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".

Other information about environmental protection: none

II. Social Responsibility

For details of social responsibility fulfillment, please refer to the *2022 Social Responsibility and ESG Report* published on CNINFO (<http://www.cninfo.com.cn>) on the same day.

III. Consolidation and Expansion of Achievements in Poverty Alleviation and Rural Revitalization

The Company actively responds to the call of the national rural revitalization strategy, insists on focusing on the key points, making up for weaknesses and strengthening the foundation, continues to promote the development of poverty-stricken areas and the overall revitalization of rural areas, works hard and innovatively, explores to carry out industry, infrastructure, consumption, education and other assistance actions in Zhenlai County of Jilin Province, Fengshan County of Guangxi Province, etc., so as to promote rural development with heart and soul. In order to contribute deeply to rural revitalization, the Company gives full play to its industrial advantages, advances into the northwest region to build Jiefang Village, continues to establish a party building alliance, stimulates the endogenous power of mass development, draws a unique assistance path with liberation characteristics, and writes a new chapter of rural revitalization with the momentum of leadership.

Section VI Important Matters

I. Performance of Commitments

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

Applicable Not Applicable

Reasons for Commitment	Committed by	Commitment Type	Commitments	Date:	Commitment Period	Performance
Commitments made in the acquisition report or equity change report	China FAW Co., Ltd.	Commitment on lock-up	April 8, 2020	August 8, 2011	Long-term validity	The commitment is being fulfilled normally.
Commitments made during asset restructuring	China FAW Co., Ltd.	Commitment on restricted shares	<p>1. The non-publicly issued shares of the listed company acquired by asset subscription in the restructuring will not be transferred in any way within 36 months from the date of issuance, including but not limited to public transfer through the securities market or transfer by agreement. However, the transfer permitted under applicable laws is exempt from the restrictions (including but not limited to share repurchase due to performance compensation).</p> <p>2. If the closing price of the listed company's shares is lower than the issue price for 20 consecutive trading days within 6 months after the restructuring, or the closing price at the end of 6 months after the restructuring is lower than the issue price, the shares of the listed company acquired by FAW Car Co., Ltd. through asset subscription in this restructuring will be automatically extended for 6 months on the basis of the above lock-up period.</p> <p>3. The shares</p>	April 8, 2020	The new shares in this restructuring will not be transferred in any way within 36 months from the date of issuance; the shares already held before the restructuring shall not be transferred within 18 months from the date of completion of the restructuring.	The 3rd commitment has expired on October 9, 2021, and the remaining commitments are being fulfilled normally.

			<p>of the listed company already held before the restructuring shall not be transferred within 18 months from the date of completion of the restructuring, but the transfer permitted under applicable laws is exempt from the restrictions. 4. After the restructuring, if the shares of the listed company enjoyed based on the restructuring are newly increased due to issuance of bonus shares, conversion to share capital, etc., the aforementioned agreement on the restricted period shall also be observed. If the commitment on the restricted period of the shares obtained based on the restructuring is inconsistent with the latest regulatory opinions of the securities regulatory authorities, FAW Car Co., Ltd. will make corresponding adjustments based on the regulatory opinions of the relevant securities regulatory authorities. 5. After the expiration of the above restricted period, the shares of the listed company obtained shall be transferred according to the relevant provisions of the China Securities Regulatory Commission and Shenzhen Stock Exchange. 6. FAW Car Co., Ltd. guarantees that it is willing to assume corresponding legal responsibilities in case of violation of the above commitments.</p>			
<p>Commitments made during asset</p>	<p>China FAW Co., Ltd.</p>	<p>Commitment on regulating</p>	<p>1. We will exercise shareholders' rights in strict accordance with the <i>Company Law</i> and other</p>	<p>April 8, 2020</p>	<p>Long-term validity</p>	<p>In order to conform to the</p>

restructuring		and reducing related transactions	<p>laws, administrative regulations, rules and normative documents (hereinafter referred to as "laws and regulations") as well as the <i>Articles of Association of FAW Car Co., Ltd.</i> (hereinafter referred to as "Articles of Association"), and when the board of directors and the shareholders' meeting vote on related transactions involving FAW Car Co., Ltd. matters, we will fulfill the obligation of avoiding voting. 2. We will commit to putting an end to all illegal occupation of the funds and assets of the listed company, and guarantee not to illegally transfer the funds and assets of the listed company or harm the interests of the listed company and other shareholders of the listed company by making use of relevant transactions. 3. We will try best to avoid or reduce related transactions with listed companies and enterprises controlled by them. For related transactions that cannot be avoided or exist with reasonable reasons, we will strictly follow the principles of fairness, impartiality and openness in the market, sign standardized related transaction agreements with listed companies according to law, and perform related transaction decision-making procedures in accordance with relevant laws and regulations and the <i>Articles of Association</i>. The price of related transactions shall be</p>			<p>actual situation of the Company after the major asset restructuring and fully protect the interests of the listed company and all shareholders, FAW Car Co., Ltd. has reissued relevant commitments on regulating related transactions. The commitment is being fulfilled normally.</p>
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			<p>determined based on the market-oriented pricing principle to ensure its fairness, and to perform the information disclosure obligation of related transactions in accordance with relevant laws and regulations and the Articles of Association, and to ensure that the legitimate rights and interests of the listed company and other shareholders of the listed company will not be harmed through related transactions. 4. The above commitments on regulating related transactions will also apply to enterprises actually controlled by FAW Car Co., Ltd., and within the scope of legal shareholders' rights, FAW Car Co., Ltd. will urge its actually controlled enterprises to fulfill the obligations of regulating existing or possible related transactions with listed companies. We will make every effort to urge joint ventures or associated enterprises other than those actually controlled by FAW Car Co., Ltd. to fulfill the obligations to regulate related transactions that have occurred or may occur with listed companies.</p>			
<p>Commitments made during asset restructuring</p>	<p>China FAW Group Co., Ltd.</p>	<p>Commitment on avoiding horizontal competition</p>	<p>1. Upon completion of the restructuring, the main business of the listed company will be changed to the R&D, production and sales of commercial vehicle. 2. Upon completion of the restructuring, FAW and its holding enterprises other than listed companies (hereinafter</p>	<p>April 8, 2020</p>	<p>Long-term validity</p>	<p>The commitment is being fulfilled normally.</p>

		<p>referred to as "holding enterprises") shall not directly or indirectly engage in any business or activity that constitutes or may constitute substantial competition with the main business engaged in by listed companies and their holding enterprises in any form. 3. Upon completion of the restructuring, if FAW or its holding enterprises find any new business opportunities that constitute or may constitute a direct or indirect competition with the main business of the listed company or its holding enterprises (hereinafter referred to as "such new business opportunities"), FAW will immediately notify the listed company in writing and try its best to first provide such business opportunities to the listed company or its holding enterprises according to reasonable and fair terms and conditions. If the listed company or its holding enterprises decide to give up such new business opportunities, FAW or its holding enterprises can engage in it. 4. If the listed company or its holding enterprises give up such new business opportunities and FAW or its holding enterprises engage in such new business opportunities, the listed company or its holding enterprises have the right to always acquire any equity, assets and other rights and interests in such new business opportunities from FAW or its holding</p>			
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			<p>enterprises one time or multiple times, or the listed company or its holding enterprises choose to entrust, lease or contract to operate the assets or businesses of FAW or its holding enterprises in such new business opportunities in the manner permitted by laws and regulations. FAW will ensure that its holding enterprises comply with the above commitments. 5. FAW Harbin Light Automobile Co., Ltd. (hereinafter referred to as "Harbin Light Automobile") and FAW Hongta Yunnan Automobile Manufacturing Co., Ltd. (hereinafter referred to as "FAW Hongta", and collectively referred to as "Light Truck Company" together with Harbin Light Automobile) under FAW Light Commercial Vehicle Co., Ltd. (hereinafter referred to as "FAW Light Automobile"), a subsidiary of FAW, are engaged in some light truck businesses. However, they are currently in a state of discontinuation or loss, with heavy burden and unstable profitability. FAW promises that it will entrust all shares of Harbin Light Automobile and FAW Hongta under its actual control to Jiefang Limited for management, and inject the equities of Harbin Light Automobile and FAW Hongta under its actual control to listed companies in batches or at one time in an appropriate way, or transfer</p>			
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		<p>them to other unrelated third parties at a reasonable price and in a reasonable way, or prevent the light truck company from engaging in light truck related businesses by exercising shareholders' rights, and perform relevant internal approval procedures as soon as possible after the above procedures are initiated within 12 months after meeting the requirements that the return on net assets of Harbin Light Automobile and FAW Hongta is not lower than that of listed companies in the same period and increasing the earnings per share of listed companies after restructuring. 6. From the date of issuance of the commitment letter, if FAW violates any of the above commitments, it will take positive measures in favor of the listed company to eliminate horizontal competition, including but not limited to injecting assets related to horizontal competition business into the listed company, terminating horizontal competition business or selling assets related to horizontal competition business to an unrelated third party. 7. The above commitments shall come into effect from the date of completion of the restructuring and shall remain valid and irrevocable during the period when FAW serves as the controlling shareholder or actual controller of the listed company.</p>			
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<p>Commitments made during asset restructuring</p>	<p>China FAW Co., Ltd.</p>	<p>Commitment on avoiding horizontal competition</p>	<p>1. Upon completion of the restructuring, the main business of the listed company will be changed to the R&D, production and sales of commercial vehicle. 2. Upon completion of the restructuring, FAW Car Co., Ltd. and its holding enterprises other than listed companies (hereinafter referred to as "holding enterprises") shall not directly or indirectly engage in any business or activity that constitutes or may constitute substantial competition with the main business engaged in by listed companies and their holding enterprises in any form. 3. Upon completion of the restructuring, if FAW Car Co., Ltd. or its holding enterprises find any new business opportunities that constitute or may constitute a direct or indirect competition with the main business of the listed company or its holding enterprises (hereinafter referred to as "such new business opportunities"), FAW or its holding enterprises will immediately notify the listed company in writing and try its best to first provide such business opportunities to the listed company or its holding enterprises according to reasonable and fair terms and conditions. If the listed company or its holding enterprises decide to give up such new business opportunities, FAW Car Co., Ltd. or its holding enterprises can engage in it. 4. If the listed</p>	<p>April 8, 2020</p>	<p>Long-term validity</p>	<p>The commitment is being fulfilled normally.</p>
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			<p>company or its holding enterprises give up such new business opportunities and FAW Car Co., Ltd. or its holding enterprises engage in such new business opportunities, the listed company or its holding enterprises have the right to always acquire any equity, assets and other rights and interests in such new business opportunities from FAW Car Co., Ltd. or its holding enterprises one time or multiple times, or the listed company or its holding enterprises choose to entrust, lease or contract to operate the assets or businesses of FAW Car Co., Ltd. or its holding enterprises in such new business opportunities in the manner permitted by laws and regulations. FAW Car Co., Ltd. will ensure that the holding enterprises of the Company comply with the above commitments. 5. Harbin Light Automobile and FAW Hongta under FAW Light Commercial Vehicle Co., Ltd., a subsidiary of FAW Car Co., Ltd., are engaged in some light truck businesses. However, they are currently in a state of discontinuation or loss, with heavy burden and unstable profitability. FAW Car Co., Ltd. promises that it will urge to entrust all shares of Harbin Light Automobile and FAW Hongta under its actual control to Jiefang Limited for management, and inject the equities of Harbin Light Automobile and FAW Hongta under its actual control to</p>			
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			<p>listed companies in batches or at one time in an appropriate way, or transfer them to other unrelated third parties at a reasonable price and in a reasonable way, or prevent the light truck company from engaging in light truck related businesses by exercising shareholders' rights, and perform relevant internal approval procedures as soon as possible after the above procedures are initiated within 12 months after meeting the requirements that the return on net assets of Harbin Light Automobile and FAW Hongta is not lower than that of listed companies in the same period and increasing the earnings per share of listed companies after restructuring. 6. From the date of issuance of the commitment letter, if FAW Car Co., Ltd. violates any of the above commitments, it will take positive measures in favor of the listed company to eliminate horizontal competition, including but not limited to injecting assets related to horizontal competition business into the listed company, terminating horizontal competition business or selling assets related to horizontal competition business to an unrelated third party. 7. The above commitments shall take effect from the date of completion of this restructuring and shall remain valid and irrevocable during the period when FAW Car Co., Ltd. serves as the controlling shareholder</p>			
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			or actual controller of the listed company.			
Commitments made during asset restructuring	China FAW Co., Ltd.	Commitment on maintaining the independence of listed companies	<p>(I) Ensure the personnel independence of the listed company: 1. Maintain personnel independence with the listed company, and ensure that the General Manager, Deputy General Manager, Financial Director, Secretary of the Board of Directors and other senior executives of the listed company do not hold positions other than directors and supervisors in FAW Car Co., Ltd. and its wholly-owned, holding or other enterprises and public institutions under actual control (hereinafter referred to as "subordinate units"), and do not receive salary from FAW Car Co., Ltd. and its subordinate units. 2. Ensure that the listed company has a complete and independent labor, human resources and salary management system, which is completely independent of FAW Car Co., Ltd. and its subordinate units.</p> <p>(II) Ensure the independence and integrity of the assets of the listed company: 1. Ensure that the listed company has independent and complete assets, all of which are under the control of the listed company, and are independently owned and operated by the listed company. 2. Ensure that FAW Car Co., Ltd. and its subordinate units currently do not and will not illegally occupy the funds and assets of the listed company. 3. FAW Car Co., Ltd. will not</p>	April 8, 2020	Long-term validity	The commitment is being fulfilled normally.

			<p>use the assets of the listed company to guarantee its debts. (III) Ensure the financial independence of the listed company: 1. Ensure that the listed company continues to maintain an independent financial department and an independent financial accounting system. 2. Ensure that the listed company has a standardized and independent financial and accounting system. 3. Ensure that the listed company opens a bank account independently and does not share a bank account with FAW Car Co., Ltd. 4. Ensure that the financial personnel of the listed company do not take part-time jobs in FAW Car Co., Ltd. and its subordinate units. 5. Ensure that the listed company can make financial decisions independently, and FAW Car Co., Ltd. does not interfere with the use of funds by the listed company. 6. Ensure that the listed company pays taxes independently according to law. (IV) Ensure the institutional independence of the listed company: 1. Ensure that the listed company has an independent and complete organizational institution and can operate it independently. 2. Ensure that the office and production and business premises of the listed company are separated from FAW Car Co., Ltd. 3. Ensure that the Board of Directors, Board of Supervisors and all functional departments of</p>			
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			<p>the listed company operate and exercise their functions and powers independently, without any affiliation or confusion with the functional departments of FAW Car Co., Ltd. (V) Ensure the business independence of the listed company: 1. Maintain business independence with the listed company after the restructuring, and ensure substantial horizontal competition or obviously unfair related transactions does not exist or occur. 2. Ensure that the listed company has the assets, personnel, qualifications and capabilities to independently carry out business activities, and has the ability to independently operate in the market. 3. Ensure that FAW Car Co., Ltd. does not interfere with the normal business activities of the listed company except for participating in the operation and management of the listed company by exercising shareholders' rights.</p>			
Commitments made during asset restructuring	China FAW Co., Ltd.	Commitment on pledging consideration shares	<p>1. We will make sure that the consideration shares obtained in the restructuring are given priority to fulfill the performance compensation commitment agreed in the <i>Profit Forecast Compensation Agreement</i> signed with the listed company, and we will not evade the compensation obligation by pledge of shares or other means. 2. When such consideration shares are pledged in the future, we will inform the pledgee in writing of the potential performance</p>	April 8, 2020	Long-term validity	The commitment is being fulfilled normally.

			commitment compensation obligations of such shares according to the <i>Profit Forecast Compensation Agreement</i> , and make a clear agreement with the pledgee on the use of relevant shares for performance compensation in the Pledge Agreement. 3. In case of violation of the above commitments, we will compensate the listed company for any losses incurred thereby and bear the corresponding legal liabilities.			
Commitments made during asset restructuring	China FAW Co., Ltd.	Commitment on measures to fill diluted spot returns	1. We will not interfere with the operation and management activities of the listed company beyond our authority and will not encroach on the interests of the listed company; 2. In this major asset restructuring, the listed company issued shares to FAW Car Co., Ltd. to purchase assets, and signed the <i>Profit Forecast Compensation Agreement</i> attached with effective conditions with FAW Car Co., Ltd., providing legally binding safeguard measures to avoid diluted spot returns in this transaction.	April 8, 2020	Long-term validity	The commitment is being fulfilled normally.
Commitments made during asset restructuring	China FAW Group Co., Ltd.	Description on vehicle production qualification	The production qualification and product announcement of Jiefang Limited will be under the group management of FAW, that is, Jiefang Limited will use the production qualification of FAW vehicles, and its production qualification and product announcement declaration will be under the unified management of FAW. Upon completion of the restructuring, FAW will	April 8, 2020	Long-term validity	The commitment is being fulfilled normally.

			continue to maintain group management based on the actual needs of Jiefang Limited. Jiefang Limited can continue to use relevant production qualifications and keep the announcement of existing models unchanged. FAW will not hinder the continuous use of relevant qualifications by Jiefang Limited, and will cooperate with Jiefang Limited to maintain the validity of relevant qualifications.			
Commitments made during asset restructuring	China FAW Co., Ltd.	Performance commitment and compensation arrangement	For some patents and proprietary technologies (hereinafter referred to as "performance commitment assets") in the purchased assets evaluated by the income approach, the income commitments of the audited performance compensation assets in the three accounting years (i.e. 2020, 2021 and 2022) after the transaction are as follows: CNY 655,889,000 in 2020, CNY 688,155,200 in 2021 and CNY 109,386,400 in 2022. During the performance commitment period, if as of the end of the current year, the accumulated realized income of the performance commitment assets is lower than the accumulated committed income, FAW Car Co., Ltd. will compensate the listed company year by year by share-based payment.	April 8, 2020	April 30, 2023	The commitment is being fulfilled normally.
Commitments made during asset restructuring	China FAW Co., Ltd.	Commitment on defects of underlying assets	Jiefang Limited and its holding subsidiaries cannot obtain the house ownership certificate for some properties due to historical reasons such as government planning and adjustment,	November 27, 2019	Long-term validity	The commitment is being fulfilled normally.

			land expropriation, incomplete construction application procedures, and construction beyond the red line. The above properties account for 0.6% of the total area of house ownership of Jiefang Limited and its holding subsidiaries, which is relatively small and will not have a significant adverse impact on the normal production and operation of Jiefang Limited. As the counterparty of the restructuring, the Company promises that the failure to obtain the corresponding ownership certificate of the above properties will not adversely affect the normal production and operation of Jiefang Limited, and will not constitute a substantial obstacle to the restructuring. If the listed company or Jiefang Limited suffers any punishment or loss due to the failure to obtain the corresponding ownership certificate of the above properties, the Company promises to make full compensation to the listed company or Jiefang Limited in cash timely.			
Commitment made upon initial public offering or refinancing	N/A					N/A
Equity incentive commitment	N/A					N/A
Other commitments	N/A					N/A

to minority shareholders of the Company						
Other commitments	N/A					N/A
Whether the commitment is fulfilled on time	Yes					
If the commitment is not fulfilled within the time limit, the specific reasons for the failure and the next work plan shall be explained in detail	None					

2. If there is a profit forecast for the Company's assets or projects, and the reporting period is still in the profit forecast period, the Company shall explain that the assets or projects reaching the original profit forecast and the reasons

Applicable Not Applicable

Name of Profit Forecast Asset or Project	Forecast Start Time	Forecast End Time	Forecast Performance in Current Period (CNY 10,000)	Actual Performance in Current Period (CNY 10,000)	Reasons for Failure to Reach the Forecast	Disclosure Date of Original Forecast	Disclosure Index of Original Forecast
Some patents and proprietary technologies in the purchased Jiefang Limited assets evaluated by income approach in the major asset restructuring	January 1, 2020	December 31, 2022	145,343.06	194,914.96	N/A	March 13, 2020	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800#latestAnnouncement

Commitments made by shareholders and counterparties of the Company in reporting annual business performance

Applicable Not Applicable

FAW Car Co., Ltd., the controlling shareholder of the Company, promises that, for some patents and proprietary technologies (hereinafter referred to as "performance commitment assets") in the purchased assets (Jiefang Limited) evaluated by the income approach in the major asset restructuring, the income commitments of the audited performance compensation assets in the 3 accounting years (i.e. 2020, 2021 and 2022) after the transaction are as follows: CNY 655,889,000 in 2020, CNY 688,155,200 in 2021 and CNY 109,386,400 in 2022. During the performance commitment period, if as of the end of the current year, the accumulated realized income of the performance commitment assets is lower than the accumulated committed income, FAW Car Co., Ltd. will compensate the listed company year by year by share-based payment.

Completion of performance commitments and their impact on goodwill impairment test

From 2020 to 2022, the share of the accumulative realized income of the Company's performance commitment assets was CNY 1,949,149,600, exceeding the commitment amount of CNY 495,719,000, and the performance commitment was completed.

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. Description of the Board of Directors on the latest "Non-standard Audit Report"

Applicable Not applicable

V. Description of the Board of Directors, the Board of Supervisors and Independent Directors (if any) on the "Non-standard Audit Report" of the Accounting Firm in the Reporting Period

Applicable Not applicable

VI. Description of Changes in Accounting Policies and Accounting Estimates or Correction of Significant Accounting Errors Compared with the Financial Report of the Previous Year

Applicable Not applicable

There is no change in accounting policies, accounting estimates or correction of significant accounting errors in the reporting period of the Company.

VII. Description of Changes in the Scope of Consolidated Statements Compared with the Financial Report of the Previous Year

Applicable Not Applicable

FAW Jiefang New Energy Automotive Sales Co., Ltd, a subsidiary of the Company, merged FAW Jiefang Automotive Sales Co., Ltd., the former subsidiary of the Company, on the base date of September 30, 2022.

VIII. Appointment and Dismissal of Accounting Firm

Accounting Firm Currently Hired

Name of Domestic Accounting Firm	Grant Thornton Certified Public Accountants (Special General Partnership)
Remuneration of Domestic Accounting Firm (CNY 10,000)	95
Consecutive Years of Audit Service Provided by Domestic Accounting Firm	6 years
Name of Certified Public Accountant of Domestic Accounting Firm	Xi Dawei and Yang Dongmin
Consecutive Years of Audit Service Provided by Certified Public Accountant of Domestic Accounting Firm	Xi Dawei (5 years), Yang Dongmin (1 year)

Whether to change to hire a new accounting firm in the current period

Yes No

Employment of accounting firm, financial consultant or sponsor for internal control audit

Applicable Not Applicable

After deliberation and adoption at the 28th meeting of the 9th Board of Directors and the Third Extraordinary Shareholders' Meeting of 2022, Grant Thornton Accounting Firm (special general partnership) was appointed as the internal control audit institution of the Company in 2022, with an internal control audit fee of CNY 500,000.

IX. Delisting after Disclosure of Annual Report

Applicable Not applicable

X. Matters Related to Bankruptcy Reorganization

Applicable Not applicable

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

XI. Major Litigation and Arbitration Matters

Applicable Not Applicable

Basic Information about Litigation (Arbitration)	Amount Involved (CNY 10,000)	Whether Estimated Liabilities are	Progress of Litigation (Arbitration)	Litigation (Arbitration) Results and	Implementation of Litigation (Arbitration)	Date of Disclosure	Disclosure Index

		Formed		Impact	Judgment		
Summary of other litigation not reaching the major disclosure standard	10,317.01	Including estimated liabilities of CNY 32,195,200	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	350.72	No	Case closed	No significant impact	In progress		

XII. Punishment and Rectification

Applicable Not applicable

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

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

Applicable Not applicable

XIV. 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)	Whether it Exceeds the Approved Amount	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 price	592,117.94	15.45%	702,416	No	Cash + bill settlement	592,117.94	November 29, 2022	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800#latestAnnouncement
Total				--	--	592,117.94	--	702,416	--	--	--	--	--
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 XII "Related Parties and Related Transactions" in Section X of this report.									
Reasons for large difference between transaction price and market reference price				N/A									

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

Applicable Not applicable

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

3. Related transactions of joint foreign investment

Applicable Not applicable

The Company has no related 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 the 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	38,467,770.79	39,349,788.43	1,383,293.43

Credit Granting or Other Financial Businesses

Related Parties	Correlation	Business Type	Total Price (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	138,527

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

(1) 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.

(2) On November 28, 2022, the *Proposal on Increasing the Estimate of Daily Related Transactions in 2022* was deliberated and adopted at the 29th Meeting of the 9th Board of Directors of the Company, which was also deliberated and adopted at the Fourth Extraordinary Shareholders' Meeting of 2022 of the Company.

(3) On December 15, 2022, the *Proposal on Investment of Subsidiaries in Changchun Automobile Test Center Co., Ltd.* was adopted at the 30th Meeting of the 9th Board of Directors of the Company.

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)
Announcement on Increasing the Estimate of Daily Related Transactions in 2022	November 29, 2022	CNINFO (http://www.cninfo.com.cn)
Announcement on Foreign Investment and Related Transactions	December 16, 2022	CNINFO (http://www.cninfo.com.cn)

XV. 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 14 "Investment real estate", Note 15 "Fixed assets", and Note 19 "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. Cash Assets Management Entrusted to Others

(1) Entrusted Financial Management

Applicable Not applicable

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

(2) Entrusted Loans

Applicable Not applicable

The Company has no entrusted loans in the reporting period.

4. Other major contracts

Applicable Not applicable

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

XVI. 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.

XVII. Major Events of Subsidiaries

Applicable Not applicable

Section VII Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

Unit: share

	Before the Change		Increase/Decrease Made by the Change (+, -)					After the Change	
	Quantity	Scale	Issue of New Shares	Bonus shares	Share Transferred from Accumulation Fund	Others	Subtotal	Quantity	Scale
I. Restricted shares	3,238,899,791	69.64%	3,721,601			-1,050,568	2,671,033	3,241,570,824	69.66%
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	68.72%
3. Shares held by other domestic enterprises	40,987,657	0.88%	3,721,601			-1,050,568	2,671,033	43,658,690	0.94%
Including: shares held by domestic legal person									
Shares held by domestic natural person	40,987,657	0.88%	3,721,601			-1,050,568	2,671,033	43,658,690	0.94%
4. Shares held by foreign enterprises									
Including: shares held by overseas legal person									

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Shares held by overseas natural person									
II. Unrestricted shares	1,411,754,078	30.36%						1,411,754,078	30.34%
1. CNY ordinary shares	1,411,754,078	30.36%						1,411,754,078	30.34%
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			-1,050,568	2,671,033	4,653,324,902	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. Some original incentive objects firstly granted by the Company do not conform to the provisions on incentive objects in the restricted share incentive plan due to job transfer, mandatory retirement, leaving the job for personal reasons or other reasons, and a total number of 1,050,568 restricted shares held by them is repurchased and canceled by the Company. After the completion of granting, repurchase and cancellation of the above reserved part, the total share capital of the Company is changed to 4,653,324,902 shares.

Approval of share changes

Applicable Not Applicable

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 were deliberated and adopted at the 20th meeting of the 9th Board of Directors and the 19th meeting of the 9th Board of Supervisors of the Company respectively on December 9, 2021. The Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan was deliberated and adopted at the 26th meeting of the 9th Board of Directors and the 23rd meeting of the 9th Board of Supervisors on August 29, 2022 and the Second Extraordinary Shareholders' Meeting of 2022 on September 16, 2022.

Transfer of share changes

Applicable Not Applicable

(1) On January 5, 2022, the Company completed the registration procedures with CSDC for the additional shares involved in the grant of the reserved part of this equity incentive plan. New shares were listed on January 10, 2022, and the total share capital of the Company was increased to 4,654,375,470 shares.

(2) On January 13, 2022, the Company completed the repurchase and cancellation procedures for the shares involved in the repurchase and cancellation of relevant equity incentives in China

Securities Depository and Clearing Corporation Limited (CSDC), 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.

(3) On November 10, 2022, the Company completed the repurchase and cancellation procedures for the shares involved in the repurchase and cancellation of relevant equity incentives in CSDC, CSDC issued the *Confirmation of Securities Transfer Registration* to the Company, and the total share capital of the Company was reduced to 4,653,324,902 shares.

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 2,671,033 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

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Restricted Shares Increased in the Current Period	Number of Restricted Shares Released 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 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. In the first release period, the firstly granted restricted shares were unlocked and listed for circulation on February 6, 2023.
Wu Bilei	228,552			228,552	Equity incentive	
Zhang Guohua	228,493			228,493	Equity incentive	
Ji Yizhi	192,778			192,778	Equity incentive	
Tian Haifeng	192,778			192,778	Equity incentive	
Li Sheng	192,778			192,778	Equity incentive	
Wang Jianxun	192,778			192,778	Equity incentive	
Other core employees of senior director and above	39,425,169	2,671,033		42,096,202	Equity incentive	
Total	3,238,899,791	2,671,033	0	3,241,570,824	--	--

II. Issuance and Listing of Securities**1. Issuance of Securities (Excluding Preferred Share) in the Reporting Period**

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 (excluding preferred shares) 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.

2. Changes in the Total Number of Shares and Shareholder Structure, as well as Changes in the Structure of the Company's Assets and Liabilities

Applicable Not Applicable

According to the Company's restricted share incentive plan, the Company issued 3,721,601 A ordinary shares in total to the reserved grant objects of the phase I restricted share incentive plan, and repurchased and canceled 1,050,568 granted shares of incentive objects that fail to conform to the restricted share incentive plan. To sum up, the total number of shares of the Company was changed from 4,650,653,869 shares to 4,653,324,902 shares.

3. Existing Internal Employee Shares

Applicable Not applicable

III. Shareholders and Actual Controllers

1. Number of Shareholders and Shareholdings of the Company

Unit: share

Total Number of Common Shareholders at the End of the Reporting Period	88,229	Total Number of Ordinary Shareholders at the End of the Last Month before the Disclosure Date of the Annual Report	80,893	Total Number of Preferred Shareholders with Restored Voting Rights at the End of the Reporting Period	0	Total Number of Preferred Shareholders with Resumed Voting Rights at the End of the Last Month before the Disclosure Date	0	
Shareholdings of Shareholders Holding More Than 5% of the Shares or Top 10 Shareholders								
Name of Shareholder	Nature of Shareholders	Shareholding Proportion	Number of Shares Held at the End of the Reporting Period	Increase and Decrease in the Reporting Period	Number of Restricted Shares Held	Number of Unrestricted Shares Held	Pledge, Marking or Freezing	
							Status of Shares	Quantity
China FAW Co., Ltd.	State-owned legal person	65.77%	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	1.18%	54,840,312	-6,329,184		54,840,312		
Lu Min	Domestic natural person	0.78%	36,096,590	36,096,590		36,096,590		
Jilin Province	State-owned	0.29%	13,712,916			13,712,916		

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State-owned Capital	legal person							
Chao Guo	Domestic natural person	0.17%	7,859,358	3,807,429		7,859,358		
Li Yan	Domestic natural person	0.16%	7,660,000			7,660,000		
Zhong Ou AMC - Agricultural Bank of China - Zhong Ou & CITIC Securities Financial Asset Management Plan	Others	0.12%	5,549,500			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			5,549,500		
China Construction Bank Corporation - GF China Securities Auto Index-based Securities Investment Fund	Others	0.12%	5,460,795	5,460,795		5,460,795		
Strategic investors or general legal persons who become the top 10 shareholders due to the issuance of new shares	None							

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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 Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.		
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 Shareholders with Unrestricted Ordinary Shares			
Name of Shareholder	Number of Unrestricted Shares Held at the End of the Reporting Period	Type of Shares	
		Type of Shares	Quantity
China FAW Co., Ltd.	647,237,767	CNY ordinary shares	647,237,767
Hong Kong Securities Clearing Company Ltd.	54,840,312	CNY ordinary shares	54,840,312
Lu Min	36,096,590	CNY ordinary shares	36,096,590
Jilin Province State-owned Capital	13,712,916	CNY ordinary shares	13,712,916
Chao Guo	7,859,358	CNY ordinary shares	7,859,358
Li Yan	7,660,000	CNY ordinary shares	7,660,000
Zhong Ou AMC - Agricultural Bank of China - Zhong Ou & CITIC Securities Financial Asset Management Plan	5,549,500	CNY ordinary shares	5,549,500
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

China Construction Bank Corporation - GF China Securities Auto Index-based Securities Investment Fund	5,460,795	CNY ordinary shares	5,460,795
Li Songsen	4,300,000	CNY ordinary shares	4,300,000
Description of correlation or concerted action between the top 10 shareholders of unrestricted shares, and between the top 10 shareholders of unrestricted shares and the top 10 shareholders	Among the above shareholders, FAW Bestune is a wholly-owned subsidiary of FAW, and is a person acting in concert as specified in the Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.		
Description of top 10 ordinary shareholders' participation in financing bonds business	Lu Min, a domestic natural person, holds 36,096,590 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 ordinary shareholders and the top 10 ordinary shareholders with unrestricted ordinary shares of the Company have agreed repurchase transactions in the reporting period

Yes No

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

2. Information of Controlling Shareholders of the Company

Nature of controlling shareholder: central state-owned holding

Type of controlling shareholder: legal person

Name of Controlling Shareholder	Legal Representative/Person in Charge	Date of Establishment	Organization code	Main Business
China FAW Co., Ltd.	Xu Liuping	June 28, 2011	91220101571145270J	Automobile manufacturing and remanufacturing, new energy vehicle manufacturing; design, development, manufacturing and sales of automobile parts and components such as engines and transmissions; metal casting and forging, mold processing; engineering technology research and test; professional technical services; computer and software services; thermal power generation and power supply; heat production and supply; water and gas supply; road freight transport; warehousing; sales of mechanical equipment, hardware and electrical equipment, electronic products and vehicle materials; lease of mechanical equipment; advertising design, production and release; business services; labor service; sales of vehicles and second-hand vehicles (prohibited by laws, regulations and decisions of the State Council. Items subject to approval according to law can be operated only after being approved by relevant authorities).
Equity of Other Domestic and Foreign Listed Companies	None			

Controlled and Participated by Controlling Shareholders in the Reporting Period	
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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.

3. Company's Actual Controllers and Persons Acting in Concert

Nature of actual controller: central state-owned assets management organization

Type of actual controller: legal person

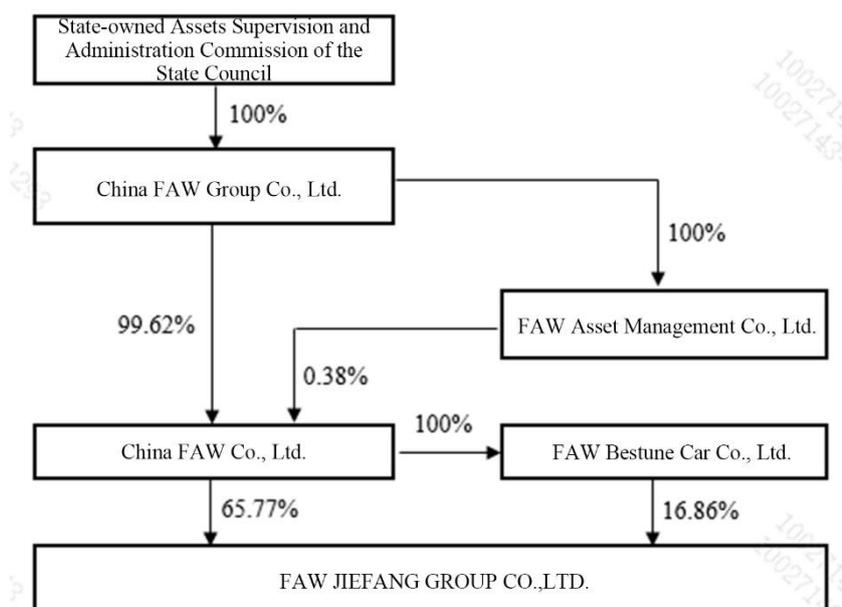
Name of Actual Controller	Legal Representative/Person in Charge	Date of Establishment	Organization code	Main Business
State-owned Assets Supervision and Administration Commission of the State Council	N/A		N/A	N/A
Equity of Other Domestic and Foreign Listed Companies Controlled by Actual Controllers in the Reporting Period	N/A			

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.

Block Diagram of Property Right and Control Relationship between the Company and the Actual Controllers



The actual controllers control the Company by trust or other asset management methods

Applicable Not applicable

4. The cumulative number of pledged shares of the Company's controlling shareholder or the largest shareholder and persons acting in concert accounts for 80% of the Company's shares held by them.

Applicable Not applicable

5. Other Corporate Shareholders Holding More Than 10% of the Shares

Applicable Not Applicable

Name of Corporate Shareholder	Legal Representative/ Person in Charge	Date of Establishment	Registered Capital	Main Business or Management Activities
FAW Bestune Car Co., Ltd.	Yang Xiao	June 28, 2019	CNY 1,627,500,000	Development, manufacturing and sales of automobiles and parts (including new energy vehicles and their related batteries, motors, electronic controls, and excluding flammable and explosive hazardous chemicals), station wagons and their accessories, intelligent products and equipment; vehicle repair; processing of non-standard equipment; sales of mechanical accessories and mechanical and electrical products (excluding cars); sales of second-hand vehicles; lease of vehicles; lease of premises and plant; road general cargo transportation; modern trade logistics services; technical services and technical consultation in the automobile field; using the Internet to engage in automobile operation; import and export of goods and technology (excluding publication import and export business, as well as commodities and technologies that are restricted or prohibited for import and export by the state); second-hand vehicle brokerage; part-time insurance agency business; motor vehicle repair and maintenance; recycling of end-of-life motor vehicles; disassembly of end-of-life motor vehicles; business training (excluding education training, vocational skills training and other training requiring licenses); stationery retail, stationery wholesale; sales of automotive decoration products; sales of lubricating oil; IoT technology R&D and technical services; manufacturing of power transmission and distribution and control equipment; advertising design, agency; advertising production;

				advertisement release (non-radio stations, TV stations, newspapers and periodicals publishers); labor service (excluding labor dispatch); motor vehicle safety technology testing service; artificial intelligence public data platform; data processing and storage support services; Internet data service; inspection and testing services; general cargo warehousing services (excluding hazardous chemicals and other items requiring licensing and approval); marketing planning; lease of computer and communication equipment; conference and exhibition services; lease of mechanical equipment; Category I value-added telecommunications services; Category II value-added telecommunications services; intellectual property services (items subject to approval according to law can be operated only after being approved by relevant authorities).
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6. Restricted Reduction of Shares Held by Controlling Shareholders, Actual Controllers, Restructuring Parties and Other Commitment Subjects

Applicable Not applicable

IV. Specific Implementation of Share Repurchase in the Reporting Period

Implementation progress of share repurchase

Applicable Not applicable

Implementation Progress of Reducing Shareholding in Repurchased Shares by Centralized Bidding

Applicable Not applicable

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

Type of Audit Opinion	Standard unqualified opinion
Signing Date of Auditor Report	March 31, 2023
Name of Audit Institution	Grant Thornton Certified Public Accountants (Special General Partnership)
Audit Report No.	ZTSZ (2023) No. 110A006250
Name of Certified Public Accountant	Xi Dawei and Yang Dongmin

Text of Auditor Report

All shareholders of FAW JIEFANG GROUP CO., LTD.:

I. Auditor's Opinion

We have audited the financial statements of FAW JIEFANG GROUP CO., LTD.(hereinafter referred to as "FAW Jiefang"), including the Consolidated and the Company's Balance Sheets on December 31, 2022, the Consolidated and the Company's Income Statements, the Consolidated and the Company's Cash Flow Statements, the Consolidated and the Company's Statements of Changes in Shareholders' Equity, and the Notes to Financial Statements for the year then ended.

In our opinion, the attached financial statements were compiled as per the provisions of Accounting Standards for Business Enterprises (ASBE) in all major aspects and can fairly present the consolidated and FAW Jiefang's financial status as of December 31, 2022, as well as their business performance and cash flows for the year then ended.

II. Basis for Opinion

We have conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. The section in the Auditor's Report titled "CPAs' Responsibilities for the Audit of the Financial Statements" further describes our responsibilities under these standards. We are independent of FAW Jiefang in accordance with the China Code of Ethics for Certified Public Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, we consider to be most significant to the audit of the financial statements for the period. These matters were addressed in the context

of our audit for the entire financial statements and the formation of our opinions thereon. We do not declare a separate opinion on these matters.

(I) Income Recognition

For details of relevant information disclosure, refer to 33 in V and 44 in VII of Section X - Financial Report.

1. Description

The sales revenue of FAW Jiefang mainly comes from the vehicle sales business. In 2022, FAW Jiefang realized an operating income of CNY 38,331,747,100, of which the vehicle sales revenue was CNY 33,483,232,300, accounting for 87.35%. According to the specific method of income recognition of FAW Jiefang, the income is recognized when the complete vehicle is shipped and the customer has accepted the goods. The vehicle sales revenue has a significant impact on the financial statements of FAW Jiefang, so we identified the income recognition as a key audit matter.

2. Audit response

Our audit procedures mainly include:

(1) Understand the effectiveness of internal control design related to income recognition, and test the effectiveness of key control implementation;

(2) Analyze the income and gross profit rate in combination with the product type, and compare them with the data of the same industry to judge whether the income and gross profit rate in the current period are abnormal;

(3) Interview with the management, check the terms of the sales contract, analyze and judge the time point of control right transfer of vehicle sales, and evaluate the rationality of the income recognition policy;

(4) Conduct the spot check on the supporting documents related to income recognition, including sales contracts, orders, sales invoices, product transportation documents, customer receipts, etc.;

(5) Execute transaction and correspondence confirmation for the sales business of major and new customers;

(6) For the sales revenue recognized before and after the balance sheet date, check the basis for customer receipt confirmation, and evaluate whether the sales revenue is recorded in the appropriate period.

(II) Provision for Decline in Value of Inventories

For details of relevant information disclosure, refer to 15 in V and 7 in VII of Section X - Financial Report.

1. Description

As of December 31, 2022, the book balance of inventory of FAW Jiefang was CNY 6,799,846,300, and the balance of decline in value of inventories was CNY 417,106,400, of which CNY 418,448,400 was provided in the current period. The provision amount for decline in value of inventories is significant and requires significant judgment of the management, so we identified the provision for decline in value of inventories as a key audit matter.

2. Audit response

Our audit procedures mainly include:

(1) Test and evaluate the design and operational effectiveness of key internal controls related to the provision for decline in value of inventories by the management;

(2) Obtain the Calculation Sheet of Provision for Decline in Value of Inventories of FAW Jiefang, review the net realizable value of inventories and the amount of provision for decline in value of inventories, and check the key parameters such as estimated selling price and selling expenses when the management determines the net realizable value with the historical amount to evaluate the rationality of the management's estimation;

(3) Check the quantity and status of inventories in combination with the inventory supervision procedures, focus on checking long-aged inventories, and analyze the adequacy of provision for decline in value of inventories with signs of impairment;

(4) Check the changes in the provision for decline in value of inventories made in previous years in the current period, and analyze the rationality of the changes in the provision for decline in value of inventories.

(III) Provision for Product Quality Guarantee Deposit

For details of relevant information disclosure, refer to 31 in V and 35 and 46 in VII of Section X - Financial Report.

1. Description

As of December 31, 2022, FAW Jiefang has provided product quality assurance deposit of CNY 317,822,200 in the current year, and the balance of product quality guarantee deposit in the estimated liabilities is CNY 826,046,700. Based on the vehicle sales contract and relevant national laws and regulations, customers can obtain free warranty services provided by FAW Jiefang within the warranty period. The management of FAW Jiefang calculates the product quality guarantee deposit based on the relevant provisions in the product type, warranty period and warranty obligation clauses. The provision amount of product quality guarantee deposit is relatively large and involves significant estimation and judgment of the management, so we identified the provision for product quality guarantee deposit as a key audit matter.

2. Audit response

Our audit procedures mainly include:

- Test and evaluate the effectiveness of key internal control design and operation related to the provision for product quality guarantee deposit;
- Understand and evaluate whether the accounting policies related to the provision for product quality deposit are appropriate and consistently applied;
- Understand and evaluate the rationality of the method and calculation model adopted by FAW Jiefang for the provision for product quality deposit according to laws, regulations and contract terms;

Perform recalculation procedures to verify the accuracy of the management's provision for product quality guarantee deposit.

IV. Other Information

The management of FAW Jiefang (hereinafter referred to as the management) is responsible for other information. Other information comprises the information included in the Annual Report of Year 2022 of FAW Jiefang, but does not include the financial statements and our auditor's report thereon.

Our audit opinion on the financial statements does not cover other information, and we do not express an assurance conclusion of any kind on other information

Based on our audit of the financial statements, our responsibility is to consider whether other information has material inconsistency or seems to have material misstatement with the financial statements or circumstances that we know during the audit while reading other information.

Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. In this regard, we have nothing to report.

V. Responsibilities of Management and Governance for the Financial Statements

The management of FAW Jiefang shall be responsible for preparing financial statements that present fairly the data in accordance with the Accounting Standards for Business Enterprises, and for designing, implementing and maintaining the internal controls as the management deems necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparation of the financial statement, the management is responsible for assessing FAW Jiefang's sustainable operation ability, disclosing the sustainable operation related items (if applicable) and applying

sustainable operation assumptions, unless otherwise the management plans to liquidate FAW Jiefang, stop operation or it has no other practical choice.

The governance is responsible for supervising the financial reporting process of FAW Jiefang.

VI. CPAs' Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement caused by fraud or error, and to issue an Auditor's Report containing our opinions. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards can always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users would take on the basis of these financial statements.

We exercise professional judgment and maintain professional skepticism in carrying out our audit in accordance with the Auditing Standards. At the same time, we also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal controls.

(2) Know the internal control relating to the audit in order to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(4) Conclude on the appropriateness of the Management's use of the going-concern assumption, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on FAW Jiefang's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on information available as of the date of the Auditor's Report. However, future events or conditions may cause FAW Jiefang to cease to continue as a going concern.

(5) Evaluating the overall presentation, structure and contents of the financial statements and whether the financial statements can fairly reflect the transactions and items.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within FAW Jiefang to express an opinion on the financial statements. We are

responsible for guiding, supervising, and performing the group audit, and assume all responsibilities for our opinion.

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

We also provide the governance with a statement regarding compliance with ethical requirements related to independence and communicate with the governance about all relationships and other matters that could reasonably be considered to affect our independence, as well as related precautions (if applicable).

From the matters communicated with the governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in the Auditor's Report, except that they are prohibited from being publicly disclosed as per the laws and regulations, or in the rare cases, if a negative result that may be caused by communicating some matter in the auditor's report as reasonably expected exceeds the benefit generated by the public interest, we determine not to communicate such matter in the auditor's report.

II. Financial Statements

The unit of statement in the financial notes is CNY

1. Consolidated balance sheet

Prepared by: FAW JIEFANG GROUP CO., LTD.

December 31, 2022

Unit: CNY

Item	December 31, 2022	January 1, 2022
Current assets:		
Monetary capital	21,041,473,417.71	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	186,748,716.22	12,936,978.11
Accounts receivable	867,090,338.42	1,279,693,951.70
Accounts receivable financing	3,461,653,473.66	5,305,018,299.79
Prepayments	897,834,864.08	868,811,412.99
Premiums receivable		

Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other accounts receivable	1,068,454,162.91	249,088,090.95
Including: interests receivable		
Dividends receivable	2,608,000.00	8,567,040.00
Financial assets purchased under agreements to resell		
Inventories	6,382,739,897.83	9,268,120,531.25
Contract assets	11,129,624.75	53,047,687.72
Held-for-sale assets		
Current portion of non-current assets	191,262,030.30	114,825,391.38
Other current assets	894,927,499.59	2,014,149,591.51
Total current assets	35,003,314,025.47	49,926,954,656.80
Non-current assets:		
Loans and advances		
Debt investment		
Other creditors' investment		
Long-term receivables	121,606,587.43	222,590,757.79
Long-term equity investments	4,692,648,635.84	4,766,734,671.74
Investment in other equity instruments	480,780,000.00	
Other non-current financial assets		
Investment property	80,647,597.48	80,202,825.09
Fixed assets	9,612,922,810.28	9,236,789,322.03
Project under construction	1,902,143,354.11	965,997,208.23
Productive biological assets		
Oil and gas assets		
Right-of-use assets	198,220,342.59	143,766,265.44
Intangible assets	2,549,096,918.05	2,772,277,116.13
Development expenditures		
Goodwill		
Long-term deferred expenses	130,439.66	334,598.30

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Deferred income tax assets	2,131,349,905.21	1,650,296,511.26
Other non-current assets		
Total non-current assets	21,769,546,590.65	19,838,989,276.01
Total assets	56,772,860,616.12	69,765,943,932.81
Current liabilities:		
Short-term loans		
Borrowing from the central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	9,198,593,038.03	13,062,704,192.54
Accounts payable	10,033,608,668.06	14,564,899,994.47
Advance receipts	1,861,865.37	1,712,917.27
Contract liabilities	1,629,524,704.35	2,700,642,475.91
Financial assets sold for repurchase		
Deposits taking and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	436,648,178.76	364,450,425.37
Taxes payable	301,211,845.51	173,948,529.53
Other payables	6,095,452,748.17	7,383,223,172.30
Including: interests payable		
Dividends payable	171,500.02	171,500.02
Handling charges and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	32,998,374.87	47,060,544.71
Other current liabilities	133,584,259.07	267,479,444.78
Total current liabilities	27,863,483,682.19	38,566,121,696.88

Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	54,814,603.06	88,307,218.05
Long-term payables		
Long-term employee pay payable	707,310,890.43	764,529,046.36
Estimated liabilities	875,468,804.10	1,257,487,319.78
Deferred incomes	3,121,985,685.93	2,473,072,814.33
Deferred income tax liabilities	430,369,867.93	374,185,114.15
Other non-current liabilities		
Total non-current liabilities	5,189,949,851.45	4,957,581,512.67
Total liabilities	33,053,433,533.64	43,523,703,209.55
Owner's equities:		
Share capital	4,651,965,655.00	4,654,114,613.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	10,451,088,236.74	10,439,365,093.18
Less: treasury shares	267,837,184.11	310,460,486.38
Other comprehensive incomes	-5,399,120.81	-32,794,902.20
Special reserves	370,420,291.86	315,398,148.75
Surplus reserves	3,058,249,602.44	2,742,214,904.83
General risk provision		
Undistributed profits	5,460,939,601.36	8,434,403,352.08
Total equity attributable to owners of the parent company	23,719,427,082.48	26,242,240,723.26
Minority equity		
Total owners' equity	23,719,427,082.48	26,242,240,723.26
Total liabilities and owner's equities	56,772,860,616.12	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	December 31, 2022	January 1, 2022
Current assets:		
Monetary capital	5,776,955.29	9,646,455.17
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments		
Other accounts receivable	224,132.76	432,429.80
Including: interests receivable		
Dividends receivable		
Inventories		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	141,004.41	720,491.14
Total current assets	6,142,092.46	10,799,376.11
Non-current assets:		
Debt investment		
Other creditors' investment		
Long-term receivables		
Long-term equity investments	25,580,280,570.19	25,640,802,370.53
Investment in other equity instruments		
Other non-current financial assets		
Investment property		
Fixed assets		
Project under construction		
Productive biological assets		
Oil and gas assets		

Right-of-use assets		
Intangible assets		
Development expenditures		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	25,580,280,570.19	25,640,802,370.53
Total assets	25,586,422,662.65	25,651,601,746.64
Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	964,364.48	200,000.00
Advance receipts		
Contract liabilities		
Employee compensation payable		
Taxes payable	3,264,343.98	1,462,703.57
Other payables	298,294,257.75	552,502,809.86
Including: interests payable		
Dividends payable	171,500.02	171,500.02
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	302,522,966.21	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 pay payable		
Estimated liabilities		
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	302,522,966.21	554,165,513.43
Owner's equities:		
Share capital	4,651,965,655.00	4,654,114,613.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	12,278,939,213.88	12,267,337,664.44
Less: treasury shares	267,837,184.11	310,460,486.38
Other comprehensive incomes	-480,794.77	304,113.31
Special reserves		
Surplus reserves	1,827,531,841.54	1,511,497,143.93
Undistributed profits	6,793,780,964.90	6,974,643,184.91
Total owners' equity	25,283,899,696.44	25,097,436,233.21
Total liabilities and owner's equities	25,586,422,662.65	25,651,601,746.64

3. Consolidated profit statement

Unit: CNY

Item	2022	Year 2021
I. Total operating revenue	38,331,747,083.88	98,751,242,669.55
Including: operating income	38,331,747,083.88	98,751,242,669.55
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	40,599,244,915.95	95,492,383,491.31
Including: operating cost	35,252,170,886.53	88,809,338,768.60
Interest expense		
Handling charges and commission expense		
Surrender value		

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Net payments for insurance claims		
Net allotment of reserves for insurance liabilities		
Policy dividend expenditure		
Expenses for reinsurance accepted		
Taxes and surcharges	207,798,168.60	366,791,673.98
Sales expenses	1,255,882,221.64	1,754,344,114.38
Administrative expenses	2,040,339,354.62	2,453,597,224.68
R&D expenses	2,895,655,097.73	3,328,946,673.10
Financial expenses	-1,052,600,813.17	-1,220,634,963.43
Including: interest expenses	5,560,792.92	7,533,847.89
Interest income	944,342,610.79	931,991,300.64
Add: Other incomes	1,638,060,139.20	339,850,769.01
Investment income (loss to be listed with “-”)	236,918,218.51	735,914,141.27
Including: income from investment in associates and joint ventures	346,588,767.31	706,078,890.17
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 “-”)	919,157.09	-24,268,589.20
Asset impairment loss (loss to be listed with “-”)	-424,288,578.25	-229,780,995.94
Income from assets disposal (loss to be listed with “-”)	871,031,108.06	458,484.79
III. Operating profit (losses expressed with “-”)	55,142,212.54	4,081,032,988.17
Add: non-operating income	153,997,194.43	55,278,042.86
Less: non-operating expenses	26,567,738.01	27,133,244.78
IV. Total profit (losses expressed with “-”)	182,571,668.96	4,109,177,786.25
Less: Income tax expenses	-185,173,776.38	209,323,025.86
V. Net profit (net losses expressed with “-”)	367,745,445.34	3,899,854,760.39
(I) Classified according to business continuity		
1. Net profit from continuing operations (net losses expressed with “-”)	367,745,445.34	3,899,854,760.39
2. Net profit from discontinuing operations (net losses expressed with “-”)		
(II) Classified according to attribution of the ownership		

1. Net profit attributable to the parent company's shareholders	367,745,445.34	3,899,854,760.39
2. Minority interests		
VI. Net after-tax amount of other comprehensive income	27,395,781.39	-29,691,455.76
Net after-tax amount of other comprehensive income attributable to the owners of the parent company	27,395,781.39	-29,691,455.76
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	27,800,000.00	-28,120,000.00
1. Changes arising from re-measurement of the defined benefit plan	27,800,000.00	-28,120,000.00
2. Other comprehensive incomes that cannot be transferred to profits or losses under the equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified into profits or losses	-404,218.61	-1,571,455.76
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method	-784,908.08	-34,864.10
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Other creditors' investment credit impairment provisions		
5. Cash flow hedging reserve		
6. Differences arising from foreign currency conversion under financial statements	380,689.47	-1,536,591.66
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	395,141,226.73	3,870,163,304.63
Total comprehensive income attributable to the owners of parent company	395,141,226.73	3,870,163,304.63
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(I) Basic income per share	0.0735	0.8412
(II) Diluted income per share	0.0735	0.8412

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	2022	Year 2021
I. Operating revenue		
Less: operating costs		
Taxes and surcharges	112,763.40	449.30
Sales expenses		
Administrative expenses	3,603,463.88	3,666,639.35
R&D expenses		
Financial expenses	88,801.55	-1,526,376.09
Including: interest expenses	338,917.37	23,169.25
Interest income	250,875.82	1,553,654.55
Add: Other incomes	528,150.13	1,023,541.18
Investment income (loss to be listed with "-")	3,163,832,151.72	3,478,121,966.42
Including: income from investment in associates and joint ventures	364,182,151.72	758,201,966.42
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 "-")	-208,297.04	-26,576.46
Asset impairment loss (loss to be listed with "-")		
Income from assets disposal (loss to be listed with "-")		
II. Operating profit (losses expressed with "-")	3,160,346,975.98	3,476,978,218.58
Add: non-operating income	0.07	30.00
Less: non-operating expenses		
III. Total profit (total (losses expressed with "-")	3,160,346,976.05	3,476,978,248.58
Less: Income tax expenses		
IV. Net profit (net losses expressed with "-")	3,160,346,976.05	3,476,978,248.58
(I) Net profit from continuing operations (net losses expressed with "-")	3,160,346,976.05	3,476,978,248.58
(II) Net profit from discontinuing operations (net losses expressed with "-")		
V. Net after-tax amount of other comprehensive income	-784,908.08	-34,864.10
(I) Other comprehensive incomes that cannot be reclassified		

into profits or losses		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive incomes that cannot be transferred to profits or losses under the equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified into profits or losses	-784,908.08	-34,864.10
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method	-784,908.08	-34,864.10
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Other creditors' investment credit impairment provisions		
5. Cash flow hedging reserve		
6. Differences arising from foreign currency conversion under financial statements		
7. Others		
VI. Total comprehensive income	3,159,562,067.97	3,476,943,384.48
VII. Income per share:		
(I) Basic income per share		
(II) Diluted income per share		

5. Consolidated cash flow statement

Item	Unit: CNY	
	2022	Year 2021
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	41,009,913,172.02	85,857,904,781.05
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		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges and commissions		

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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	1,413,758,222.98	
Other cash received relating to operating activities	2,354,350,299.80	1,188,254,227.05
Sub-total of cash inflows from operating activities	44,778,021,694.80	87,046,159,008.10
Cash paid for goods and services	42,672,008,807.22	61,612,707,113.11
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	4,767,225,368.39	5,352,531,478.55
Taxes paid	979,329,590.98	2,729,240,802.70
Other cash paid relating to operating activities	1,494,701,897.56	2,148,556,334.58
Sub-total of cash outflows from operating activities	49,913,265,664.15	71,843,035,728.94
Net cash flows from operating activities	-5,135,243,969.35	15,203,123,279.16
II. Cash Flows from Investing Activities:		
Cash received from the return of investment		
Cash received from acquirement of investment income	461,970,529.25	538,724,591.29
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	455,276,221.08	5,792,273.42
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investing activities	798,551,894.65	4,593,823,672.39
Sub-total of cash inflows from investing activities	1,715,798,644.98	5,138,340,537.10
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,828,776,203.30	2,491,852,081.71
Cash paid to acquire investments	516,780,000.00	44,000,000.00
Net increase in impawn loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities		
Sub-total of cash outflows from investment activities	3,345,556,203.30	2,535,852,081.71
Net cash flows from investment activities	-1,629,757,558.32	2,602,488,455.39
III. Cash flows from financing activities:		
Cash received from absorbing investment		332,790,748.16
Including: Cash received by subsidiaries absorbing minority shareholders' investments		

Cash received from borrowings		
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities		332,790,748.16
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment	3,025,174,498.45	2,325,326,934.50
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	55,183,852.56	55,542,434.20
Sub-total of cash outflows from financing activities	3,080,358,351.01	2,380,869,368.70
Net cash flows from financing activities	-3,080,358,351.01	-2,048,078,620.54
IV. Effects from the change of exchange rate on cash and cash equivalents	352,712.97	-1,536,440.94
V. Net increase in cash and cash equivalents	-9,845,007,165.71	15,755,996,673.07
Add: opening balance of cash and cash equivalents	30,542,676,891.89	14,786,680,218.82
VI. Ending balance of cash and cash equivalents	20,697,669,726.18	30,542,676,891.89

6. Cash flow statement of the parent company

Item	Unit: CNY	
	2022	Year 2021
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services		
Tax refunds received	735,000.75	
Other cash received relating to operating activities	3,050,893,952.65	13,223,474.72
Sub-total of cash inflows from operating activities	3,051,628,953.40	13,223,474.72
Cash paid for goods and services		
Cash paid to and for employees	396,000.00	519,000.00
Taxes paid	96,728.40	8,939,110.30
Other cash paid relating to operating activities	3,276,840,147.92	1,259,995,405.34
Sub-total of cash outflows from operating activities	3,277,332,876.32	1,269,453,515.64
Net cash flows from operating activities	-225,703,922.92	-1,256,230,040.92
II. Cash Flows from Investing Activities:		
Cash received from the return of investment		
Cash received from acquirement of investment income	3,246,753,477.04	3,253,736,791.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investing activities	250,875.82	1,553,654.55
Sub-total of cash inflows from investing activities	3,247,004,352.86	3,255,290,445.92
Cash paid to acquire fixed assets, intangible assets and other long-term assets		

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Cash paid to acquire investments		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities		
Sub-total of cash outflows from investment activities		
Net cash flows from investment activities	3,247,004,352.86	3,255,290,445.92
III. Cash flows from financing activities:		
Cash received from absorbing investment		332,790,748.16
Cash received from borrowings		
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities		332,790,748.16
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment	3,025,174,498.45	2,325,326,934.50
Other cash paid relating to financing activities		
Sub-total of cash outflows from financing activities	3,025,174,498.45	2,325,326,934.50
Net cash flows from financing activities	-3,025,174,498.45	-1,992,536,186.34
IV. Effects from the change of exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-3,874,068.51	6,524,218.66
Add: opening balance of cash and cash equivalents	8,109,077.01	1,584,858.35
VI. Ending balance of cash and cash equivalents	4,235,008.50	8,109,077.01

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: CNY

Item	2022														
	Owners' equity attributable to the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal		
	Preferred Shares	Perpetual bonds	Others												
I. Ending balance of the previous year	4,654,114,613				10,439,365,093.18	310,460,486.38	-32,794,902.20	315,398,148.75	2,742,214,904.83		8,434,403,352.08		26,242,240,723.26	26,242,240,723.26	
Add: changes in accounting policies															
Correction of errors in the previous period															
Business combination under common control															
Others															
II. Opening balance of the current year	4,654,114,613				10,439,365,093.18	310,460,486.38	-32,794,902.20	315,398,148.75	2,742,214,904.83		8,434,403,352.08		26,242,240,723.26	26,242,240,723.26	
III. Increase/decrease in amount of the current period (decrease expressed with "-")	-2,148,958.00				11,723,143.56	-42,623,302.27	27,395,781.39	55,022,143.11	316,034,697.61		-2,973,463,750.72		-2,522,813,640.78	-2,522,813,640.78	
(I) Total							27,395,781.39				367,745,445.3		395,141,226.73	395,141,226.73	

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comprehensive income											4			
(II) Invested and decreased capital of owners	-2,148,958.00				11,723,143.56	-42,623,302.27							52,197,487.83	52,197,487.83
1. Ordinary shares invested by owners	-2,148,958.00				-11,582,883.62								-13,731,841.62	-13,731,841.62
2. Capital contributed by holders of other equity instruments														
3. Amounts of share-based payments recorded in owner's equity					23,184,433.06								23,184,433.06	23,184,433.06
4. Others					121,594.12	-42,623,302.27							42,744,896.39	42,744,896.39
(III) Profit distribution									316,034,697.61		-		-	-3,025,174,498.45
1. Appropriation to surplus reserves									316,034,697.61		-		-	
2. General risk provision withdrawn											3,025,174,498.45		3,025,174,498.45	-3,025,174,498.45
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Internal carryover of owners' equity														

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1. Transfer from capital reserve to paid-in capital (or share capital)															
2. Transfer from surplus reserves to paid-in capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserves								55,022,143.11					55,022,143.11		55,022,143.11
1. Appropriation in the current period								93,946,199.30					93,946,199.30		93,946,199.30
2. Use in the current period								-38,924,056.19					-38,924,056.19		-38,924,056.19
(VI) Others															
IV. Ending balance of the current period	4,651,965,655				10,451,088,236.74	267,837,184.11	-5,399,120.81	370,420,291.86	3,058,249,602.44			5,460,939,601.36		23,719,427,082.48	23,719,427,082.48

Amount of the Previous Period

Unit: CNY

Item	Year 2021														
	Owners' equity attributable to the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal		
	Preferred Shares	Perpetual bonds	Others												
I. Ending balance of the previous year	4,609,666,212				10,098,280,767.34		-3,103,446.44	253,571,466.48	2,394,517,079.97		7,207,573,351.05		24,560,505,430.40	24,560,505,430.40	
Add: changes in accounting policies															
Correction of errors in the previous period															
Business combination under common control															
Others															
II. Opening balance of the current year	4,609,666,212				10,098,280,767.34		-3,103,446.44	253,571,466.48	2,394,517,079.97		7,207,573,351.05		24,560,505,430.40	24,560,505,430.40	
III. Increase/decrease in amount of the current period (decrease expressed with "-")	44,448,401.00				341,084,325.84	310,460,486.38	-29,691,455.76	61,826,682.27	347,697,824.86		1,226,830,001.03		1,681,735,292.86	1,681,735,292.86	
(I) Total comprehensive income							-29,691,455.76				3,899,854,760.39		3,870,163,304.63	3,870,163,304.63	

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(II) Invested and decreased capital of owners	44,448,401.00				341,084,325.84	310,460,486.38							75,072,240.46		75,072,240.46
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	44,448,401.00				286,505,913.88								330,954,314.88		330,954,314.88
4. Others					54,578,411.96	310,460,486.38							-	255,882,074.42	-255,882,074.42
(III) Profit distribution								347,697,824.86		2,673,024,759.36			-	2,325,326,934.50	-
1. Appropriation to surplus reserves								347,697,824.86		347,697,824.86					
2. General risk provision withdrawn															
3. Distribution to owners (or shareholders)										-	2,325,326,934.50		-	2,325,326,934.50	-
4. Others															
(IV) Internal carryover of owners' equity															
1. Transfer from															

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capital reserve to paid-in capital (or share capital)															
2. Transfer from surplus reserves to paid-in capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserves							61,826,682.27					61,826,682.27		61,826,682.27	
1. Appropriation in the current period							119,861,553.93					119,861,553.93		119,861,553.93	
2. Use in the current period							-58,034,871.66					-58,034,871.66		-58,034,871.66	
(VI) Others															
IV. Ending balance of the current period	4,654,114,613				10,439,365,093.18	310,460,486.38	-32,794,902.20	315,398,148.75	2,742,214,904.83		8,434,403,352.08		26,242,240,723.26		26,242,240,723.26

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

Amount in the current period

Unit: CNY

Item	2022											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
I. Ending balance of the previous year	4,654,114,613				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				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 amount of the current period (decrease expressed with "-")	-2,148,958.00				11,601,549.44	-42,623,302.27	-784,908.08		316,034,697.61	-180,862,220.01		186,463,463.23
(I) Total comprehensive income							-784,908.08			3,160,346,976.05		3,159,562,067.97
(II) Invested and decreased capital of	-2,148,958.00				11,601,549.44	-42,623,302.27						52,075,893.71

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owners												
1. Ordinary shares invested by owners	-2,148,958.00				11,582,883.62	-13,731,841.62						
2. Capital contributed by holders of other equity instruments					23,184,433.06	-28,891,460.65						52,075,893.71
3. Amounts of share-based payments recorded in owner's equity												
4. Others												
(III) Profit distribution								316,034,697.61	-3,341,209,196.06			-3,025,174,498.45
1. Appropriation to surplus reserves								316,034,697.61	-316,034,697.61			
2. Distribution to owners (or shareholders)									-3,025,174,498.45			-3,025,174,498.45
3. Others												
(IV) Internal carryover of owners' equity												
1. Transfer from capital reserve to paid-in capital (or share capital)												
2. Transfer from surplus reserves to paid-in capital (or share capital)												

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3. Recovery of losses by surplus reserves												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Use in the current period												
(VI) Others												
IV. Ending balance of the current period	4,651,965,655				12,278,939,213.88	267,837,184.11	-480,794.77		1,827,531,841.54	6,793,780,964.90		25,283,899,696.44

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Amount of the Previous Period

Unit: CNY

Item	Year 2021											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual bonds	Others								
I. Ending balance of the previous year	4,609,666.212				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				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 "-")	44,448,401.00				341,214,064.59	310,460,486.38	-34,864.10		347,697,824.86	803,953,489.22		1,226,818,429.19
(I) Total comprehensive income							-34,864.10			3,476,978,248.58		3,476,943,384.48
(II) Invested and decreased capital of owners	44,448,401.00				341,214,064.59	310,460,486.38						75,201,979.21
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	44,448,401.00				286,505,913.88							330,954,314.88
4. Others					54,708,150.71	310,460,486.38						-255,752,335.67

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						38						
(III) Profit distribution									347,697,824.86	-2,673,024,759.36		-2,325,326,934.50
1. Appropriation to surplus reserves									347,697,824.86	-347,697,824.86		
2. Distribution to owners (or shareholders)										-2,325,326,934.50		-2,325,326,934.50
3. Others												
(IV) Internal carryover of owners' equity												
1. Transfer from capital reserve to paid-in capital (or share capital)												
2. Transfer from surplus reserves to paid-in capital (or share capital)												
3. Recovery of losses by surplus reserves												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Use in the current period												
(VI) Others												
IV. Ending balance of the current period	4,654,114,613				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. Company Profile

1. 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 exclusively established by China FAW Group Corporation. 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 except the equity and some reserved assets of First Automobile Finance Co., Ltd. and Sanguard Automobile Insurance Co., Ltd. to FAW Bestune, and then replaced 100% equity of FAW Bestune Car Co., Ltd. with the equivalent part of 100% equity of FAW Jiefang Automotive Co., Ltd. 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.*

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

On December 15, 2022, the Company held the 30th meeting of the 9th Board of Directors and the 26th meeting of the 9th Board of Supervisors to deliberate and adopt the *Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan*, and agreed to repurchase 1,359,247 shares from 11 employees who are no longer qualified as incentive objects at a price of CNY 6.39 per share. The registered capital of the Company was changed to CNY 4,651,965,655.00. This change was verified according to the *Capital Verification Report (XYZH/2023CCAA2B0001)* issued by ShineWing Accounting Firm (special general partnership). On January 17, 2023, the Company disclosed the *Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares*.

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 five wholly-owned subsidiaries, including 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 9 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., SmartLink and Foshan Diyiyuansu New Energy Technology Co., LTD.

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 March 31, 2023.

2. Scope of consolidated financial statements

In 2022, the Company has 1 secondary subsidiary and 5 tertiary subsidiaries included in the scope of consolidation. For details, please refer to VIII "Changes in Consolidation Scope" and IX "Equity in Other Entities" of 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.

2. Going concern

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.

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" 22, 25 and 33 in Section X - Financial Report.

1. Declaration on Compliance with the Accounting Standard for Business Enterprises

The financial statements prepared by the Company met the requirements of ASBE and truly and fully reflected the consolidated and company's financial position as of December 31, 2022 of the Company and its information such as consolidated and company's financial performance and consolidated and company's cash flow for the year then ended.

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 Treatment Method for Business Combination under Common Control and Different Control

(1) Business combinations involving enterprises under common control

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

assets obtained in the combination. The retained earnings are adjusted if the capital reserve (stock premium) is insufficient for offset.

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

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. 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 before the acquisition of the combined party's control by the combining party and the profit or loss, other comprehensive incomes and changes in other owners' equities that have been recognized during the period from the date of acquisition of the original equity, or the date of common control of the combining party and the combined entity (which is later) to the combination date shall offset against the retained opening earnings or current profit or loss respectively during the period of comparative statement.

(2) Business combinations not involving enterprises under common 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 of the acquiree obtained are recognized as per the fair value on the acquisition date.

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

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

In the separate financial statement, 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 shall be recognized as the initial investment cost for this investment. For other comprehensive incomes from original equity investment recognized by the equity method before the purchase date, they are not disposed. This investment is disposed on the same basis as the investee directly disposing related assets and liabilities. The owners' equity recognized due to changes in other owners' equities of the investee other than net profit or loss, other comprehensive incomes and profit distribution, are transferred into the current profit or loss when this investment is disposed. 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 shall be remeasured at fair value of the equity on the acquisition date. The difference between the fair value and its book value shall be included in investment income for the current period. If the acquiree's equity held before the acquisition date involves other comprehensive income, changes in other owner's equities shall be transformed into the current profit on the acquisition date, except other comprehensive income generated due to remeasuring the change in net liabilities or new assets of defined benefit plan (DBP) by the investee.

(3) Disposal of transaction expenses in business combination

The overhead for the business combination of the combining party, including the expenses for audit, legal services, assessment, and other administrative expenses, shall be recorded in profit or loss for the current period 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 scope of consolidated financial statements is determined on the basis of control. Control refers to the power of the Company over the investee, with which the Company enjoys variable returns through participating in related activities of the investee and is able to influence its amount of return with the power over the investee. 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 with other relevant data. The major accounting policies and accounting periods adopted by the subsidiaries are defined as the same as that of the Company during preparing the consolidated financial statements. The significant transactions and balances between inter-companies should be eliminated.

Where a subsidiary or business has been acquired through a business combination involving enterprises under common control in the reporting period, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are respectively included in the consolidated income statement and consolidated cash flow statement from the date they are controlled by the ultimate controlling party.

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

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

Other comprehensive income in connection with equity investment of the original subsidiaries 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 amount in recording currency at the exchange rate determined by systematic and reasonable methods.

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

(2) Conversion of foreign currency statements

At the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities of the balance sheet are translated to CNY using the spot exchange rate at the balance sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated at the spot exchange rate at the dates on which such items arose.

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

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

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

During the disposal of overseas operation and 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 a party, and form 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.

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

- ① The right of the contract to receive the cash flows of financial assets terminates;
- ② The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

If the obligations of financial liability have been discharged in total or in part, derecognize all or part of it. The Company (the Debtor) signs an agreement with the Creditor to replace the existing financial liabilities with new financial liabilities; the existing financial liabilities are derecognized and the new financial liabilities are recognized when the contractual terms of the new financial liabilities and those of the existing financial liabilities are different in essence.

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

(2) Classification and measurement of financial assets

The Company classifies financial assets into the following three categories according to the business mode of financial assets management and the contractual cash flow characteristics of financial assets at the time of initial recognition: financial assets measured at amortized cost, financial assets measured at fair value 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 manages the financial assets in order to collect contractual cash flows;
- The contract terms of the financial assets stipulate that, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

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

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

The Company classifies financial assets that meet the following conditions and are not designated to be financial assets at fair value through profit or loss as financial assets at fair value through other comprehensive incomes (debt instruments):

- The Company manages the financial assets in order not only to collect contractual cash flows and but also to sell the financial assets;
- The contract terms of the financial assets stipulate that, the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

After initial recognition, such financial assets are subsequently measured at fair value. Interests, impairment losses or gains and exchange 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 derecognition, cumulative gains or losses previously charged to other comprehensive income are transferred from other comprehensive income and charged to the current profit or loss.

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 source of the financial assets managed by the Company, which may be the collection of contract cash flow, 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 provision of services that do not include or take into account significant financing components, the Company takes the consideration amount entitled to receive in expectation as the initially recognized amount.

(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 financial liabilities not classified as at fair value through profit or loss financial liabilities, the transaction costs are recognized in the initially recognized amount.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and those directly designated at the time of initial recognition as financial liabilities at fair value through profit or loss. Such financial liabilities are subsequently measured at fair value, all realized and unrealized gains and losses are recognized in profit or loss for the current period.

Financial liabilities measured at amortized cost

Other financial liabilities shall be measured subsequently by the effective interest method at the amortized cost, and gains or losses arising from the derecognition or amortization shall be included in the current profit or loss.

Distinction between financial liabilities and equity instruments

A financial liability is recognized if one of the following conditions is satisfied:

- ① a contractual obligation to deliver cash or another financial asset to another entity;
- ② a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company;
- ③ Non-derivative instrument contract that will or may be settled with the company's own equity instruments. The Company is obliged to deliver its own equity instruments in variable quantities according to 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 enterprise's own equity instrument, the enterprise's own equity instrument used as a settled instrument need to be considered whether as the substitute of cash or other financial assets or for the holder of the instrument enjoys the residual interest of assets after the issuer deducted

all liabilities. If meets the former condition, the financial instrument should be recognized as financial liabilities; If meets the later condition, the financial instrument is recognized as equity instruments.

(4) Fair value of financial instruments

For the determination methods for fair value of financial assets and liabilities, refer to 39 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

(5) Impairment of financial assets

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

- Financial Assets Measured at Amortized Costs
- Receivables and debt investment measured at fair value with changes included in other comprehensive income;
- Contract assets as defined in ASBE 14 - Revenue;
- Lease receivables;
- Financial guarantee contracts (except those formed by measuring at fair value, with its changes included in current profits and losses, with the transfer of financial assets failing to meet the conditions for derecognition or those continue to be involved in the transferred financial assets).

Measurement of Expected Credit Loss

The expected credit loss refers to the weighted average of credit loss 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).

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

- Aging portfolio

C. Contract assets

- Aging portfolio

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 accounts receivable

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

When determining whether the credit risk has significantly increased since the initial recognition, the Company considers the reasonable and well-founded information obtained by it without unnecessary additional cost or effort, including the forward-looking information. The information to be considered by the Company is as follows:

- The situation that the debtor fails to pay the principal and interest on the due date specified in the contract;
- Serious deterioration of the external or internal credit ratings (if any) of financial instruments that has occurred or is expected;
- Serious deterioration of the debtor's operating results that has occurred or is expected;
- Changes occur in the existing or expected technical, market, economic or legal environment and will have a material adverse effect on the repayment ability of the debtor to the Company.

According to the nature of financial instruments, the Company evaluates whether the credit risk has increased significantly on the basis of individual financial instruments or portfolios of financial instruments. 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. In case of one or more events adversely affecting the expected future cash flow of financial assets, the financial assets become the credit-impaired financial assets. Evidence of credit impairment of financial assets includes the following observable information:

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

Presentation of provision for expected credit loss

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Company remeasures the expected credit loss on each balance sheet date, 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 Company neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, then accounting for the following circumstances: if control over the financial assets is surrendered, derecognize the financial assets and recognize any assets and liabilities arose; if the Company retains the control of the financial assets, recognize the financial assets to the extent of the continuing involvement in the transferred financial assets by the Company and recognize any relating liability.

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

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

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related 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.

If the cost of closing inventory of the Company exceeds its net realizable value at balance sheet date, recognize provision for decline in value of inventories. 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.

Incremental cost to obtain the contract refers to the cost (such as sales commissions) that would not have occurred if the Company had not obtained the contract. If the cost is expected to be recovered, the Company will recognize it as a contract acquisition cost and an asset. 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 profit or loss when incurred.

If the cost incurred for the performance of the contract does not fall within the scope of other accounting standards for business enterprises such as inventory and does not meet the following conditions at the same time, the Company will recognize it as an asset of the contract performance cost:

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

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

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

- ① Residual consideration expected to be obtained by companies in connection with the transfer of goods or services related to the asset;
- ② The cost expected to be incurred for the transfer of the relevant 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 receivables

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

20. Long-term equity investments

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

(1) Recognition of initial investment cost

Long-term equity 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.

For long-term equity investments acquired by other means: For long-term equity investment acquired through cash payment, the actual purchase price shall be regarded as the initial investment cost. For long-term equity investment acquired through issuing equity securities, the fair value of the issued equity securities shall be deemed as the initial investment cost.

(2) Subsequent measurement and recognition of profit or loss

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

For the long-term equity investment calculated with cost method, and except the declared but not released cash dividend or profit which is included in actual amount or consideration paid for acquiring investment, the distributed cash dividend or profit declared by the investee shall be recognized as investment income and included in current profits and losses.

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.

For accounting with the equity method, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profits and losses and other comprehensive income realized by the investee that shall be enjoyed or shared. Meanwhile, the book value of the long-term equity investment shall be adjusted. The part of due share shall be calculated according to the distributed profit or cash dividend declared by the investee, and the book value of the long-term equity investment shall be reduced accordingly. For other changes of owners' equity of the investee except net profit and loss, other comprehensive income and profit distribution, the book value of long-term equity investment shall be adjusted and included in capital reserve (other capital reserve). The Company recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Company.

The sum of the fair value of the original equity and the new investment cost is taken as the initial investment cost calculated with the equity method on the date of conversion if it is possible to exert significant influence on or implement joint control but not constitute control over the investee due to additional investment or other reasons. The cumulative changes in fair value originally included in other comprehensive income related to the original equity are transferred to retained earnings when the equity method is adopted if the original equity is classified as a non-trading equity instrument 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 accounted and recognized with the equity method is subject to the accounting treatment on the same basis for direct disposal of relevant assets or liabilities of the investee when the equity method is terminated for use. Other owner's equity variation related to the original equity investment shall be transferred in current profit and loss.

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 control right is lost due to the decrease of the Company's shareholding ratio for additional investment of other investor but can exert joint control over or significant influence on the investee, share of the increased net assets for additional investment and increasing share of the investee enjoyed by the Company shall be recognized as per new shareholding ratio. The balance between the increased share and the original book value of long-term equity investment corresponding to the decreased part of the carry-over shareholding ratio shall be included in current profit or loss. Then the new shareholding ratio shall be adjusted as it is accounted with equity method upon the acquisition of investment.

The unrealized profit or loss from internal transactions entered into between the Company and its associate or joint venture is offset according to the shareholding percentage held by the Company and the remaining portion is recognized as investment income or loss. 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 provision for asset impairment is described in 39 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

21. Investment real estates

Measurement mode of investment property

Measure by cost method

Depreciation or amortization method

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

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

For the investment real estate which is subsequently measured with the cost mode, the method of drawing asset impairment is described in 39 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

The difference between the disposal income from the sale, transfer, scrapping or damage of investment real estate after deducting its book value and relevant taxes shall be included in the current profits and losses.

22. Fixed assets

(1) Recognition conditions

Fixed assets of the Company mean the tangible assets held for producing commodities, providing 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	2020	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

The Company uses the straight line method for depreciation. The depreciation of fixed assets starts when they reach the expected serviceable condition, and stops when they are derecognized or classified as non-current assets held for sale. Without taking into account of the provision for impairment, the Company determines the annual depreciation rate of various fixed assets according to the category, estimated service life and estimated

residual value of fixed assets. Among them, for fixed assets with provision for impairment, the accumulated amount of provision for impairment shall also be deducted to calculate and determine the depreciation rate.

① For the impairment test methods and impairment provision methods of fixed assets, please refer to 39 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

② The Company reviews the service life, expected net residual value and depreciation method of fixed assets at the end of each year.

If the expected service life is different from the original estimate, the service life of fixed assets shall be adjusted; If the estimated net salvage value is different from the original estimate, the estimated net salvage value shall be adjusted.

③ Disposal of fixed assets

If a fixed asset is disposed of or if no economic benefit will be obtained from the use or disposal, the recognition of such fixed asset is terminated. The disposal income from selling, transferring, discarding or damaging of fixed assets shall be deducted by the book value thereof and relevant taxes and then included in current profits and losses.

23. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

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

For the method of provision for asset impairment of construction in progress, refer to 39 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

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

(3) The impairment test method and drawing method for impairment provision of right-of-use assets are described in 39 "Others" 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 method of provision for asset impairment of the intangible assets, refer to 39 "Others" 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.

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

After the R&D projects of the Company meet the above conditions, pass the technical feasibility and economic feasibility study, and form the project establishment, they shall enter the development stage.

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, associated enterprises and joint ventures, 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 judges whether there is a sign of impairment to assets on the balance sheet date. If such sign exists, the Company estimates the recoverable amount and conducts the impairment test. Impairment tests shall be carried out every year on goodwill resulting from business combination, intangible assets with uncertain service life and intangible assets that 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 recoverable amount is estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the asset group to which the asset belongs. 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 asset or asset group's recoverable amount is lower than its carrying amount, the Company reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

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. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of 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

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

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

Short-term compensation

In the accounting period in which employees have rendered services, the Company recognized the employee wages, bonus, social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability, and charged to profit or loss for the current period or cost of relevant assets.

(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 Company recognizes the following components of employee benefits cost arising from defined benefit plans:

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

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

(3) Accounting method of dismissal welfare

When the Company provides dismissal welfare to employees, 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

Refer to 24 "Right-of-use Assets" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

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.

Expected liabilities are initially measured at the optimal estimate required to perform the relevant current obligation, in comprehensive consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies. The best estimate is determined by discounting the relevant future cash outflow if the time value of money has a significant impact. At the balance sheet date, the carrying amount of the estimated liabilities is reviewed and adjusted by the Company 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 treatment related to implementation, modification and termination of share-based payment plan

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

Cash-settled share-based payment shall be measured in accordance with the fair value of liabilities calculated, confirmed and undertaken by the Company based on the shares or other equity instruments. Where the equity instrument can be vested immediately upon being granted, the payment shall be included in the relevant costs or expenses at the fair value of the liabilities assumed by the Company on the grant date, and the liabilities shall be

increased accordingly. Where the share-based payment settled by cash cannot be vested until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date within the vesting period, the services acquired in current period shall, based on the optimal estimation of the vesting right, be included into costs or expenses and corresponding liabilities at the fair value of the liabilities assumed by the Company. On each balance sheet date and the settlement date prior to the settlement of the relevant liabilities, the fair value of the liabilities shall be re-measured, with its changes included into the current period profit or loss.

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

If, during the vesting period, the granted instruments are canceled (except for those canceled because of failure to meet the non-market conditions of the vesting conditions), the Company shall accelerate the exercise of the granted equity instruments, and immediately include the amount to be recognized in the remaining vesting period in the current profit and loss, and recognize the capital reserve in the meantime. In the event that the employees or other parties can choose to meet the non-vesting conditions but fail to meet such conditions during the vesting period, the Company shall treat it as the cancellation of granted equity instruments.

33. Income

Accounting policies adopted for income recognition and measurement

(1) General principles

The Company has fulfilled its performance obligations of the contract, means it confirms the revenue when the customer has obtained the control rights of the relevant commodities or services.

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

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

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

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

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

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

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 10 "Financial Instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section X "Financial Report"). The Company's unconditional (subject only to the passage of time) right to collect consideration from customers shall be presented as receivables. The Company's obligations to transfer goods or services to the customer due to customer consideration received or receivable shall be defined as contract liabilities.

Contract assets and contract liabilities under the same contract shall be presented in net amount. If the net amount is the debit balance, it shall be presented in the item of "contract assets" or "other non-current assets" according to its liquidity; if the net amount is the credit balance, it shall be presented in the item of "contract liabilities" or "other non-current liabilities" according to its liquidity.

(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

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

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

A government grant related to an asset is a grant obtained by the Company for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as government grant related to income.

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

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

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

If it is necessary to refund the government subsidies 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. The income tax shall be included in the current profit and loss as income tax expenses, except that the deferred income taxes related to the adjustment of goodwill due to business combination or the transactions or matters directly included in the owner's equity are included in the owner's equity.

Temporary differences arising from the difference between the book value of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

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

- (1) The initial recognition of goodwill or the initial recognition of assets or liabilities incurred in a transaction which is neither a business combination nor affects the accounting profit or taxable income at the time of the transaction;
- (2) Concerning the taxable temporary difference related to the investment of subsidiaries, joint ventures and associated enterprises, the time of reversal of the temporary difference can be controlled and the temporary difference is unlikely to be reversed in the foreseeable future.

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

- (1) The transaction is neither a business combination nor affects the accounting profit or taxable income at the time of the transaction;
- (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.

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

36. Lease

(1) Accounting method of operating leases

1) Identification of lease

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

2) The Company acting as the lessee

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

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

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

Short-term lease

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

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

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

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

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

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

3) The Company acting as the lessor

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

Operating lease

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

Lease change

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

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

If the change of finance lease is not taken as a separate lease for accounting treatment, the Company shall treat the changed lease under the following circumstances respectively: ① If the change takes effect on the commencement date of the lease and the lease will be classified as an operating lease, the Company will take it as a new lease for accounting treatment from the effective date of the 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. ② If the change takes effect on the commencement date of the lease and the lease will be classified as a finance lease, the Company shall carry out accounting treatment in accordance with the provisions of the ASBE 22 Recognition and Measurement of Financial Instruments on modifying or renegotiating the contract.

(2) Accounting method of finance leases

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

Derecognition and impairment of finance lease receivables are accounted for according to the 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) Change in significant accounting policies

① Interpretation No. 15 of Accounting Standards for Business Enterprises

In December 2021, the Ministry of Finance issued the *Interpretation No. 15 of Accounting Standards for Business Enterprises* (CK [2021] No. 35) (hereinafter referred to as "Interpretation No. 15").

According to the Interpretation No. 15, if an enterprise sells the products or by-products produced before the fixed assets are in serviceable condition as expected or during the R&D process (hereinafter collectively referred to as trial sales), in accordance with the provisions of *Accounting Standards for Business Enterprises No. 14 - Revenue* and *Accounting Standards for Business Enterprises No. 1 - Inventory*, the incomes and costs related to the trial sales shall be subjected to accounting treatment respectively, and included in the current profits and losses, and the net amount of trial sales revenue after offsetting relevant costs shall not be used to offset the cost of fixed assets or R&D expenditures. Before external sales, relevant products or by-products produced in the trial run shall be recognized as inventories if they meet the provisions of the *Accounting Standards for Business Enterprises No. 1 - Inventory*, and shall be recognized as relevant assets if they meet the relevant asset recognition conditions in other relevant accounting standards for business enterprises.

Since January 1, 2022, the Company has implemented the provisions of Interpretation No. 15 regarding "Accounting Treatment for External Sales of Products or By-products Produced by Enterprises before the Fixed Assets is in Serviceable Condition as Expected or during the R&D Process", and has made retrospective adjustments.

According to the Interpretation No. 15, the "unavoidable cost of performing contractual obligations" in onerous contracts shall reflect the minimum net cost of withdrawing from the contract, that is, the lower of the cost of performing the contract and the compensation or penalty incurred for failure to perform the contract. The enterprise's cost of performing the contract includes the incremental cost of performing the contract and the apportioned amount of other costs directly related to the performance of the contract. Among them, the incremental cost of performing the contract includes direct labor, direct materials, etc.; the apportioned amount of other costs directly related to the performance of the contract includes the apportioned amount of depreciation expenses of fixed assets used to perform the contract, etc.

Since January 1, 2022, the Company has implemented the provisions of Interpretation No. 15 regarding "Judgment on Onerous Contracts", and has made retrospective adjustments to the retained earnings on January 1, 2022, without adjusting the data in the previous comparative financial statements.

The adoption of Interpretation No. 15 did not have a significant impact on the financial situation and operating results of the Company.

② Interpretation No. 16 of Accounting Standards for Business Enterprises

In November 2022, the Ministry of Finance issued the *Interpretation No. 16 of the Accounting Standards for Business Enterprises* (CK [2022] No. 31) (hereinafter referred to as "Interpretation No. 16").

According to the Interpretation No. 16, for perpetual bond and other financial instruments classified as equity instruments, enterprises shall recognize the income tax effect related to dividends when recognizing dividends payable. For transactions or events in which the distributed profits are derived from previous profits or losses, the income tax effect of the dividends shall be included in the current profits and losses; for transactions or events in which the distributed profits are derived from previously recognized owners' equity, the income tax effect of the dividends shall be included in the owners' equity.

If the dividends payable on recognition of financial instruments classified as equity instruments occurred in the current year, the Company shall make accounting treatment for the income tax effect involved in accordance with the Interpretation No. 16; and if the dividends payable occurred before January 1, 2022 and the relevant financial instruments have not been recognized on January 1, 2022, the income tax effect involved shall be retroactively adjusted.

According to the Interpretation No. 16, if the enterprise amends the terms and conditions of the cash-settled share-based payment agreement so that it becomes an equity-settled share-based payment, on the amendment date, the enterprise shall measure the equity-settled share-based payment at the fair value of the granted equity instrument on that day, include the obtained services in the capital reserve, and derecognize the liabilities recognized on the amendment date for the cash-settled share-based payment. The difference between the two shall be included in the current profits and losses. If the vesting period is extended or shortened due to amendment, the enterprise shall carry out the above accounting treatment according to the modified vesting period (without considering the relevant accounting treatment provisions that are unfavorable to the amendment).

The cash-settled share-based payment of the Company in the current year is changed to equity-settled share-based payment, which is subject to accounting treatment in accordance with the provisions of the Interpretation No. 16. For such transactions that occurred before January 1, 2022, the retained earnings and other relevant financial statement items on January 1, 2022 are adjusted, but the information in comparable periods is not adjusted.

The adoption of Interpretation No. 16 did not have a significant impact on the financial situation and operating results of the Company.

(2) Change in significant accounting estimates

None

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

39. Others

(1) Fair value measurement

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

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

Fair value of financial assets or financial liabilities existing in the active market will be recognized based on quotations in the active market by the Company. For a financial instrument without an active market, its fair value is determined through valuation techniques.

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

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

For assets and liabilities measured or disclosed at fair value in the financial statements, the level to which the fair value belongs is determined according to the lowest level input value that is of significance for the whole fair value measurement: The input value for the first level refers to the unadjusted quotation of the same assets or liabilities in the active market that can be obtained on the measurement date; the input value for the second

level refers to the input value that can be directly or indirectly observed for relevant assets or liabilities other than that for the first level; and the input value for the third level refers to the input value that cannot be observed for relevant assets or liabilities.

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

(2) Contract cost

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

Incremental cost to obtain the contract refers to the cost (such as sales commissions) that would not have occurred if the Company had not obtained the contract. If the cost is expected to be recovered, the Company will recognize it as a contract acquisition cost and an asset. 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 profit or loss when incurred.

If the cost incurred for the performance of the contract does not fall within the scope of other accounting standards for business enterprises such as inventory and does not meet the following conditions at the same time, the Company will recognize it as an asset of the contract performance cost:

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

Assets recognized as contract acquisition costs and that recognized as contract performance costs (hereinafter referred to as "assets related to contract costs") are amortized on the same basis as revenue recognition of goods or services related to the assets and are included in current profits and losses. If the amortization period does not exceed one year, it shall be included in the current profits and losses when it occurs.

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

- ① Residual consideration expected to be obtained by companies in connection with the transfer of goods or services related to the asset;
- ② The cost expected to be incurred for the transfer of the relevant 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.

(3) Work safety cost and maintenance & renovation cost

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

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

For transportation enterprises, the work safety cost is withdrawn month by month in an average manner according to the following standards based on the actual operating income in the previous year: 1% for ordinary freight business; 1.5% for passenger transportation business, and special freight business such as pipeline transportation and dangerous goods transportation.

Work safety cost and maintenance & renovation cost are included in the cost of relevant products or the current profit and loss when withdrawn, and are also included in the "special reserve" account.

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

(4) Repurchase of shares

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

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

(5) Restricted shares

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

(6) 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 judges whether there is a sign of impairment to assets on the balance sheet date. If such sign exists, the Company estimates the recoverable amount and conducts the impairment test. Impairment tests shall be carried out every year on goodwill resulting from business combination, intangible assets with uncertain service life and intangible assets that 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 recoverable amount is estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the asset group to which the asset belongs. 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 asset or asset group's recoverable amount is lower than its carrying amount, the Company reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

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. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of 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.

(7) Significant accounting judgments and estimates

The Company continuously evaluates the significant accounting estimates and key assumptions adopted based on historical experience and other factors, including reasonable expectations for future events. Significant accounting estimates and key assumptions 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 include the analysis of business models and the contractual cash flow characteristics.

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

When evaluating whether the contractual cash flow of financial assets is consistent with the basic loan arrangement, the Company has the following main judgments: whether the principal may change in the time distribution or amount in the duration due to prepayment and other reasons; whether the interest includes only the time value of money, credit risk, other basic borrowing risks and consideration with 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 through default risk exposure and expected credit loss rate of accounts receivable, and determines the expected credit loss rate based on default probability and loss given default. In determining the expected credit loss rate, the Company uses the internal historical credit loss experience and other data, and adjusts the historical data according to the current situation and forward-looking information. When considering forward-looking information, the indicators used by the Company include risks of economic downturn, changes in external market environment, technological environment and customer conditions. The Company regularly monitors and reviews the assumptions related to the calculation of expected credit losses.

Development expenditures

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

Deferred income tax assets

The deferred tax assets shall be recognized concerning all unused tax losses to the extent that there is very likely to be sufficient taxable profit to offset loss. This requires the management to estimate the timing and amount of future taxable profit using large amounts of judgment and to determine the recognized amount of deferred tax assets by referring to the tax planning strategy.

Estimated liabilities

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

VI. Taxes

1. Main taxes and tax rates

Tax Category	Tax Basis	Tax Rate
VAT	Taxable value-added tax (the tax payable is calculated by multiplying taxable sales by applicable tax rate and then deducting input tax which is allowed to be deducted for the current period)	13%, 9%, 6%, 5%
Urban maintenance and construction tax	Turnover tax actually paid	7%, 5%
Corporate income tax	Taxable income	25%
Local educational surcharges	Turnover tax actually paid	2%
Education surcharges	Turnover tax actually paid	3%
Land use tax	Land use area	CNY 9/m ² , CNY 14/m ² , etc.
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
The Company	25%
Jiefang Limited	15%
Wuxi Dahao Power Co., Ltd.	25%
FAW Jiefang (Qingdao) Automotive Co., Ltd.	25%
FAW Jiefang Dalian Diesel Engine Co., Ltd.	15%
FAW Austria Automobile R&D GmbH	25%
FAW Jiefang New Energy Vehicle 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 Consolidated Financial Statements

1. Monetary capital

Unit: CNY

Item	Ending balance	Opening balance
Cash at bank	20,992,347,381.12	30,709,255,009.05
Other monetary capital	49,126,036.59	52,007,712.35
Total	21,041,473,417.71	30,761,262,721.40
Including: total amount deposited abroad	13,903,726.95	13,585,238.95
Total amount with limited use due to mortgage, pledge or freezing	50,667,983.38	56,005,226.87

Other notes:

Details of restricted monetary capital are as follows:

Item	Ending balance	Ending balance of the previous year
Security deposit for three types of personnel	27,077,797.58	26,244,528.16
Housing maintenance fund	22,048,239.01	21,993,684.19
Court freezing	1,541,946.79	3,997,514.52
Security deposit for migrant workers' wages		3,769,500.00
Total	50,667,983.38	56,005,226.87

2. Notes receivable

(1) Classification of notes receivable

Unit: CNY

Item	Ending balance	Opening balance
Commercial acceptance notes	186,748,716.22	12,936,978.11
Total	186,748,716.22	12,936,978.11

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Carrying amount
	Amount	Scale	Amount	Provision proportion		Amount	Scale	Amount	Provision proportion	
Including:										
Notes receivable with provision for bad debts made by portfolio	187,550,142.00	100.00%	801,425.78	0.43%	186,748,716.22	13,008,525.00	100.00%	71,546.89	0.55%	12,936,978.11
Including:										
Commercial acceptance bill	187,550,142.00	100.00%	801,425.78	0.43%	186,748,716.22	13,008,525.00	100.00%	71,546.89	0.55%	12,936,978.11
Total	187,550,142.00	100.00%	801,425.78	0.43%	186,748,716.22	13,008,525.00	100.00%	71,546.89	0.55%	12,936,978.11

Provision for bad debts made by portfolio: commercial acceptance bills

Unit: CNY

Name	Ending balance		
	Book balance	Bad debt provision	Provision proportion
Less than one year	187,550,142.00	801,425.78	0.43%
Total	187,550,142.00	801,425.78	

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 notes receivable is withdrawn based on the general model of expected credit losses:

 Applicable Not Applicable

Item for which allowance was made on a collective basis: commercial acceptance bills

Aging	Ending balance			Ending balance of the previous year		
	Notes receivable	Bad debt provision	Expected credit loss rate (%)	Notes receivable	Bad debt provision	Expected credit loss rate (%)
< 1 year	187,550,142.00	801,425.78	0.43	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	729,878.89				801,425.78
Total	71,546.89	729,878.89				801,425.78

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

 Applicable Not applicable
(3) Notes Receivable Endorsed or Discounted by the Company and Not Yet Expired on Date of Balance Sheet

Unit: CNY

Item	Derecognized amount at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bill	8,565,691,296.05	
Total	8,565,691,296.05	

3. Accounts receivable

(1) Disclosure of accounts receivable by category

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Carrying amount
	Amount	Scale	Amount	Provision proportion		Amount	Scale	Amount	Provision proportion	
Accounts receivable with provision for bad debt made individually	82,039,650.69	8.10%	82,039,650.69	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	930,458,334.81	91.90%	63,367,996.39	6.81%	867,090,338.42	1,332,966,224.45	93.21%	53,272,272.75	4.00%	1,279,693,951.70
Including:										
Aging portfolio	930,458,334.81	91.90%	63,367,996.39	6.81%	867,090,338.42	1,332,966,224.45	93.21%	53,272,272.75	4.00%	1,279,693,951.70
Total	1,012,497,985.50	100.00%	145,407,647.08	14.36%	867,090,338.42	1,430,112,615.14	100.00%	150,418,663.44	10.52%	1,279,693,951.70

Bad debt reserves on a single item:

Unit: CNY

Name	Ending balance			
	Book balance	Bad debt provision	Provision proportion	Reasons for provision
Jiangsu Xinrui New Energy Vehicle Technology Co., Ltd.	37,612,001.70	37,612,001.70	100.00%	Highly unlikely to be recovered
Zhejiang Hanglun Ligang Trading Co., Ltd.	8,581,536.83	8,581,536.83	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
Beijing Hotan Automobile Modification Co., Ltd.	7,436,520.00	7,436,520.00	100.00%	Highly unlikely to be recovered
Changchun Xiongtu New Energy Vehicle Co., Ltd.	6,230,500.00	6,230,500.00	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
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
FAW Jingye Engine Co., Ltd.	1,820,957.23	1,820,957.23	100.00%	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
Shenyang Jinbei Vehicle	889,279.05	889,279.05	100.00%	It has been prosecuted, but

Manufacturing Co., Ltd.				highly unlikely to be recovered
Jilin Zhuzhan Automobile Trading Co., Ltd.	848,566.00	848,566.00	100.00%	Highly unlikely to be recovered
Dalian Baofeng Automobile Sales Co., Ltd.	496,200.00	496,200.00	100.00%	Highly unlikely to be recovered
Liangshan Huatai Trading Co., Ltd.	349,190.00	349,190.00	100.00%	Highly unlikely to be recovered
Zhejiang Baoding Automobile Sales Co., Ltd.	80,035.12	80,035.12	100.00%	Highly unlikely to be recovered
Transportation Group (Qingdao) Sunshine Automobile Sales and Service Co., Ltd.	20,835.47	20,835.47	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
Total	82,039,650.69	82,039,650.69		

Provision for bad debts made by portfolio: aging portfolio

Unit: CNY

Name	Ending balance		
	Book balance	Bad debt provision	Provision proportion
Within 1 year	786,514,528.13	1,677,403.73	0.21%
1-2 years	61,407,181.73	10,955,035.04	17.84%
2-3 years	71,238,950.11	39,437,882.78	55.36%
3-4 years	666,586.58	666,586.58	100.00%
Over 4 years	10,631,088.26	10,631,088.26	100.00%
Total	930,458,334.81	63,367,996.39	

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	Book balance
Within 1 year (including 1 year)	786,514,528.13
Including: 0-6 months	702,938,136.01
7-12 months	83,576,392.12
1-2 years	61,407,181.73
2-3 years	71,238,950.11
Over 3 years	93,337,325.53
3-4 years	767,457.17
4-5 years	58,697,500.75
Over 5 years	33,872,367.61
Total	1,012,497,985.50

(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	10,227,463.64	-15,106,740.00	-131,740.00		145,407,647.08
Total	150,418,663.44	10,227,463.64	-15,106,740.00	-131,740.00		145,407,647.08

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

Unit: CNY

Name of Organization	Amount recovered or reversed	Recovery method
Transportation Group (Qingdao) Sunshine Automobile Sales and Service Co., Ltd.	11,000,000.00	Bank acceptance bill
Dalian Qingfeng Bus Co., Ltd.	4,000,000.00	Cash at bank
Beijing Institute of Radio Measurement	71,740.00	Cash at bank
Jilin Zhuzhan Automobile Trading Co., Ltd.	35,000.00	Cash at bank
Total	15,106,740.00	

(3) Accounts Receivable Actually Written off in Current Period

Unit: CNY

Item	Amount written off
Accounts receivable actually written off	131,740.00

Verification of important accounts receivable is as follows:

Unit: CNY

Name of Organization	Nature of accounts receivable	Amount written off	Reason for write-off	Write-off procedures performed	Whether generated by related party transactions
North Huade Vehicle Co., Ltd.	Payment for goods	131,740.00	Bad debts, long-term arrears that cannot be recovered	General manager's meeting for decisions	No
Total		131,740.00			

Description of write-off of accounts receivable:

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

Unit: CNY

Name of Organization	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.	320,294,820.43	31.63%	410,938.54
Customer 1	147,907,333.49	14.61%	147,907.33
Customer 2	69,454,500.00	6.86%	14,329,977.70
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	61,683,343.69	6.09%	7,544,307.53
Customer 3	39,197,356.00	3.87%	215,585.46
Total	638,537,353.61	63.06%	

4. Receivables financing

Unit: CNY

Item	Ending balance	Opening balance
Notes receivable	3,461,653,473.66	5,305,018,299.79
Total	3,461,653,473.66	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

Other notes:

5. Prepayments**(1) Presentation of prepayment by aging**

Unit: CNY

Aging	Ending balance		Opening balance	
	Amount	Scale	Amount	Scale
Within 1 year	683,392,293.37	76.12%	797,055,366.07	91.74%
1-2 years	179,765,899.07	20.02%	44,227,099.84	5.09%
2-3 years	17,802,947.31	1.98%	15,714,068.26	1.81%
Over 3 years	16,873,724.33	1.88%	11,814,878.82	1.36%
Total	897,834,864.08		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.	117,930,561.31	13.13	Undue settlement period
Customer 1	24,390,033.00	2.72	Undue settlement period

Name of Debtor	Book balance	Proportion in total prepayments (%)	Reasons for non-settlement
Qiming Information Technology Co., Ltd.	6,354,000.00	0.71	Undue settlement period
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	5,478,800.00	0.61	Undue settlement period
Customer 2	4,916,803.42	0.55	Undue settlement period
Customer 3	3,325,800.00	0.37	Undue settlement period
Total	162,395,997.73	18.09	--

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

The advance payments with top five closing balance classified by the prepaid parties in the current period is CNY 530,271,452.54, accounting for 59.06% of the total closing balance of advance payments.

Other notes: none

6. Other receivables

Unit: CNY

Item	Ending balance	Opening balance
Dividends receivable	2,608,000.00	8,567,040.00
Other accounts receivable	1,065,846,162.91	240,521,050.95
Total	1,068,454,162.91	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.	2,608,000.00	8,567,040.00
Total	2,608,000.00	8,567,040.00

2) Provision for bad debts

Applicable Not applicable

Other notes:

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

Unit: CNY

Nature	Ending book balance	Opening book balance
Current account	915,518,158.63	99,570,166.66
Claim payment	197,953,339.79	196,444,173.02
Margin, deposit	38,988,831.99	34,872,256.53
Reserve fund	10,164,463.79	4,777,757.97
Total	1,162,624,794.20	335,664,354.18

2) Provision for bad debts

Unit: CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected loss in the duration (credit impairment not occurred)	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 stage II	-555,299.13	555,299.13		
— Transfer to stage III		-8,227,110.28	8,227,110.28	
Provision in the current period	-1,475,914.17	3,115,083.12		1,639,168.95
Reversal in the current period			-3,840.89	-3,840.89
Balance as at December 31, 2022	3,002,964.74	25,052,575.21	68,723,091.34	96,778,631.29

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	Book balance
Within 1 year (including 1 year)	1,063,615,196.21
Including: 0-6 months	1,062,285,764.54
7-12 months	1,329,431.67
1-2 years	1,441,092.04
2-3 years	4,041,713.73
Over 3 years	93,526,792.22
3-4 years	8,377,324.28
4-5 years	39,525,093.62
Over 5 years	45,624,374.32
Total	1,162,624,794.20

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 accounts receivable	95,143,303.23	1,639,168.95	-3,840.89			96,778,631.29
Total	95,143,303.23	1,639,168.95	-3,840.89			96,778,631.29

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

Unit: CNY

Name of Organization	Amount reversed or recovered	Recovery method
Employee arrears	3,840.89	Cash at bank
Total	3,840.89	—

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

Unit: CNY

Name of Organization	Payment nature	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending balance of bad debts provision
Customer 1	Funds for land purchase and reserve	660,862,800.00	Within 1 year	56.84%	660,862.80
Customer 2	Current account	50,230,038.50	0-6 months	4.32%	462,116.35
Customer 3	Current account	49,557,522.13	0-6 months	4.26%	455,929.20
Customer 4	New energy vehicle sales subsidies	48,155,960.00	4-5 years; over 5 years	4.14%	48,155,960.00
Customer 5	Current account	38,332,743.36	0-6 months	3.30%	352,661.24
Total		847,139,063.99		72.86%	50,087,529.59

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	Carrying amount	Book balance	Provision for impairment of inventory or contract performance cost	Carrying amount
Raw materials	351,801,254.38	34,595,186.53	317,206,067.85	379,195,753.25	35,363,287.47	343,832,465.78
Goods in process	564,240,295.08	3,741,307.32	560,498,987.76	676,093,365.06	4,732,672.33	671,360,692.73
Goods in stocks	3,281,304,875.32	183,152,615.52	3,098,152,259.80	5,864,661,527.18	143,363,374.55	5,721,298,152.63
Revolving materials	92,939,661.90	2,463,306.64	90,476,355.26	103,311,491.37	1,244,042.64	102,067,448.73
Others	2,509,560,166.91	193,153,939.75	2,316,406,227.16	2,618,917,617.54	189,355,846.16	2,429,561,771.38
Total	6,799,846,253.59	417,106,355.76	6,382,739,897.83	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 current period		Decrease in current period		Ending balance
		Provision	Others	Reverse or charge-off	Others	
Raw materials	35,363,287.47	773,725.07		1,541,826.01		34,595,186.53
Goods in process	4,732,672.33	1,414,223.41		2,405,588.42		3,741,307.32
Goods in stocks	143,363,374.55	332,094,426.49		292,305,185.52		183,152,615.52
Revolving materials	1,244,042.64	1,219,264.00				2,463,306.64
Others	189,355,846.16	82,946,767.92		79,148,674.33		193,153,939.75
Total	374,059,223.15	418,448,406.89		375,401,274.28		417,106,355.76

8. Contractual assets

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Contract assets	11,341,422.54	211,797.79	11,129,624.75	57,650,067.72	4,602,380.00	53,047,687.72
Total	11,341,422.54	211,797.79	11,129,624.75	57,650,067.72	4,602,380.00	53,047,687.72

Amount and reason of significant changes in the book value of contract assets in the current period: Unit: CNY

Item	Change amount	Reason for change
Shandong Wuzheng Group Co., Ltd.	3,163,711.67	New quality guarantee deposit in the current period
Forland Pilot Truck Factory of Beiqi Foton Motor Co., Ltd.	-1,714,986.00	Expiration of quality guarantee deposit
Changchun Public Transport (Group) Co., Ltd.	-43,838,920.00	Expiration of quality guarantee deposit
Total	-42,390,194.33	—

Information about the provision for bad debts 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

Bad debt provision made as per portfolio:

Portfolio provision item: aging portfolio

Unit: CNY

Category	Ending balance			Ending balance of the previous year		
	Contract assets	Bad debt provision	Expected credit loss rate (%)	Contract assets	Bad debt provision	Expected credit loss rate (%)
Within 1 year	10,153,037.67	34,255.92	0.34	31,421,323.96	86,311.95	0.27
1-2 years	1,188,384.87	177,541.87	14.94	26,228,743.76	4,516,068.05	17.22
Total	11,341,422.54	211,797.79	1.87	57,650,067.72	4,602,380.00	7.98

Provision for impairment of contract 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	-4,390,582.21			Risks in payment collection
Total	-4,390,582.21			—

9. Long-term receivables due within 1 year

Unit: CNY

Item	Ending balance	Opening balance
Long-term receivables due within 1 year	191,262,030.30	114,825,391.38
Total	191,262,030.30	114,825,391.38

10. Other current assets

Unit: CNY

Item	Ending balance	Opening balance
Input tax	510,325,627.83	1,368,192,743.48
Input tax to be verified	384,601,871.76	19,065,353.23
Prepaid income tax		626,891,494.80
Total	894,927,499.59	2,014,149,591.51

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

Unit: CNY

Item	Ending balance			Opening balance			Discount rate range
	Book balance	Bad debt provision	Carrying amount	Book balance	Bad debt provision	Carrying amount	
Sales of goods by installments	315,738,954.37	2,870,336.64	312,868,617.73	338,691,573.49	1,275,424.32	337,416,149.17	
Long-term receivables due within 1 year	-193,577,418.87	-2,315,388.57	-191,262,030.30	-115,267,222.47	-441,831.09	-114,825,391.38	
Total	122,161,535.50	554,948.07	121,606,587.43	223,424,351.02	833,593.23	222,590,757.79	

Impairment of provision for bad debts

Unit: CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected loss in the duration (credit impairment not occurred)	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	1,594,912.32			1,594,912.32
Balance as at December 31, 2022	2,870,336.64			2,870,336.64

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

 Applicable Not applicable**12. Long-term Equity Investment** Unit: CNY

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Investee	Opening balance (book value)	Increase/Decrease in the current period								Ending balance (book value)	Endi ng balan ce of impai rment provi sion	
		Investment increase	Invest ment decre ase	Investment gains or losses recognized under the equity method	Adjustment to other comprehensi ve income	Changes in other equity	Cash dividends and profits declared to pay	Impa irment prov ision	Ot he rs			
I. Joint ventures												
II. Associated enterprises												
First Automobile Finance Co., Ltd.	4,341,181,324.38			358,137,304.38	-98,154.88			429,182,504.29			4,270,037,969.59	
Sanguard Automobile Insurance Co., Ltd.	213,584,040.85			6,044,847.34	-686,753.20			17,920,972.75			201,021,162.24	
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	85,910,484.18			3,642,150.88		121,594.12		2,608,000.00			87,066,229.18	
Changchun Wabco Automotive Control System Co., Ltd.	20,301,325.09			-3,013,158.96							17,288,166.13	
Suzhou Zhito Technology Co., Ltd.												
FAW Changchun Baoyou Steel Processing and	43,140,497.54			7,015,983.25				6,300,012.21			43,856,468.58	

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Distribution Co., Ltd.										
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	35,181,984.88			1,910,582.53						37,092,567.41
SmartLink	27,435,014.82			-27,148,942.11						286,072.71
Foshan Diyyuan New Energy Technology Co., Ltd.		36,000,000.00								36,000,000.00
Subtotal	4,766,734,671.74	36,000,000.00		346,588,767.31	-784,908.08	121,594.12	456,011,489.25			4,692,648,635.84
Total	4,766,734,671.74	36,000,000.00		346,588,767.31	-784,908.08	121,594.12	456,011,489.25			4,692,648,635.84

Other notes:

13. Other equity instrument investments

Unit: CNY

Item	Ending balance	Opening balance
REFIRE	480,780,000.00	
Total	480,780,000.00	

Other notes: The equity of Shanghai Refire Group Limited is an investment that the Company plans to hold for a long time for strategic purposes, so the Company designates it as a financial asset measured at fair value and whose changes are included in other comprehensive incomes.

14. 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	17,261,344.57	92,855,371.47		110,116,716.04
(1) Purchase				
(2) Transferred from inventories / fixed assets / construction in progress	17,261,344.57	92,855,371.47		110,116,716.04
(3) Increase due to business combination				
3. Decrease in the current period	19,853,163.65	87,533,093.13		107,386,256.78
(1) Disposal				
(2) Other transfer-out				
(3) Reversal of intangible assets		87,533,093.13		87,533,093.13
(4) Transferred to fixed assets	16,931,930.47			16,931,930.47
(5) Transferred to construction in progress	2,921,233.18			2,921,233.18
4. Ending balance	145,745,882.84	7,364,400.94		153,110,283.78
II. Accumulated depreciation and accumulated amortization				

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1. Opening balance	70,076,640.08	100,359.35		70,176,999.43
2. Increase in the current period	17,341,992.28	21,497,218.21		38,839,210.49
(1) Provision or amortization	7,328,867.88	1,309,979.48		8,638,847.36
(2) Other increases	10,013,124.40	20,187,238.73		30,200,363.13
3. Decrease in the current period	16,200,021.65	20,353,501.97		36,553,523.62
(1) Disposal				
(2) Other transfer-out				
(3) Reversal of intangible assets		20,353,501.97		20,353,501.97
(4) Transferred to fixed assets	13,358,236.95			13,358,236.95
(5) Transferred to construction in progress	2,841,784.70			2,841,784.70
4. Ending balance	71,218,610.71	1,244,075.59		72,462,686.30
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				
4. Ending balance				
IV. Book value				
1. Ending book value	74,527,272.13	6,120,325.35		80,647,597.48
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	Carrying amount	Reasons for failure to obtain the certificate
Property, No. 949, Chongqing Middle Road, Licang District	1,139,949.09	This plot has been included in the government renovation project, and the property ownership certificate cannot be applied for at present

Other notes:

15. Fixed assets

Unit: CNY

Item	Ending balance	Opening balance
Fixed assets	9,604,636,127.53	9,224,786,362.59
Fixed assets liquidation	8,286,682.75	12,002,959.44
Total	9,612,922,810.28	9,236,789,322.03

(1) Details of fixed assets

Unit: CNY

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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	512,847,259.65	1,305,207,244.87	16,618,348.08	107,948,086.49	9,876,554.53	69,571,941.23	2,022,069,434.85
(1) Purchase	7,323,316.04	124,649,827.82	12,272,892.19	79,798,962.29	1,836,183.46	41,425,204.35	267,306,386.15
(2) Transfer to construction in progress	488,592,013.14	1,180,557,417.05	4,345,455.89	28,149,124.20	8,040,371.07	28,146,736.88	1,737,831,118.23
(3) Increase due to business combination							
(4) Other increases	16,931,930.47						16,931,930.47
3. Decrease in the current period	152,520,446.16	507,434,433.27	6,938,046.83	18,503,944.47	1,257,616.55	11,000,868.67	697,655,355.95
(1) Disposal or retirement	118,838,331.39	394,660,332.13	4,769,006.41	18,503,944.47	1,257,616.55	11,000,868.67	549,030,099.62
(2) Other decreases	33,682,114.77	112,774,101.14	2,169,040.42				148,625,256.33
4. Ending balance	5,725,009,716.16	15,656,156,281.82	163,214,691.23	662,116,184.02	60,661,288.33	1,331,905,071.36	23,599,063,232.92
II. Accumulated depreciation							
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	278,585,879.88	1,046,296,805.59	18,578,581.99	86,065,747.31	5,724,655.51	99,198,577.63	1,534,450,247.91
(1) Provision	265,227,642.93	1,046,181,393.98	18,414,338.25	86,065,747.31	5,724,655.51	99,198,577.63	1,520,812,355.61
(2) Transfer to construction in progress		115,411.61	164,243.74				279,655.35
(3) Other increases	13,358,236.95						13,358,236.95
3. Decrease in the current period	115,487,732.35	392,113,522.05	4,808,484.38	18,423,385.20	1,195,593.94	10,646,640.95	542,675,358.87
(1) Disposal or retirement	92,365,173.75	315,963,802.37	4,644,240.64	18,423,385.20	1,195,593.94	10,646,640.95	443,238,836.85
(2) Other decreases	23,122,558.60	76,149,719.68	164,243.74				99,436,522.02
4. Ending balance	2,311,008,528.82	9,948,863,333.22	116,715,194.87	483,841,486.87	44,160,940.50	1,059,255,698.93	13,963,845,183.21
III. Provision for impairment							
1. Opening balance	12,344.37	75,572,210.09				2,207,942.80	77,792,497.26
2. Increase in the current		10,230,753.57					10,230,753.57

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period							
(1) Provision		10,230,753.57					10,230,753.57
3. Decrease in the current period		57,441,328.65					57,441,328.65
(1) Disposal or retirement		57,441,328.65					57,441,328.65
4. Ending balance	12,344.37	28,361,635.01				2,207,942.80	30,581,922.18
IV. Book value							
1. Ending book value	3,413,988,842.97	5,678,931,313.59	46,499,496.36	178,274,697.15	16,500,347.83	270,441,429.63	9,604,636,127.53
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	Carrying amount	Remarks
Machinery equipment	56,614,790.77	34,692,721.09	17,791,117.86	4,130,951.82	
Others	73,498,836.51	69,932,814.46	2,207,942.80	1,358,079.25	
Total	130,113,627.28	104,625,535.55	19,999,060.66	5,489,031.07	

(3) Fixed assets without property ownership certificates

Unit: CNY

Item	Carrying amount	Reasons for failure to obtain the certificate
Project of exiting the city and entering the industrial park	245,701,254.96	It is a new plant, and the information is incomplete and currently being processed.
Joint workshop and laboratory	168,095,079.74	Assets are newly added in 2022, with procedures not completed yet
FAW Jiefang south new energy base project	119,485,690.05	It is a new plant, and the information is incomplete and currently being processed.
Hazardous waste station in plant area I	2,693,553.53	Relevant certificates are incomplete
Equipment workshop works	1,101,619.26	Land applications are not submitted, so the property ownership certificate cannot be obtained

Other notes:

(4) Fixed assets liquidation

Unit: CNY

Item	Ending balance	Opening balance
Houses and buildings	283,806.99	8,280.77
Machinery equipment	7,759,672.33	10,642,669.15
Means of transportation	113,084.68	219,822.98
Electronic equipment	77,126.05	8,298.69
Office equipment	45,702.70	18,904.69
Others	7,290.00	1,104,983.16
Total	8,286,682.75	12,002,959.44

Other notes:

16. Construction in progress

Unit: CNY

Item	Ending balance	Opening balance
Project under construction	1,902,143,354.11	965,997,208.23
Total	1,902,143,354.11	965,997,208.23

(1) Project under construction

Unit: CNY

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Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
New and reconstructed investment project	230,889,214.48	1,945,416.12	228,943,798.36	235,582,222.31	1,945,416.12	233,636,806.19
Technical transformation investment project	1,673,255,052.94	55,497.19	1,673,199,555.75	732,415,899.23	55,497.19	732,360,402.04
Total	1,904,144,267.42	2,000,913.31	1,902,143,354.11	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 current period	Amount transferred to fixed assets in the current period	Other deductions in the current period	Ending balance	Proportion of accumulated investment in constructions to budget	Project progress	Cumulative amount of capitalized interest	Including: Capitalized interest amount during the current period	Capitalization rate of interest in current period	Sources of funds
FAW Jiefang commercial vehicle Guanghan base project	999,970,000.00	138,759,113.95	481,729,983.01			620,489,096.96	62.05%	62.05%				Others
Axle base construction project and heavy replacement axle technology upgrade (phase I)	989,859,950.93	79,972,863.66	341,454,665.18			421,427,528.84	46.00%	65.00%				Others
Engine construction and natural gas	1,227,429,000.00	112,386,329.25	529,188,167.59	339,046,251.50		302,528,245.34	55.00%	63.40%				Others

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test capacity improvement project (16L)												
Collinear project of 50,000 sets of new 13L and M series engines	667,780,000.00		102,315,208.39			102,315,208.39	15.32%	15.00%				Others
Thin plate stamping capacity expansion project of Jimo factory	198,000,000.00		85,791,504.96			85,791,504.96	43.33%	44.04%				Others
R&D capacity improvement project of FAW Jiefang Qingdao Base	636,619,900.00		49,273,323.85			49,273,323.85	7.74%	5.63%				Others
FAW Jiefang south new energy base project	413,800,000.00	82,263,770.61	114,239,821.86	154,826,435.39		41,677,157.08	69.63%	76.60%				Others
Project for introduc	79,820,000.00		20,357,026.83			20,357,026.83	25.50%	26.00%				Others

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g new energy and other products as well as upgrading intelligent logistics												
M engine crankshaft capacity improvement project (W31000000111)	30,500,000.00	2,106,866.39	17,661,339.47			19,768,205.86	64.81%	64.81%				Others
Project of exiting the city and entering the industrial park	936,068,800.00	19,204,724.39	1,830,680.07	1,830,680.07		19,204,724.39	94.21%	99.80%				Others
Motor assembly line	22,300,000.00		15,221,238.88			15,221,238.88	68.26%	68.26%				Others
Qingqi New Energy Light Truck Base Project	998,000,000.00	280,930,246.91	3,341,363.58	284,271,610.49			100%	100%				Others
capacity expansion project of light truck	169,960,000.00		144,594,242.99	142,563,900.01		2,030,342.98	85.08%	85.08%				Others

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welding line in welding workshop of Jimo factory												
Intelligent transformation of welding workshop automation	59,130,000.00	25,718,230.08	17,145,486.72	42,863,716.80			100%	100%				Others
Total	7,429,237,650.93	741,342,145.24	1,924,144,053.38	965,402,594.26		1,700,083,604.36						

17. Productive biological assets**(1) Bearer biological assets measured at cost**

Applicable Not applicable

(2) Bearer biological assets measured at fair value

Applicable Not applicable

18. Oil and gas assets

Applicable Not applicable

19. 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	55,635,089.59	54,778,761.05		110,413,850.64
Including: rent	55,635,089.59	54,778,761.05		110,413,850.64
3. Decrease in the current period	4,748,858.75	17,495,179.83		22,244,038.58
4. Ending balance	203,880,616.59	54,778,761.06	23,719,044.14	282,378,421.79
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	38,218,557.10	8,112,052.32	6,511,130.39	52,841,739.81
(1) Provision	38,218,557.10	8,112,052.32	6,511,130.39	52,841,739.81
3. Decrease in the current period	2,725,362.04	16,400,642.86		19,126,004.90
(1) Disposal				
4. Ending balance	71,135,818.41		13,022,260.79	84,158,079.20
III. Provision for impairment				
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	132,744,798.18	54,778,761.06	10,696,783.35	198,220,342.59
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, refer to 2 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

20. 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	209,886,782.30			102,989,627.64	312,876,409.94
(1) Purchase	122,353,689.17			82,658,365.18	205,012,054.35
(2) Internal R&D					
(3) Increase due to business combination					
(4) Other increases	87,533,093.13			20,331,262.46	107,864,355.59
3. Decrease in the current period	443,801,317.32		309,877,041.02	7,508,036.81	761,186,395.15
(1) Disposal	350,945,945.85			7,508,036.81	358,453,982.66
(2) Invalid and derecognized portion			309,877,041.02		309,877,041.02
(3) Other decreases	92,855,371.47				92,855,371.47
4. Ending balance	2,638,198,126.04		367,511,725.92	607,046,360.09	3,612,756,212.05
II. Accumulated amortization					
1. Opening balance	573,374,388.26		562,286,837.32	153,127,855.55	1,288,789,081.13

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2. Increase in the current period	81,162,265.36		50,951,211.18	61,142,635.11	193,256,111.65
(1) Provision	60,808,763.39		50,951,211.18	61,142,635.11	172,902,609.68
(2) Other increases	20,353,501.97				20,353,501.97
3. Decrease in the current period	101,003,328.09		309,877,041.02	7,505,529.67	418,385,898.78
(1) Disposal	80,816,089.36			7,505,529.67	88,321,619.03
(2) Invalid and derecognized portion			309,877,041.02		309,877,041.02
(3) Other decreases	20,187,238.73				20,187,238.73
4. Ending balance	553,533,325.53		303,361,007.48	206,764,960.99	1,063,659,294.00
III. Provision for impairment					
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	2,084,664,800.51		64,150,718.44	400,281,399.10	2,549,096,918.05
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 0.00% of the balance of intangible assets at the end of the current period.

(2) Conditions of land use right whose property certificates are not settled

Unit: CNY

Item	Carrying amount	Reasons for failure to obtain the certificate
Parcels 2# and 3# of Guanghan Base	117,629,829.11	After the land ownership certificates of the 2 plots were returned to the government for destruction, the procedures for consolidating the certificates have not been handled.

Other notes:

21. Development expenditures

Unit: CNY

Item	Opening balance	Increase in current period		Decrease in current period		Ending balance
		Internal development expenditures	Others	Recognized as intangible assets	Transferred to current profits and losses	
Cost-based expenditure		2,895,655,097.73			2,895,655,097.73	
Total		2,895,655,097.73			2,895,655,097.73	

Other notes:

22. Long-term unamortized expenses

Unit: CNY

Item	Opening balance	Increase in current period	Amortization amount in the current period	Other decreases	Ending balance
Maintenance, fire protection transformation and supporting expenses	334,598.30		204,158.64		130,439.66
Total	334,598.30		204,158.64		130,439.66

Other notes:

23. Deferred tax assets/deferred tax liabilities**(1) Deferred tax assets not offset**

Unit: CNY

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	633,651,664.00	111,898,550.65	644,896,017.71	108,060,894.94
Unrealized profits of internal transactions	11,827,733.38	2,956,933.35	433,668,860.00	108,417,215.00
Deductible losses	5,145,166,718.01	927,446,279.03	1,337,622,355.67	275,224,988.92
Estimated liabilities	794,067,908.68	132,797,620.71	1,133,139,410.76	189,238,389.56

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Employee compensation payable	118,991,183.21	20,016,363.56	95,057,719.68	16,232,178.23
Accrued expenses	3,175,125,774.27	742,710,859.21	3,203,797,740.11	738,848,418.90
Deferred incomes	538,046,593.82	108,889,119.49	586,360,167.55	114,073,451.58
Contract liabilities	539,407,507.24	84,634,179.21	575,584,804.51	100,200,974.13
Total	10,956,285,082.61	2,131,349,905.21	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	2,206,140,811.13	386,257,051.99	2,056,171,246.16	349,311,074.60
Interest income accrued	293,135,708.15	44,112,815.94	162,580,602.64	24,874,039.55
Total	2,499,276,519.28	430,369,867.93	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 income tax assets		2,131,349,905.21		1,650,296,511.26
Deferred income tax liabilities		430,369,867.93		374,185,114.15

(4) Details of unrecognized deferred tax assets

Unit: CNY

Item	Ending balance	Opening balance
Deductible temporary difference	619,818,965.27	664,263,202.95
Deductible losses	499,742,487.05	276,845,879.98
Total	1,119,561,452.32	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
2022			
2023			
2024			
2025			
Year 2026	1,441,940.00	1,441,940.00	
2027	3,524,136.57		
2028	259,853,735.45	231,853,580.86	
2029	41,881,736.88	43,550,359.12	
2030			
2031			
2032	193,040,938.15		
Total	499,742,487.05	276,845,879.98	

Other notes:

24. Notes payable

Unit: CNY

Type	Ending balance	Opening balance
Bank acceptance bill	9,198,593,038.03	13,062,704,192.54
Total	9,198,593,038.03	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.

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

Unit: CNY

Item	Ending balance	Opening balance
Payment for goods	9,297,168,020.86	12,959,963,131.32
Project and equipment payment	11,953,792.66	21,713,517.52
Fees and others	724,486,854.54	1,583,223,345.63
Total	10,033,608,668.06	14,564,899,994.47

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

Unit: CNY

Item	Ending balance	Reasons for not repaying or carrying forward

Supplier 1	5,243,361.11	At the stage of legal adjudication, the account is frozen and the payment is stopped.
Supplier 2	4,244,960.23	Both parties have not reached an agreement on the content of the contract, and will not make payment temporarily.
Total	9,488,321.34	

Other notes:

26. Advance receipts

(1) Presentation of advances receipts

Unit: CNY

Item	Ending balance	Opening balance
Rental fee	1,861,865.37	1,712,917.27
Total	1,861,865.37	1,712,917.27

27. Contract liabilities

Unit: CNY

Item	Ending balance	Opening balance
Payment for goods	1,155,321,169.46	2,324,758,318.77
Others	607,787,793.96	643,363,601.92
Contract liabilities included in other current liabilities	-133,584,259.07	-267,479,444.78
Total	1,629,524,704.35	2,700,642,475.91

28. Employee pay payable

(1) Presentation of employee compensation payable

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	248,475,175.17	4,512,254,689.28	4,487,055,551.45	273,674,313.00
II. Post-employment benefits-defined contribution plan	20,760,130.28	673,411,917.06	631,342,706.16	62,829,341.18

III. Dismissal welfare	40,525,119.92	75,164,048.19	69,504,643.53	46,184,524.58
IV. Current portion of other welfare	54,690,000.00	67,374,059.37	68,104,059.37	53,960,000.00
Total	364,450,425.37	5,328,204,713.90	5,256,006,960.51	436,648,178.76

(2) Presentation of short-term compensation

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Wages, bonuses, allowances and subsidies		3,089,898,058.03	3,089,898,058.03	
2. Employee welfare		237,865,196.05	237,865,196.05	
3. Social insurance premium	4,091,540.25	344,992,625.87	343,869,231.52	5,214,934.60
Including: medical insurance premium	4,091,540.25	323,969,253.15	324,099,638.54	3,961,154.86
Work-related injury insurance premium		15,529,747.23	14,275,967.49	1,253,779.74
Maternity insurance premium		5,493,625.49	5,493,625.49	
4. Housing fund		492,904,401.23	492,903,517.23	884.00
5. Labor union funds and employee education funds	244,383,634.92	108,478,915.09	84,404,055.61	268,458,494.40
Other short-term compensations		238,115,493.01	238,115,493.01	
Total	248,475,175.17	4,512,254,689.28	4,487,055,551.45	273,674,313.00

(3) Presentation of defined contribution plan

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	16,032,537.24	459,206,806.73	425,765,165.93	49,474,178.04
2. Unemployment insurance premium	2,374,937.21	18,739,687.59	17,276,613.86	3,838,010.94

3. Enterprise annuity	2,352,655.83	195,465,422.74	188,300,926.37	9,517,152.20
Total	20,760,130.28	673,411,917.06	631,342,706.16	62,829,341.18

Other notes:

29. Taxes payable

Unit: CNY

Item	Ending balance	Opening balance
VAT	142,544,438.56	11,331,447.35
Corporate income tax	73,697,911.27	21,659.10
Individual income tax	45,190,640.96	40,089,512.39
Urban maintenance and construction tax	8,789,299.91	1,789,459.45
Resource tax		7,143.40
Property tax	7,910,979.72	7,611,594.27
Land use tax	4,512,474.49	4,508,520.75
Education surcharges	8,830,240.70	3,751,315.40
Other taxes	9,735,859.90	104,837,877.42
Total	301,211,845.51	173,948,529.53

Other notes:

30. Other payables

Unit: CNY

Item	Ending balance	Opening balance
Dividends payable	171,500.02	171,500.02
Other payables	6,095,281,248.15	7,383,051,672.28
Total	6,095,452,748.17	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:

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

Unit: CNY

Item	Ending balance	Opening balance
Expenses payable	3,371,722,694.19	4,656,353,118.05
Margin, deposit	311,219,645.69	377,161,619.49
Project funds payable	1,524,956,021.50	1,381,458,524.66
Current accounts payable and others	619,545,702.66	657,617,923.70
Repurchase obligations of restricted shares	267,837,184.11	310,460,486.38
Total	6,095,281,248.15	7,383,051,672.28

2) Other significant payables with the aging over 1 year

Unit: CNY

Item	Ending balance	Reasons for not repaying or carrying forward
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	70,336,468.54	Project not completed
Supplier 1	28,123,255.19	Project not completed
Fujie Henglu (Shenzhen) Non-financing Guarantee Co., Ltd.	20,000,000.00	Margin, deposit
Supplier 2	5,920,000.00	Project not completed
Supplier 3	5,000,000.00	New energy subsidy will be paid after the national standard is met and the application is successful.
Total	129,379,723.73	

Other notes:

31. Current portion of non-current liabilities

Unit: CNY

Item	Ending balance	Opening balance
Current portion of lease liabilities	32,998,374.87	47,060,544.71
Total	32,998,374.87	47,060,544.71

Other notes:

32. Other current liabilities

Unit: CNY

Item	Ending balance	Opening balance
Taxes to be written off	133,584,259.07	267,479,444.78
Total	133,584,259.07	267,479,444.78

33. Lease liabilities

Unit: CNY

Item	Ending balance	Opening balance
Lease payment	94,353,447.57	146,978,150.99
Unrecognized financing charges	-6,540,469.64	-11,610,388.23
Current portion of lease liabilities	-32,998,374.87	-47,060,544.71
Total	54,814,603.06	88,307,218.05

Other notes: The interest of lease liabilities accrued in 2022 is CNY 5,263,200, which is included in financial expenses - interest expenses.

34. Long-term employee benefits 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	694,320,000.00	756,440,000.00
II. Termination benefits	112,469,743.86	103,304,166.28
Current portion of long-term employee remuneration payable	-99,478,853.43	-95,215,119.92
Total	707,310,890.43	764,529,046.36

35. Provisions

Unit: CNY

Item	Ending balance	Opening balance	Cause
Pending litigation	32,195,157.32	27,454,443.34	Cases responding to action
Product quality assurance	826,046,651.49	1,212,805,881.15	Expenses for return, replacement and repair
Others	17,226,995.29	17,226,995.29	Labor social security
Total	875,468,804.10	1,257,487,319.78	

Other notes, including important assumptions and estimation descriptions related to important estimated

liabilities:

36. Deferred incomes

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance	Cause
Government subsidies	2,473,072,814.33	1,281,203,031.25	632,290,159.65	3,121,985,685.93	
Total	2,473,072,814.33	1,281,203,031.25	632,290,159.65	3,121,985,685.93	--

Other notes: For details of government subsidies included in deferred incomes, please refer to 63 "Government Subsidies" in VII of Section X - Financial Report.

37. Share capital

Unit: CNY

	Opening balance	Increase/Decrease (+/-)					Ending balance
		Issue of New Shares	Bonus shares	Share Transferred from Accumulation Fund	Others	Subtotal	
Total shares	4,654,114,613.00				- 2,148,958.00	- 2,148,958.00	4,651,965,655.00

Other notes: The share capital is decreased by CNY 2,148,958.00 in the current period, which is caused by the repurchase and cancellation of restricted shares of the Company. For details, refer to III "Company Profile" of Section X - Financial Report.

38. Capital reserves

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (stock premium)	9,384,981,147.23		11,582,883.62	9,373,398,263.61
Other capital reserves	1,054,383,945.95	23,306,027.18		1,077,689,973.13
Total	10,439,365,093.18	23,306,027.18	11,582,883.62	10,451,088,236.74

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

(1) The capital reserve (share premium) is decreased by CNY 11,582,883.62 in the current period, which is caused by the repurchase and cancellation of the Company's equity incentive plan.

(2) The capital reserve (other capital reserves) is increased by CNY 23,184,433.06 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;

(3) The capital reserve (other capital reserves) is increased by CNY 121,594.12 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.

39. Treasury shares

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Treasury shares	310,460,486.38		42,623,302.27	267,837,184.11
Total	310,460,486.38		42,623,302.27	267,837,184.11

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

(1) The treasury share is decreased by CNY 28,891,460.65 in the current period, which is caused by the cash dividends recognized by the Company in the equity incentive plan.

(2) The treasury share is decreased by CNY 13,731,841.62 in the current period, which is caused by the repurchase and cancellation recognized by the Company in the equity incentive plan.

40. Other comprehensive incomes

Unit: CNY

Item	Opening balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period	Less: Amount charged to other comprehensive income in the previous period but transferred to the current profit or loss	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 parent company	After-tax amount attributable to minority shareholders	
I. Other comprehensive incomes that cannot be reclassified into profits or losses	-31,824,777.80					27,800,000.00		-4,024,777.80
Including: changes arising from re-measurement of the defined benefit plan	-31,840,000.00					27,800,000.00		-4,040,000.00
Other comprehensive incomes that cannot be reclassified into profit or loss under the equity method	15,222.20							15,222.20

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II. Other comprehensive incomes that will be reclassified into profits or losses	-970,124.40					-404,218.61		-1,374,343.01
Including: other comprehensive incomes that can be reclassified into profits or losses under the equity method	288,891.11					-784,908.08		-496,016.97
Translation difference in foreign currency financial statements	-1,259,015.51					380,689.47		-878,326.04
Total other comprehensive incomes	-32,794,902.20					27,395,781.39		-5,399,120.81

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:

41. Special reserve

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Work safety cost	315,398,148.75	93,946,199.30	38,924,056.19	370,420,291.86
Total	315,398,148.75	93,946,199.30	38,924,056.19	370,420,291.86

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

42. Surplus reserves

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	2,444,688,413.12	316,034,697.61		2,760,723,110.73
Discretionary surplus reserves	297,526,491.71			297,526,491.71
Total	2,742,214,904.83	316,034,697.61		3,058,249,602.44

Explanation of surplus reserve, including changes in increase and decrease in the current period, and reasons for changes: According to the provisions of the Company Law and the Articles of Association, the Company withdraws the statutory surplus reserve at 10% of the net profit. If the accumulated amount of statutory surplus reserve is more than 50% of the registered capital of the Company, it may not be withdrawn any more.

43. Undistributed profits

Unit: CNY

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	8,434,403,352.08	7,207,573,351.05
Undistributed profits at the beginning of the current period after adjustment	8,434,403,352.08	7,207,573,351.05
Add: net profit attributable to owners of parent company in the current period	367,745,445.34	3,899,854,760.39
Less: withdrawal of statutory surplus reserve	316,034,697.61	347,697,824.86
Common stock dividends payable	3,025,174,498.45	2,325,326,934.50
Undistributed profits at the end of the period	5,460,939,601.36	8,434,403,352.08

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.

44. Operating revenues and operating costs

Unit: CNY

Item	Amount incurred in the current period		Amount in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	36,242,318,100.83	33,608,683,181.19	95,508,850,305.68	86,080,229,818.39
Other business	2,089,428,983.05	1,643,487,705.34	3,242,392,363.87	2,729,108,950.21
Total	38,331,747,083.88	35,252,170,886.53	98,751,242,669.55	88,809,338,768.60

Whether the audited lower net profit before and after the deduction of non-recurring profit or loss is negative

Yes No

Unit: CNY

Item	Current Year	Specific Deductions	Previous Year	Specific Deductions
Amount of operating income	38,331,747,083.88	Sales revenue of complete vehicles, parts and components, materials, and purchased semi-finished products, etc.	98,751,242,669.55	Sales revenue of complete vehicles, parts and components, materials, and purchased semi-finished products, etc.
Total amount of operating income deduction items	30,729,859.27	Rental income and entrusted operating income	29,091,844.99	Rental income and entrusted operating income
Proportion of total amount of operating income deduction items in operating income	0.08%		0.03%	
I. Business income irrelevant to main business				

1. Other business income other than normal operation. Income from leasing of fixed assets, intangible assets, packaging materials, sales of materials, exchange of non-monetary assets with materials, operation of trusteeship management business, etc., and income that is included in the main business income but belongs to income other than the normal operation of listed companies.	30,729,859.27	Rental income and entrusted operating income	29,091,844.99	Rental income and entrusted operating income
Subtotal of business income irrelevant to main business	30,729,859.27	Rental income and entrusted operating income	29,091,844.99	Rental income and entrusted operating income
II. Income without commercial substance				
Subtotal of income without commercial substance	0.00	None	0.00	None
Amount of operating income after deduction	38,301,017,224.61	Deduct the rental income and entrusted operating income	98,722,150,824.56	Deduct the rental income and entrusted operating income

Information related to performance obligations: none

Information related to the transaction price apportioned to the remaining performance obligation: At the end of the reporting period, the income corresponding to the performance obligations that have been signed but have not been performed or fulfilled is CNY 607,787,793.96, of which CNY 607,787,793.96 is expected to be recognized in 2023.

Other notes: none

45. Taxes and surcharges

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Urban maintenance and construction tax	47,145,522.88	110,645,134.98

Education surcharges	33,829,961.36	79,035,392.16
Resource tax		92,652.48
Property tax	46,965,136.96	54,557,465.91
Land use tax	36,781,212.64	41,555,710.05
Vehicle and vessel use tax	142,115.38	102,390.96
Stamp duty	40,861,476.54	78,300,752.42
Environmental protection tax	624,447.37	961,096.44
Others	1,448,295.47	1,541,078.58
Total	207,798,168.60	366,791,673.98

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

46. Selling expenses

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Employee compensation	484,204,274.83	502,005,215.46
Product quality assurance fee	317,822,200.89	518,616,737.53
Storage fee	115,093,555.63	167,238,948.61
Travel expense	74,320,500.71	65,581,584.66
Packing cost	72,593,424.84	84,029,093.44
Rental fee	50,722,637.92	50,780,292.91
Business promotion expense	44,003,511.80	109,557,946.14
Sales service fee	35,005,162.00	39,527,177.88
Advertising expenses	19,878,977.32	39,915,332.60
Promotion fee	19,429,048.84	90,656,984.22
Depreciation cost	5,710,292.12	5,975,879.13
Consultation expenses	5,241,472.53	8,817,739.27
Insurance premium	4,668,488.93	16,953,334.46
Customer training fee	1,938,138.40	14,855,042.33
Office expenses	1,886,628.35	3,629,477.00
Business entertainment expenses	1,442,401.26	5,516,587.19
Exhibition fees	542,242.96	11,078,455.80
Others	1,379,262.31	19,608,285.75
Total	1,255,882,221.64	1,754,344,114.38

Other notes:

47. General and administrative expenses

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Employee compensation	1,301,448,789.79	1,385,420,212.25
Fixed assets repair cost	211,593,916.90	421,297,219.90
Depreciation cost	121,826,644.98	102,725,933.94
Amortization of intangible assets	89,587,242.31	90,318,079.84
Labor outsourcing fee	59,607,050.45	75,520,054.33
Information system service fee	57,041,277.43	60,044,909.94
Kinetic energy and workshop heating cost	27,302,410.38	24,096,211.31
Amortization of low value consumables	25,465,015.78	17,067,816.61
Sewage charge	19,168,854.12	31,836,258.71
Rental fee	18,459,511.78	15,138,430.90
Publicity fees	17,836,870.27	31,202,402.82
Test and inspection fees	15,517,955.33	27,912,479.52
Environmental improvement fee	11,838,305.85	15,891,635.97
Travel expense	9,765,368.99	20,173,373.67
Security deposit for the disabled	8,575,779.84	8,915,852.56
Office expenses	7,352,183.57	11,016,851.19
Property insurance	6,560,789.79	7,895,007.50
Authentication fee	6,494,147.27	4,139,178.32
Others	24,897,239.79	102,985,315.40
Total	2,040,339,354.62	2,453,597,224.68

Other notes:

48. R&D expenses

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Labor cost	1,583,140,010.50	1,443,608,345.68
Test fee	451,352,248.63	893,311,833.33
Depreciation cost	229,336,754.97	174,667,164.17
Joint R&D expenses	219,738,026.91	105,746,687.20
Trial production cost	219,503,250.85	394,149,497.69
Design fee	43,312,926.32	68,961,706.46
Others	149,271,879.55	248,501,438.57
Total	2,895,655,097.73	3,328,946,673.10

Other notes:

49. Financial expenses

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Interest expense	5,602,156.49	7,533,847.89
Less: interest income	949,854,588.85	931,991,300.64
Exchange gain or loss	-245,058.21	-56,468.14
Cash discount	-131,070,726.61	-321,711,694.34
Net actuarial interest	22,530,846.13	25,185,862.44
Fees and other charges	436,557.88	404,789.36
Total	-1,052,600,813.17	-1,220,634,963.43

Other notes:

50. Other incomes

Unit: CNY

Sources of other incomes	Amount incurred in the current period	Amount in the previous period
Subsidy	1,630,283,090.82	334,743,067.21
Others	7,777,048.38	5,107,701.80
Total	1,638,060,139.20	339,850,769.01

51. Investment income

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Long-term equity investment income calculated with equity method	346,588,767.31	706,078,890.17
Gains from debt transfer		117,055,384.99
Others	-109,670,548.80	-87,220,133.89
Total	236,918,218.51	735,914,141.27

Other notes: Others are mainly discounts on bank acceptance bills.

52. Credit impairment loss

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Bad debt loss of other receivables	-1,635,328.06	8,849,364.51

Loss on bad debts of long-term receivables	-1,594,912.32	-1,275,424.32
Loss on bad debts of notes receivable	-729,878.89	185,747.47
Loss on bad debts of accounts receivable	4,879,276.36	-32,028,276.86
Total	919,157.09	-24,268,589.20

Other notes:

53. Asset impairment loss

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
I. Inventory depreciation provision and contract performance cost impairment provision	-418,448,406.89	-221,420,995.50
II. Loss from fixed assets impairment	-10,230,753.57	-1,806,400.04
III. Impairment Loss of Construction in Progress		-2,000,913.31
IV. Loss from contractual asset impairment	4,390,582.21	-4,552,687.09
Total	-424,288,578.25	-229,780,995.94

Other notes:

54. Income from assets disposal

Unit: CNY

Sources of income from assets disposal	Amount incurred in the current period	Amount in the previous period
Gains from disposal of fixed assets ("-" for loss)	118,681,219.23	458,484.79
Gains from disposal of intangible assets ("-" for loss)	752,349,888.83	
Total	871,031,108.06	458,484.79

55. Non-operating revenues

Unit: CNY

Item	Amount incurred in the	Amount in the previous	Amount included in
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	current period	period	current non-recurring profits and losses
Unpayable amount recognized	135,470,008.26	27,812,439.97	135,470,008.26
Income from compensation, liquidated damages and penalties	14,867,839.76	18,894,668.64	14,867,839.76
Gains from damage and scrapping of non-current assets	1,172,055.53	1,775,143.41	1,172,055.53
Others	2,487,290.88	6,795,790.84	2,487,290.88
Total	153,997,194.43	55,278,042.86	153,997,194.43

56. Non-operating expenses

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period	Amount included in current non-recurring profits and losses
Donation	19,050,000.00	10,749,529.16	19,050,000.00
Losses from damage and scrapping of non-current assets	3,340,608.37	14,479,728.92	3,340,608.37
Expenditure of liquidated damages and penalties	4,057,445.84	1,889,696.78	4,057,445.84
Others	119,683.80	14,289.92	119,683.80
Total	26,567,738.01	27,133,244.78	26,567,738.01

Other notes:

57. Income tax expenses

(1) Statement of income tax expenses

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Current income tax expenses	239,694,863.79	-31,685,154.45
Deferred tax expenses	-424,868,640.17	241,008,180.31
Total	-185,173,776.38	209,323,025.86

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

Unit: CNY

Item	Amount incurred in the current period
Total profits	182,571,668.96
Income tax expense calculated at statutory/applicable tax rate	45,642,917.24
Effect of applying different tax rates by subsidiaries	136,991,139.70
Effect of adjustment to income tax of previous periods	44,017,955.96
Effect of non-deductible costs, expenses and losses	26,950,283.58
Effects of deductible temporary differences or deductible losses of deferred income tax assets unrecognized in the current period	15,252,429.30
Profit or loss of joint ventures and associated enterprises calculated by equity method	-88,406,530.27
Income exempted from taxation (to be listed with "-")	-1,050,039.60
Effect of change in tax rate on the balance of deferred tax at the beginning of the period	-567,588.33
Tax effect of R&D expenses plus deduction (to be listed with "-")	-362,782,459.71
Others	-1,221,884.25
Income tax expenses	-185,173,776.38

Other notes:

58. Other comprehensive incomes

For details, refer to 40 in VII "Notes to Consolidated Financial Statements" of Section X - Financial Report.

59. Items of cash flow statement**(1) Other cash received related to operating activities**

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Government subsidies received	1,869,848,621.04	507,552,396.89
Withholding costs	399,036,119.74	574,890,927.05
Lease expenses received	36,296,614.49	39,922,901.11
Penalties and indemnities received	7,810,168.36	9,928,728.23
Refund of handling fees	1,523,773.84	3,806,362.37
Recovery of reserve fund	2,240,229.10	2,785,287.71
Other current accounts	37,594,773.23	49,367,623.69

Total	2,354,350,299.80	1,188,254,227.05
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Description of other cash received related to operating activities:

(2) Other cash paid related to operating activities

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Out-of-pocket expenses	992,021,968.62	1,699,820,112.20
Current account	483,929,928.94	448,736,222.38
Donations	18,750,000.00	
Total	1,494,701,897.56	2,148,556,334.58

Description of other cash paid related to operating activities:

(3) Other cash received related to investing activities

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Interest received	798,551,894.65	986,062,742.99
Fixed deposits		3,607,760,929.40
Total	798,551,894.65	4,593,823,672.39

Description of other cash received related to investing activities:

(4) Other cash paid related to financing activities

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Donations		10,350,000.00
Principal and interest on lease liabilities	55,183,852.56	45,192,434.20
Total	55,183,852.56	55,542,434.20

Description of other cash paid related to financing activities:

60. Supplementary information of cash flow statement

(1) Supplementary information of cash flow statement

Unit: CNY

Supplementary Information	Amount in the current period	Amount of the Previous Period
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1. Reconciliation of net profit to cash flows from operating activities		
Net Profit	367,745,445.34	3,899,854,760.39
Add: provision for impairment of assets	423,369,421.16	254,049,585.14
Depreciation/consumption of fixed assets, oil and gas assets and bearer biological assets	1,529,451,202.97	1,377,847,606.20
Depreciation of right-of-use asset	52,841,739.81	50,442,344.29
Amortization of intangible assets	172,902,609.68	152,490,048.41
Amortization of long-term deferred expenses	204,158.64	204,158.64
Losses from disposal of fixed assets, intangible assets and other long-term assets (incomes to be listed with "-")	-871,031,108.06	-458,484.79
Loss from retirement of fixed assets (incomes to be listed with "-")	2,168,552.84	12,704,585.51
Loss from changes in fair value (incomes to be listed with "-")		
Financial expenses (incomes to be listed with "-")	-944,252,432.36	-924,457,452.75
Investment loss (incomes to be listed with "-")	-346,588,767.31	-823,904,762.50
Decreases of deferred income tax assets (increases to be listed with "-")	-481,053,393.95	117,351,274.94
Increases of deferred income tax liabilities (decrease to be listed with "-")	56,184,753.78	123,656,905.37
Decrease of inventory (increase to be listed with "-")	2,466,932,226.53	10,473,313,309.65
Decreases of operating receivables (increase to be listed with "-")	2,956,699,661.76	8,260,467,764.57
Increase in operating payables (decrease to be listed with "-")	-11,224,753,054.89	-7,945,279,292.25
Others	703,935,014.71	174,840,928.34
Net cash flows from operating activities	-5,135,243,969.35	15,203,123,279.16
2. Major investment and financing activities not related to cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible corporate bonds within one year		
Fixed assets under financial lease		
3. Net changes in cash and cash equivalents:		

Ending balance of cash	20,697,669,726.18	30,542,676,891.89
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	-9,845,007,165.71	15,755,996,673.07

(2) Composition of cash and cash equivalents

Unit: CNY

Item	Ending balance	Opening balance
I. Cash	20,697,669,726.18	30,542,676,891.89
Cash at bank available for payments at any time	20,697,669,726.18	30,542,676,891.89
II. Ending balance of cash and cash equivalents	20,697,669,726.18	30,542,676,891.89

Other notes:

61. Assets with restricted ownership or use right

Unit: CNY

Item	Closing book value	Restriction reasons
Monetary capital	50,667,983.38	Housing maintenance fund, security deposit for three types of personnel, frozen funds
Total	50,667,983.38	

Other notes:

62. Foreign currency monetary items**(1) Monetary items for foreign currency**

Unit: CNY

Item	Closing balance of foreign currency	Exchange rate	Closing balance of CNY converted
Monetary capital			
Including: U.S. dollar			
Euro	1,873,085.58	7.4229	13,903,726.95
HK dollar			
Accounts receivable			

Including: U.S. dollar			
Euro			
HK dollar			
Long-term borrowings			
Including: U.S. dollar			
Euro			
HK dollar			

Other notes:

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

63. Government subsidy

(1) Basic information of government subsidies

Unit: CNY

Type	Amount	Presented Items	Amount Included in the Current Profit and Loss
Government subsidies	3,121,985,685.93	Other income	632,290,159.65

(2) Refund of government subsidies

Applicable Not applicable

VIII. Changes in Consolidation Scope

FAW Jiefang New Energy Automotive Sales Co., Ltd, a subsidiary of the Company, merged FAW Jiefang Automotive Sales Co., Ltd., the former subsidiary of the Company, on the base date of September 30, 2022.

IX. Equity in Other Entities**1. Interests in subsidiaries****(1) Composition of enterprise group**

Name of Subsidiary	Main Business Place	Registered address	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 (Qingdao) Automotive Co., Ltd.	Qingdao	Qingdao	Vehicle manufacturing and sales	100.00%		Business combination under common control
FAW Jiefang Dalian Diesel Engine Co., Ltd.	Dalian	Dalian	Automotive engine manufacturing	100.00%		Business combination under common control
Wuxi Dahao Power Co., Ltd.	Wuxi	Wuxi	Manufacturing of automotive components and accessories	100.00%		Business combination under common control
FAW Austria Automobile R&D GmbH	Austria	Austria	Technology research and development	100.00%		Business combination under common control
FAW Jiefang New Energy Vehicle Sales Co., Ltd.	Changchun	Changchun	Vehicle sales	100.00%		Investment and establishment

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

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

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

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

Other notes: none

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	Registered address	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 research and test development	26.92%		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
Foshan Diyi Yuan New Energy	Foshan	Foshan	Manufacturing	45.00%		Equity

Technology Co., Ltd.			and technical services			method
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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							
	First Automobile Finance Co., Ltd.	Sanguard Automobile Insurance Co., Ltd.	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun Wabco Automotive Control System Co., Ltd.	FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	SmartLink
Current assets	34,615,907,095.53	2,172,822,754.87	231,520,871.50	19,053,367.45	427,768,781.91	638,977,641.34	931,332,176.60	157,591,221.86
Non-current assets	107,957,446,335.83	732,633,048.50	66,900,185.87	27,097,843.55	62,831,909.92	64,737,895.14	293,708,044.88	7,744,508.63
Total assets	142,573,353,431.36	2,905,455,803.37	298,421,057.37	46,151,211.00	490,600,691.83	703,715,536.48	1,225,040,221.48	165,335,730.49
Current liabilities	120,256,125,824.02	510,326,378.57	80,755,484.41	2,930,795.76	286,304,062.71	346,619,144.05	672,380,337.39	164,518,379.90
Non-current liabilities	1,561,324,948.51	1,246,437,069.12			3,175,522.27	633,398,618.35	181,734,209.97	
Total liabilities	121,817,450,772.53	1,756,763,447.69	80,755,484.41	2,930,795.76	289,479,584.98	980,017,762.40	854,114,547.36	164,518,379.90
Net Assets	20,755,902,658.83	1,148,692,355.68	217,665,572.96	43,220,415.24	201,121,106.85	-276,302,225.92	370,925,674.12	817,350.59
Minority equity	1,182,641,203.70							
Equity attributable to shareholders of the parent	19,573,261,455.13	1,148,692,355.68	217,665,572.96	43,220,415.24	201,121,106.85	-276,302,225.92	370,925,674.12	817,350.59

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company								
Shares of net assets calculated by shareholding proportion	4,274,663,288.97	201,021,162.24	87,066,229.18	17,288,166.13	43,856,468.58	-74,380,559.22	37,092,567.41	286,072.71
Adjustments	-4,625,319.38					74,380,559.22		
-Goodwill								
- Unrealized profits of internal transactions								
-Others								
Book value of equity investment in associated enterprises	4,270,037,969.59	201,021,162.24	87,066,229.18	17,288,166.13	43,856,468.58		37,092,567.41	286,072.71
Fair value of equity investment in associated enterprises with public offer								
Operating income	6,570,745,844.89	705,195,878.73	386,986,775.78	2,799,151.03	1,393,101,224.13	110,953,140.73	1,272,122,747.15	183,253,178.35

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Net Profit	1,806,213,013.58	34,541,984.81	9,105,377.20	-7,532,897.41	32,174,554.00	-233,424,185.08	11,260,966.79	-80,823,617.88
Net profit from discontinued operations								
Other comprehensive incomes	-448,924.02	-3,924,304.00						
Total comprehensive income	1,805,764,089.56	30,617,680.81	9,105,377.20	-7,532,897.41	32,174,554.00	-233,424,185.08	11,260,966.79	-80,823,617.88
Dividends received from associated enterprises in the current year	429,182,504.29	17,920,972.75	8,567,040.00		6,300,012.21			

	Opening Balance / Amount Incurred in Previous Period							
	First Automobile Finance Co., Ltd.	Sanguard Automobile Insurance Co., Ltd.	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun Wabco Automotive Control System Co., Ltd.	FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	SmartLink
Current assets	40,131,178,525.09	1,969,614,739.80	244,723,023.42	23,309,549.83	372,141,757.88	148,696,572.21	462,222,981.21	169,220,705.74
Non-current assets	102,242,717,942.06	963,760,754.36	72,149,193.36	30,290,681.55	75,445,516.96	50,229,659.04	48,836,246.18	7,677,314.57
Total assets	142,373,896,467.15	2,933,375,494.16	316,872,216.78	53,600,231.38	447,587,274.84	198,926,231.25	511,059,227.39	176,898,020.31
Current	115,901,925,957.98	351,776,062.47	80,678,406.33	2,846,918.73	245,495,948.34	122,890,098.03	159,239,378.61	106,172,619.73

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liabilities								
Non-current liabilities	5,338,477,309.41	1,361,119,198.26			4,253,586.77	124,728,570.49		
Total liabilities	121,240,403,267.39	1,712,895,260.73	80,678,406.33	2,846,918.73	249,749,535.11	247,618,668.52	159,239,378.61	106,172,619.73
Net Assets	21,133,493,199.76	1,220,480,233.43	236,193,810.45	50,753,312.65	197,837,739.73	-48,692,437.27	351,819,848.78	70,725,400.58
Minority equity	1,234,473,342.18							178,219.62
Equity attributable to shareholders of the parent company	19,899,019,857.58	1,220,480,233.43	236,193,810.45	50,753,312.65	197,837,739.73	-48,692,437.27	351,819,848.78	70,547,180.96
Shares of net assets calculated by shareholding proportion	4,345,806,643.76	213,584,040.85	94,477,524.18	20,301,325.09	43,140,497.54	-14,896,347.92	35,181,984.88	24,691,513.34
Adjustments	-4,625,319.38		-8,567,040.00			14,896,347.92		2,743,501.48
-Goodwill								
-Unrealized profits of internal transactions								
-Others								
Book value of equity investment in associated	4,341,181,324.38	213,584,040.85	85,910,484.18	20,301,325.09	43,140,497.54		35,181,984.88	27,435,014.82

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enterprises								
Fair value of equity investment in associated enterprises with public offer								
Operating income	9,178,061,752.35	663,554,176.26	705,248,229.08	14,825.50	1,628,707,611.52	105,820,137.09	1,697,371,170.74	163,906,034.86
Net Profit	3,641,249,394.63	128,006,948.20	14,499,015.62	-6,734,775.40	32,101,318.76	-134,493,134.39	4,326,298.56	-23,864,699.82
Net profit from discontinued operations								
Other comprehensive incomes	-159,639.28							
Total comprehensive income	3,641,089,755.35	128,006,948.20	14,499,015.62	-6,734,775.40	32,101,318.76	-134,493,134.39	4,326,298.56	-23,864,699.82
Dividends received from associated enterprises in the current year	516,053,003.83	17,763,787.54			4,907,799.92			

Other notes:

(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	-74,380,559.22	-89,276,907.14

Other notes:

X. 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, and lease liabilities. Details of each financial instrument have been disclosed in relevant notes. The risks related to these financial instruments and the risk management policies adopted by the Company to reduce these risks are described below. The management of the Company 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 book value of each financial asset in the balance sheet. The Company does not provide any other guarantee that may expose the Company to credit risk.

For the accounts receivable of the Company, the accounts receivable of the top five clients account for 63.06% of the Company's total accounts receivable (61.26% in 2021); for other accounts receivable of the Company, the amounts owed by the five biggest debtors account for 72.86% of the total other accounts receivable (25.59% in 2021).

(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. As of December 31, 2022, the unused bank credit line of the Company was CNY 20.75 billion (which was CNY 18.1 billion as of December 31, 2021).

(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 December 31, 2022.

Exchange rate risk

Exchange rate risk refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to change in foreign exchange rate. 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 December 31, 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). As at December 31, 2022, the asset-liability ratio of the Group is 58.22% (62.39% as at December 31, 2021).

XI. Disclosure of Fair Value

According to the lowest level input that is significant to the fair value measurement as a whole, the fair value level can be divided into:

Level I: Quotations for the same assets or liabilities in active markets (unadjusted).

Level II: Observable input values other than market quotations for assets or liabilities in the first level are used directly (i.e. price) or indirectly (i.e. derived from price).

Level III: 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.

XII. Related Parties and Related Party Transactions

1. Information about parent company of the Company

Name of Parent Company	Registered address	Nature of Business	Registered Capital	Shareholding Proportion of the Parent Company in the Company	Voting Right Proportion of the Parent Company in the Company
FAW Car Co., Ltd.	Changchun	Production and sales of automobiles and parts	CNY 78,000,000,000.00	65.77%	65.77%

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 Article 1 in IX "Equity 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 Article 2 in IX "Equity 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
Foshan Diyi Yuan New Energy Technology Co., Ltd.	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
FAW Harbin Light Automobile Co., Ltd.	The same ultimate controlling party
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party
Hainan Tropical Automobile Test Co., Ltd.	The same ultimate controlling party
FAW Foundry Co., Ltd.	The same ultimate controlling party
FAW Forging (Jilin) Co., Ltd.	The same ultimate controlling party
FAW 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 (Dalian) International Logistics Co., Ltd.	The same ultimate controlling party
FAW Mold Manufacturing 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
FAW Asset Management Co., Ltd.	The same ultimate controlling party
Changchun FAW International Tendering Co., Ltd.	The same ultimate controlling party
Wuxi Sawane Spring Co., Ltd.	The same ultimate controlling party
Changchun Faw Service Trade Co., Ltd.	The same ultimate controlling party
FAW Changchun Automobile Trading Service Co., Ltd.	The same ultimate controlling party

Qiming Information Technology Co., Ltd.	The same ultimate controlling party
Dalian Qiming Haitong Information Technology Co., Ltd.	The same ultimate controlling party
Chengdu Qiming Chunrong Information Technology Co., Ltd.	The same ultimate controlling party
Changchun Automotive Test Center Co., Ltd.	The same ultimate controlling party
Changchun FAW Automobile Culture Communication Co., Ltd.	The same ultimate controlling party
FAW Bestune Car Co., Ltd.	The same ultimate controlling party
FAW-Volkswagen Automotive Co., Ltd.	The same ultimate controlling party
Changchun Chengxin Second-hand Vehicles Distribution Co., Ltd.	The same ultimate controlling party
FAW New Energy Vehicle Sales (Shenzhen) Co., Ltd.	The same ultimate controlling party
Cinda FAW Commercial Factoring Co., Ltd.	Other related parties
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Other related parties
Changchun FAWSN Group Co., Ltd.	Other related parties
Changchun FAWAY Automobile Components Co., Ltd.	Other related parties
FAW Changchun Communication Technology Co., Ltd.	Other related parties
FAW Jilin Automobile Co., Ltd.	Other related parties
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Other related parties
Changchun FAW United Casting Company	Other related parties
Jilin CNPC Hongrun Energy Development Co., Ltd.	Other related parties
Changchun Yidong Clutch Co., Ltd.	Other related parties
Fawer Auto Parts Co., Ltd.	Other related parties
China Unicom Intelligent Network Technology Co., Ltd.	Other related parties
Jilin Checheng Garden Hotel Co., Ltd.	Other related parties
Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	Other related parties
Wuxi CRRC New Energy Automobile Co., Ltd.	Other related parties
FAW Changchun Comprehensive Utilization Co., Ltd.	Other related parties
FAW Changchun Industrial Shuixing Rubber and Plastic Products Co., Ltd.	Other related parties
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Other related parties
FAW Changchun Industrial Sodis Management Service Co., Ltd.	Other related parties
Shandong Pengxiang Automobile Co., Ltd.	Other related parties

FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	Other related parties
Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	Other related parties
Grammer Vehicle Parts (Harbin) Co., Ltd.	Other related parties
Grammer Vehicle Parts (Qingdao) Co., Ltd.	Other related parties
United Fuel Cell System R&D (Beijing) Co., Ltd.	Other related parties
Volkswagen FAW Engine (Dalian) Co., Ltd.	Other related parties
Harbin FAW Transmission Co., Ltd.	Other related parties
FAW Jingye Engine Co., Ltd.	Other related parties
Changchun FAW Pratt Technology Co., Ltd.	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 the current period	Approved Transaction Amount	Is the Transaction Amount Exceeded	Amount in the previous period
Fawer Auto Parts Co., Ltd.	Goods purchase and reception of labor services	1,040,303,880.14	2,737,930,000.00	No	2,741,284,105.26
FAW Foundry Co., Ltd.	Goods purchase and reception of labor services	520,403,729.13	1,452,440,000.00	No	1,572,069,294.37
Shandong Pengxiang Automobile Co., Ltd.	Goods purchase and reception of labor services	333,494,286.96	922,870,000.00	No	821,724,503.38
Changchun FAWAY Automobile Components Co., Ltd.	Goods purchase and reception of labor services	320,827,961.46	526,170,000.00	No	738,034,626.36
FAW Forging (Jilin) Co., Ltd.	Goods purchase and reception of labor services	296,850,949.41	917,570,000.00	No	867,388,771.15
Changchun	Goods purchase	285,115,158.83	963,850,000.00	No	995,936,136.26

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FAWSN Group Co., Ltd.	and reception of labor services				
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Goods purchase and reception of labor services	280,744,044.56	825,150,000.00	No	494,147,083.09
FAW Car Co., Ltd.	Goods purchase and reception of labor services	248,344,825.51	551,300,000.00	No	450,060,804.31
FAW Logistics (Qingdao) Co., Ltd.	Goods purchase and reception of labor services	247,090,559.60	422,000,000.00	No	538,585,077.33
FAW Logistics Co., Ltd.	Goods purchase and reception of labor services	242,651,156.76	560,080,000.00	No	474,978,528.38
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Goods purchase and reception of labor services	191,014,909.94	418,270,000.00	No	464,748,462.43
Changchun Yidong Clutch Co., Ltd.	Goods purchase and reception of labor services	165,424,937.00	570,710,000.00	No	565,851,422.77
Qiming Information Technology Co., Ltd.	Goods purchase and reception of labor services	150,551,880.46	334,260,000.00	No	263,624,372.93
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Goods purchase and reception of labor services	118,225,857.01	266,470,000.00	No	295,908,077.92
SmartLink	Goods purchase and reception of labor services	113,917,493.08	271,710,000.00	No	113,865,430.99
Changchun	Goods purchase	68,056,015.91	123,190,000.00	No	120,039,323.56

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Automotive Test Center Co., Ltd.	and reception of labor services				
FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	Goods purchase and reception of labor services	57,890,606.84	145,350,000.00	No	154,565,452.22
FAW Mold Manufacturing Co., Ltd.	Goods purchase and reception of labor services	56,026,450.00	148,050,000.00	No	83,970,079.47
Grammer Vehicle Parts (Qingdao) Co., Ltd.	Goods purchase and reception of labor services	53,513,930.54	54,000,000.00	No	
FAW Harbin Light Automobile Co., Ltd.	Goods purchase and reception of labor services	30,836,252.96	30,920,000.00	No	44,199,691.95
FAW (Dalian) International Logistics Co., Ltd.	Goods purchase and reception of labor services	20,212,557.25	32,910,000.00	No	28,299,238.86
Sanguard Automobile Insurance Co., Ltd.	Goods purchase and reception of labor services	16,947,602.02	26,900,000.00	No	24,825,377.17
FAW Jilin Automobile Co., Ltd.	Goods purchase and reception of labor services	12,574,740.22	13,000,000.00	No	
Grammer Vehicle Parts (Harbin) Co., Ltd.	Goods purchase and reception of labor services	12,230,604.49	13,000,000.00	No	
FAW Changchun Communication Technology Co., Ltd.	Goods purchase and reception of labor services	10,715,872.47	12,920,000.00	No	8,083,875.01
Hainan Tropical Automobile Test Co., Ltd.	Goods purchase and reception of labor services	9,359,403.67	16,000,000.00	No	7,857,116.57

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FAW Changchun Automobile Trading Service Co., Ltd.	Goods purchase and reception of labor services	4,426,582.97	10,820,000.00	No	7,972,453.00
FAW Changchun Comprehensive Utilization Co., Ltd.	Goods purchase and reception of labor services	8,500,177.30	16,490,000.00	No	12,064,523.67
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Goods purchase and reception of labor services	6,792,968.69	17,400,000.00	No	32,130,092.57
FAW Changchun Industrial Sodis Management Service Co., Ltd.	Goods purchase and reception of labor services	6,643,236.02	17,540,000.00	No	17,838,447.66
China FAW Group Import & Export Co., Ltd.	Goods purchase and reception of labor services	175,338,956.45	959,820,000.00	No	101,087,586.03
Changchun Faw Service Trade Co., Ltd.	Goods purchase and reception of labor services	5,847,490.52	16,600,000.00	No	8,409,593.47
Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	Goods purchase and reception of labor services	4,221,956.56	6,460,000.00	No	5,593,707.88
FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	Goods purchase and reception of labor services	3,997,546.96	4,160,000.00	No	1,102,874.97

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Wuxi Sawane Spring Co., Ltd.	Goods purchase and reception of labor services	3,885,303.33	4,600,000.00	No	11,976,685.30
Wuxi CRRC New Energy Automobile Co., Ltd.	Goods purchase and reception of labor services	3,652,485.85	3,800,000.00	No	
Changchun Wabco Automotive Control System Co., Ltd.	Goods purchase and reception of labor services	2,474,003.64	2,600,000.00	No	14,825.50
Changchun FAW United Casting Company	Goods purchase and reception of labor services	2,061,592.32	5,730,000.00	No	6,371,330.43
Suzhou Zhito Technology Co., Ltd.	Goods purchase and reception of labor services	1,488,321.73	64,040,000.00	No	9,343,623.35
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Goods purchase and reception of labor services	1,407,288.17	5,940,000.00	No	5,162,703.69
FAW Group	Goods purchase and reception of labor services	1,014,319.61	5,750,000.00	No	5,493,546.17
Dalian Qiming Haitong Information Technology Co., Ltd.	Goods purchase and reception of labor services	986,233.96	1,040,000.00	No	1,065,866.08
FAW Asset Management Co., Ltd.	Goods purchase and reception of labor services	919,804.06	1,700,000.00	No	1,213,431.45
FAW Changchun Industrial Shuixing Rubber and Plastic Products Co., Ltd.	Goods purchase and reception of labor services	552,191.07	4,980,000.00	No	5,559,604.54

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Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	Goods purchase and reception of labor services	504,696.88	1,790,000.00	No	532,339.04
Chengdu Qiming Chunrong Information Technology Co., Ltd.	Goods purchase and reception of labor services	264,150.96	430,000.00	No	430,722.87
Changchun FAW Automobile Culture Communication Co., Ltd.	Goods purchase and reception of labor services	145,434.85	150,000.00	No	
China Unicom Intelligent Network Technology Co., Ltd.	Goods purchase and reception of labor services	95,449.06	200,000.00	No	6,344,440.69
Jilin CNPC Hongrun Energy Development Co., Ltd.	Goods purchase and reception of labor services	58,203.77	60,000.00	No	
Changchun FAW International Tendering Co., Ltd.	Goods purchase and reception of labor services	28,766.98	30,000.00	No	262,875.00
Jilin Checheng Garden Hotel Co., Ltd.	Goods purchase and reception of labor services	15,300.00	20,000.00	No	11,537.53
FAW-Volkswagen Automotive Co., Ltd.	Goods purchase and reception of labor services			No	464,030.00

Statement of Goods Sales/Rendering of Services

Unit: CNY

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Related Parties	Content of Related Transaction	Amount incurred in the current period	Amount in the previous period
China FAW Group Import & Export Co., Ltd.	Sales of goods	5,921,179,357.98	2,417,369,133.62
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Sales of goods	842,004,381.84	1,424,674,632.64
FAW Car Co., Ltd.	Sales of goods	223,777,186.60	29,330,561.46
Changchun Faw Service Trade Co., Ltd.	Sales of goods	190,597,521.42	3,023,114,609.80
FAW Changchun Comprehensive Utilization Co., Ltd.	Sales of goods	139,052,616.83	284,372,779.64
Suzhou Zhito Technology Co., Ltd.	Sales of goods	47,059,399.63	52,517,885.83
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Sales of goods	19,099,950.39	56,039,962.85
FAW Changchun Automobile Trading Service Co., Ltd.	Sales of goods	12,035,398.26	
FAW Asset Management Co., Ltd.	Sales of goods	11,266,794.44	11,472,242.42
FAW Logistics (Qingdao) Co., Ltd.	Sales of goods	10,787,369.81	11,519,887.68
FAW Harbin Light Automobile Co., Ltd.	Sales of goods	8,285,242.45	101,203,249.25
Changchun Automotive Test Center Co., Ltd.	Sales of goods	5,364,922.47	8,242,906.12
FAW Foundry Co., Ltd.	Sales of goods	4,843,899.93	62,343,810.34
Shandong Pengxiang Automobile Co., Ltd.	Sales of goods	1,179,878.53	100,358.49
Fawer Auto Parts Co., Ltd.	Sales of goods	925,014.61	176,423.69
FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	Sales of goods	868,938.00	6,997,806.39
United Fuel Cell System R&D (Beijing) Co., Ltd.	Sales of goods	817,250.62	658,369.30
FAW Logistics Co., Ltd.	Sales of goods	492,920.35	
Changchun Yidong Clutch Co., Ltd.	Sales of goods	315,024.68	1,573,438.90
FAW Bestune Car Co., Ltd.	Sales of goods	176,415.09	404,149.88
Cinda FAW Commercial Factoring Co., Ltd.	Sales of goods	155,115.86	278,942.07
FAW Jilin Automobile Co., Ltd.	Sales of goods	132,278.36	250,787.55
FAW-Volkswagen Automotive Co., Ltd.	Sales of goods	104,603.78	433,358.49
Changchun Chengxin Second-hand Vehicles Distribution Co., Ltd.	Sales of goods	52,256.64	533,677.07
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Sales of goods	39,774.12	59,629.64
Wuxi Sawane Spring Co., Ltd.	Sales of goods	10,377.36	10,000.00
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Sales of goods		1,056,155.96
FAW Group	Sales of goods		379,633.02
FAW Forging (Jilin) Co., Ltd.	Sales of goods		4,357,708.18
Volkswagen FAW Engine (Dalian) Co., Ltd.	Sales of goods		755,320.50
Changchun Wabco Automotive Control System	Sales of goods		593,966.70

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Co., Ltd.			
FAW (Dalian) International Logistics Co., Ltd.	Sales of goods		225,222.44
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Sales of goods		212,212.88
China Unicom Intelligent Network Technology Co., Ltd.	Sales of goods		106,654.90
Changchun FAWSN Group Co., Ltd.	Sales of goods		98,936.81
Qiming Information Technology Co., Ltd.	Sales of goods		20,500.00
FAW Changchun Industrial Shuixing Rubber and Plastic Products Co., Ltd.	Sales of goods		11,320.75
FAW Changchun Communication Technology Co., Ltd.	Sales of goods	15,596.36	

Description of related transactions of purchasing or selling goods and providing or receiving labor services:

(2) Related lease

The Company as the lessor:

Unit: CNY

Name of 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, buildings and land	5,356,513.01	5,350,602.28
FAW Car Co., Ltd.	Houses and buildings	3,437,949.10	774,875.76
FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	Houses and buildings	1,056,155.96	1,056,155.96
Shandong Pengxiang Automobile Co., Ltd.	Houses and buildings	754,700.92	
Fawer Auto Parts Co., Ltd.	Houses and buildings	395,405.52	190,704.42
FAW Group	Houses and buildings	173,884.11	379,633.02
FAW Changchun Communication Technology Co., Ltd.	Land use right	99,999.97	

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 (if applicable)		Variable lease payments not included in lease liabilities measurement (if applicable)		Rent Paid		Interest Expense on Lease Liabilities Assumed		Increased Right-of-use Assets	
		Amount incurred in the current period	Amount in the previous period	Amount incurred in the current period	Amount in the previous period	Amount incurred in the current period	Amount in the previous period	Amount incurred in the current period	Amount in the previous period	Amount incurred in the current period	Amount in the previous period
FAW Car Co., Ltd.	Houses and buildings					11,426,735.79	13,314,933.73	1,319,118.67	812,331.91		1,712,201.81
FAW Changchun Automobile Trading Service Co., Ltd.	Vehicle					4,509,955.99	2,893,792.46				
FAW Group	Land					3,913,647.70	3,548,244.71	482,040.75	652,438.90		
Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	Vehicle					1,122.88	33,409.66				
FAW Asset Management Co., Ltd.	Houses and buildings					157,096.00	157,096.00		7,123.68		307,068.32

Description of related lease: The rent paid by the Company as the lessee is the lease expense recognized.

(3) Remuneration of key management personnel

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Remuneration of key management personnel	23,496,500.00	22,252,500.00

(4) Other related transactions

Interest income and interest expense

Unit: CNY

Related Parties	Content of Related Transaction	Amount incurred in the current period	Amount in the previous period
First Automobile Finance Co., Ltd.	Interest income	305,093,442.72	522,833,172.84

6. Receivables and payables of related parties**(1) Receivables**

Unit: CNY

Project name	Related Parties	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	China FAW Group Import & Export Co., Ltd.	320,294,820.43	410,938.55	133,665,249.08	133,665.25
Accounts receivable	FAW Logistics (Qingdao) Co., Ltd.	3,233,572.00	13,581.00		
Accounts receivable	Changchun Automotive Test Center Co., Ltd.	2,919,274.52	12,260.95	3,953,858.47	13,443.11
Accounts receivable	FAW Jingye Engine Co., Ltd.	1,820,957.23	1,820,957.23	1,820,957.23	1,820,957.23
Accounts receivable	FAW Car Co., Ltd.	880,188.52	3,696.78	148,038.86	503.33
Accounts receivable	FAW Asset Management Co., Ltd.	469,957.39	455,062.76	1,051,901.58	2,484.47
Accounts receivable	United Fuel Cell System R&D (Beijing) Co., Ltd.	200,233.26	840.98		
Accounts	FAW-Volkswagen	110,880.00	465.70	343,200.00	1,166.88

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receivable	Automotive Co., Ltd.				
Accounts receivable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	105,367.99	11,453.28	63,207.42	214.91
Accounts receivable	FAW Harbin Light Automobile Co., Ltd.	3,787.60	15.91	157,790.76	536.49
Accounts receivable	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	61,683,343.69	7,544,307.53	43,738,644.78	168,532.52
Accounts receivable	Fawer Auto Parts Co., Ltd.			58,079.00	197.47
Prepayments	China FAW Group Import & Export Co., Ltd.	287,527,616.69		299,415,808.16	
Prepayments	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	20,604,798.36		23,451,243.21	
Prepayments	FAW Mold Manufacturing Co., Ltd.	13,751,495.26		11,355,895.26	
Prepayments	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	12,786,400.00		31,280,800.00	
Prepayments	FAW Car Co., Ltd.	9,862,836.98			
Prepayments	Qiming Information Technology Co., Ltd.	6,853,106.60		7,041,353.80	
Prepayments	SmartLink	2,283,555.30		2,364,055.79	
Prepayments	FAW Jilin Automobile Co., Ltd.	646,730.48			
Prepayments	FAW Changchun Communication Technology Co., Ltd.	639,459.98			
Prepayments	FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	537,315.00		537,315.00	
Other accounts receivable	FAW Car Co., Ltd.	8,453,593.02	8,229,193.92	8,227,110.28	5,675,883.38
Other accounts receivable	FAW Group	189,533.68	1,743.71		
Other	FAW Logistics Co.,	146,367.32	1,346.58	59,402.96	3,439.43

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accounts receivable	Ltd.				
Other accounts receivable	FAW Asset Management Co., Ltd.	135,550.51	787.06	241,717.46	10,431.31
Other accounts receivable	FAW Forging (Jilin) Co., Ltd.	55,563.56	511.19	37,596.07	2,176.81
Other accounts receivable	China FAW Group Import & Export Co., Ltd.	50,623.62	172.12		
Other accounts receivable	FAW Mold Manufacturing Co., Ltd.	49,165.85	452.33	79,212.46	4,586.40
Other accounts receivable	Changchun FAWAY Automobile Components Co., Ltd.	16,388.62	68.83		
Other accounts receivable	FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	5,086.11	46.79	5,801.51	335.91
Other accounts receivable	Changchun Automotive Test Center Co., Ltd.	231.00	0.23		

(2) Payables

Unit: CNY

Project name	Related Parties	Ending book balance	Opening book balance
Accounts payable	Fawer Auto Parts Co., Ltd.	144,154,473.17	169,640,260.34
Accounts payable	FAW Logistics (Qingdao) Co., Ltd.	91,101,620.88	68,025,114.39
Accounts payable	Changchun FAWAY Automobile Components Co., Ltd.	79,486,373.63	152,148,699.11
Accounts payable	FAW Foundry Co., Ltd.	51,984,437.61	183,830,708.06
Accounts payable	Shandong Pengxiang Automobile Co., Ltd.	34,193,762.56	73,531,515.19
Accounts payable	FAW Logistics Co., Ltd.	32,265,403.36	57,571,100.02
Accounts payable	Changchun Yidong Clutch Co., Ltd.	21,092,492.24	67,047,152.21

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Accounts payable	FAW Car Co., Ltd.	34,214,102.32	38,452,564.39
Accounts payable	Qiming Information Technology Co., Ltd.	20,174,791.43	41,883,498.37
Accounts payable	FAW Forging (Jilin) Co., Ltd.	18,898,210.68	220,555,696.82
Accounts payable	FAW Harbin Light Automobile Co., Ltd.	16,170,855.51	4,172,366.61
Accounts payable	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	15,646,652.24	14,533,080.61
Accounts payable	SmartLink	14,489,906.15	99,415,297.12
Accounts payable	Changchun FAWSN Group Co., Ltd.	14,386,006.95	129,367,496.49
Accounts payable	FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	11,426,277.60	17,089,430.56
Accounts payable	FAW Changchun Baoyou Steel Processing and Distribution Co., Ltd.	4,937,649.97	9,272,615.36
Accounts payable	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	4,551,929.99	175,200.00
Accounts payable	FAW (Dalian) International Logistics Co., Ltd.	3,851,730.60	6,106,590.35
Accounts payable	Grammer Vehicle Parts (Qingdao) Co., Ltd.	3,402,836.35	
Accounts payable	FAW Changchun Comprehensive Utilization Co., Ltd.	2,905,411.90	3,294,031.20
Accounts payable	FAW Changchun Industrial Sodis Management Service Co., Ltd.	2,149,473.72	2,790,797.22
Accounts payable	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	1,751,774.48	735,721.78
Accounts payable	FAW Changchun Automobile Trading Service Co., Ltd.	1,479,550.69	5,721,646.90
Accounts payable	FAW Mold Manufacturing Co., Ltd.	1,121,206.34	2,434,279.91
Accounts payable	Sanguard Automobile Insurance Co., Ltd.	1,074,463.94	1,283,140.98
Accounts payable	Suzhou Zhito Technology Co., Ltd.	1,011,118.95	4,487,478.33
Accounts payable	Changchun Faw Service Trade Co., Ltd.	849,829.54	2,375,954.69
Accounts payable	Wuxi CRRC New Energy Automobile Co., Ltd.	757,023.75	
Accounts payable	FAW Changchun Yanfeng Visteon Electronics	715,521.31	478,759.95

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payable	Co., Ltd.		
Accounts payable	Grammer Vehicle Parts (Harbin) Co., Ltd.	701,342.31	
Accounts payable	Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	630,751.44	961,433.87
Accounts payable	Changchun FAW United Casting Company	521,726.80	667,354.32
Accounts payable	Changchun Automotive Test Center Co., Ltd.	316,400.00	35,547,810.00
Accounts payable	Changchun Wabco Automotive Control System Co., Ltd.	272,712.00	
Accounts payable	Dalian Qiming Haitong Information Technology Co., Ltd.	248,852.00	
Accounts payable	Wuxi Sawane Spring Co., Ltd.	233,647.89	1,555,556.34
Accounts payable	FAW Changchun Communication Technology Co., Ltd.	233,570.95	843,342.80
Accounts payable	FAW Changchun Industrial Shuixing Rubber and Plastic Products Co., Ltd.	184,682.20	676,420.56
Accounts payable	Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	121,039.88	16,448.28
Accounts payable	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	111,795.54	156,685.65
Accounts payable	Changchun FAW Automobile Culture Communication Co., Ltd.	82,778.99	
Accounts payable	China Unicom Intelligent Network Technology Co., Ltd.	54,880.00	12,984.00
Accounts payable	Hainan Tropical Automobile Test Co., Ltd.	31,977.00	437,094.00
Accounts payable	Changchun FAW Pratt Technology Co., Ltd.	17,236.96	
Accounts payable	FAW Group	14,133.00	367,385.00
Accounts payable	FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	8,891.97	
Accounts payable	FAW Bestune Car Co., Ltd.	5,100.00	
Accounts payable	FAW Jilin Automobile Co., Ltd.	13.33	126,000.00
Accounts payable	China FAW Group Import & Export Co., Ltd.		642,326.53

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Accounts payable	Harbin FAW Transmission Co., Ltd.		93,627.49
Accounts payable	Chengdu Qiming Chunrong Information Technology Co., Ltd.		159,215.21
Accounts received in advance	Changchun Automotive Test Center Co., Ltd.	1,530,824.16	1,288,392.99
Accounts received in advance	Fawer Auto Parts Co., Ltd.	107,748.00	
Accounts received in advance	FAW Changchun Comprehensive Utilization Co., Ltd.	38,791.52	
Accounts received in advance	FAW Changchun Communication Technology Co., Ltd.	17,431.19	
Accounts received in advance	Shandong Pengxiang Automobile Co., Ltd.		205,656.00
Contract liabilities	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	68,040,782.38	79,085,729.95
Contract liabilities	Changchun Faw Service Trade Co., Ltd.	15,663,935.13	36,893,039.11
Contract liabilities	China FAW Group Import & Export Co., Ltd.	2,676,797.47	632,188.13
Contract liabilities	Suzhou Zhito Technology Co., Ltd.	1,181,411.98	12,317,158.00
Contract liabilities	FAW Changchun Comprehensive Utilization Co., Ltd.	547,549.31	4,364,564.62
Contract liabilities	Shandong Pengxiang Automobile Co., Ltd.	436,111.40	492,805.88
Contract liabilities	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	36,704.04	
Contract liabilities	FAW Asset Management Co., Ltd.	20,698.19	23,388.96
Contract liabilities	FAW New Energy Vehicle Sales (Shenzhen) Co., Ltd.	7,132.74	8,060.00
Contract liabilities	Harbin FAW Transmission Co., Ltd.	119.16	134.65
Contract liabilities	FAW Logistics Co., Ltd.	9.88	11.16
Other payables	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	170,438,828.71	178,013,170.48

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Other payables	FAW Mold Manufacturing Co., Ltd.	32,192,507.66	42,797,927.25
Other payables	Qiming Information Technology Co., Ltd.	31,377,721.05	37,234,276.05
Other payables	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	20,050,000.00	20,700,000.00
Other payables	FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	4,361,315.10	
Other payables	FAW Changchun Communication Technology Co., Ltd.	3,483,543.17	207,971.15
Other payables	FAW Car Co., Ltd.	2,792,527.37	216,522,779.89
Other payables	China FAW Group Import & Export Co., Ltd.	2,264,521.88	2,782,645.30
Other payables	Shandong Pengxiang Automobile Co., Ltd.	1,040,000.00	1,050,000.00
Other payables	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	831,560.00	
Other payables	Changchun Faw Service Trade Co., Ltd.	629,405.00	1,397,786.21
Other payables	Fawer Auto Parts Co., Ltd.	429,040.30	
Other payables	FAW Group	371,435.96	233,303,791.17
Other payables	SmartLink	182,000.00	
Other payables	Hainan Tropical Automobile Test Co., Ltd.	97,185.18	
Other payables	Changchun Automotive Test Center Co., Ltd.	42,616.35	
Other payables	Suzhou Zhito Technology Co., Ltd.	10,000.00	
Other payables	FAW Asset Management Co., Ltd.	3,925.62	3,925.62
Other payables	Sanguard Automobile Insurance Co., Ltd.		274,539.31

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

Deposits and interests of finance company Unit: CNY

Project name	Related Parties	Content	Ending balance	Ending balance of the previous year
Monetary capital	First Automobile Finance Co., Ltd.	Deposits and interests of finance company included in bank deposits	13,832,934,255.95	22,653,110,736.33

XIII. Share-based Payment

1. General Conditions of Share-based Payment

Applicable Not Applicable

Unit: CNY

Total number of various equity instruments of the Company granted in the current period	
Total number of various equity instruments of the Company exercised in the current period	
Total number of various equity instruments of the Company lapsed in the current period	2,148,958.00
Scope of the exercise price of outstanding stock options of the Company at the end of the period and the remaining contract period	The validity period of the incentive plan shall not exceed 72 months from the date of the first grant of restricted shares to the date when all restricted shares granted to the incentive objects are released or repurchased and canceled. In the incentive plan, 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 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 the incentive object respectively. The release period of the reserved part shall be determined with reference to the above principles.
Scope of the exercise price of other equity instruments outstanding at the end of the period and the remaining contract period	None

Other notes:

2. Equity-settled share-based paymentApplicable Not Applicable

Unit: CNY

Measures for determining the fair value of equity instruments on the grant date	Restricted shares are determined according to the closing price on the grant date, and stock options are determined according to the B-S option pricing model.
Basis for determining the number of exercisable equity instruments	The Company determines according to the <i>Proposal on the Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD. (Draft) and Its Abstract</i> , the <i>Proposal on the Regulations for the Implementation Assessment of Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD.</i> , the <i>Proposal on the Regulations for Restricted Share Incentive of FAW JIEFANG GROUP CO., LTD.</i> , and the <i>Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Share Incentive Plan</i> .
Reasons for significant differences between current estimates and previous estimates	None
Aggregate amount of equity-settled share-based payment charged to the capital reserve	77,892,583.77
Total expenses recognized by equity-settled share-based payment in the current period	23,184,433.06

Other notes:

3. Cash-settled share-based payment Applicable Not applicable**XIV. 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 December 31, 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	Subject Amount	Case Progress
Farasis Energy Technology (Ganzhou) Co., Ltd.	The Company, FAW Bestune Car Co., Ltd., Shanghai Ruimei New Energy Technology Co., Ltd.	Contract disputes	Changchun Intermediate People's Court	45,702,880.00	First instance
Bai Haitao	FAW Jiefang Automotive Sales Co., Ltd.	Product liability cases	Dalateqi People's Court of Inner Mongolia	19,899,350.00	Second instance of retrial
Jilin Branch of Sanguard Automobile Insurance Co., Ltd.	Chengdu Baojinyang Vehicle Parts Co., Ltd., third party: FAW Jiefang Automotive Sales Co., Ltd.	Insurer's subrogation disputes	Xindu District People's Court of Chengdu	18,543,550.66	Second instance
Beijing Vegetable Basket Distribution Co., Ltd.	Beijing Hotan Automobile Modification Co., Ltd., FAW Jiefang (Qingdao) Automotive Co., Ltd.	Product quality disputes	Beijing Second Intermediate People's Court	12,000,000.00	Second instance
Zhejiang Hanglun Ligang Trading Co., Ltd., Dali Changhang Real Estate Development Co., Ltd., Lu Jianping, Zhao Li	FAW Jiefang Automotive Co., Ltd.	Sales contract disputes	Yufeng District People's Court of Liuzhou	10,780,000.00	Execution
Wang Defeng, Zhao Jianbao, Cheng Zhizhuang, Cheng Zhixuan	Puyang Tianrong Automobile Sales Co., Ltd., third party: FAW Jiefang (Qingdao) Automotive Co., Ltd.	Product quality disputes	Puyang County People's Court of Henan Province	8,000,000.00	First instance
Shengkai Building Materials Co., Ltd.	Liaocheng Mingfeng Automobile Sales and Service Co., Ltd., Shandong Shengrun Automobile Co., Ltd., China FAW Group Corporation, FAW Jiefang (Qingdao) Automotive Co., Ltd.	Product quality disputes	Liaocheng Chiping District People's Court of Shandong Province	4,370,000.00	First instance
Dongguan ALI System Co., Ltd.	FAW Jiefang Automotive Co., Ltd.	Sales contract disputes	People's Court of Changchun Automobile Economic and Technological Development Zone	2,959,213.61	Second instance

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Subject Amount	Case Progress
Liu Jiting	Gansu Longyuntong Automobile Service Co., Ltd.	Product quality disputes	Qingyang Intermediate People's Court of Gansu Province	2,560,000.00	Second instance
Chen Jie	FAW Jiefang Automotive Co., Ltd. (third party: Qingdao TKS Sealing Industry Co., Ltd.)	Sales contract disputes	People's Court of Changchun Automobile Economic and Technological Development Zone	2,360,057.35	Second instance
Dong Guosheng	Zhaoyuan Shanling Automobile Sales Co., Ltd., FAW Jiefang (Qingdao) Automotive Co., Ltd.	Product quality disputes	Zhaoyuan People's Court of Shandong Province	1,890,000.00	First instance of retrial
Zhao Shirong, Shi Jinghua, Wang Hewu, Wang Xinru	Tianjin Yili Baicheng Automobile Sales Co., Ltd., FAW Jiefang (Qingdao) Automotive Co., Ltd.	Product quality disputes	Wuqing District People's Court of Tianjin	1,500,000.00	First instance
Zheng Siyou, Wang Yanqin	FAW Jiefang Automotive Co., Ltd., Jilin Huaang Construction Engineering Co., Ltd., Li Jie	Construction project construction contract disputes	People's Court of Changchun Automobile Economic and Technological Development Zone	1,494,402.70	First instance
Wang Peng	Xingtai Tengrui Automobile Trading Co., Ltd., Xingtai Tuwei Cargo Transportation Co., Ltd.; third party: China FAW Group Corporation	Product liability cases	Nanhe District People's Court of Xingtai	1,362,429.81	First instance
Shao Yuhai	Dezhou Zhenxingda Automobile Sales Co., Ltd., China FAW Group Corporation	Product liability cases	Lingcheng District People's Court of Dezhou	1,200,000.00	First instance
Other 33 items				9,370,556.35	

As of December 31, 2022, the Company has no contingencies other than those mentioned above that should be disclosed.

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

The Company has no important contingencies to be disclosed.

(3) Other information required by the industry information disclosure guidelines

The Company shall meet the disclosure requirements for the automobile manufacturing industry specified in the "No. 3 Guideline of Shenzhen Stock Exchange on Self-Regulatory Supervision of Listed Companies - Industry Information Disclosure."

The sales amount of mortgage sales, financial lease and other modes accounts for more than 10% of the

operating income

Applicable Not applicable

The Company's guarantee to dealer

Applicable Not applicable

XV. Events after the Balance Sheet Date

FAW Jiefang Automotive Co., Ltd., a subsidiary of the Company, plans to invest in Changchun Automobile Test Center Co., Ltd. in order to realize the Company's strategic planning, promote the healthy and long-term development of the Company, further control the Company's product consistency, and carry out R&D, testing and certification inspection of new energy, intelligent network and other products, which has been deliberated and adopted at the 30th meeting of the 9th Board of Directors of the Company. The investment amount is CNY 670,872,800, with a shareholding ratio of 14.63%, including CNY 475,000,000 in cash and CNY 195,872,800 in related business assets. The appraisal benchmark date is February 28, 2022. The asset-based approach is adopted for appraisal this time. The book value of net assets is CNY 94,876,500, the appraisal value is CNY 195,872,800, and the delivery date is February 28, 2023.

The Company had no events after the balance sheet date to be disclosed as of March 31, 2023.

XVI. Other Significant 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:

Item	Amount incurred in the current period
Short-term lease	37,568,291.05
Low-value lease	
Variable Lease Payments not Included in Lease Liabilities Measurement	
Total	37,568,291.05

XVII. Notes to Major Items of Parent Company's Financial Statements**1. Other receivables**

Unit: CNY

Item	Ending balance	Opening balance
Other accounts receivable	224,132.76	432,429.80
Total	224,132.76	432,429.80

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

Unit: CNY

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

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected loss in the duration (credit impairment not occurred)	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				
- Transfer to phase II	-26,576.46	26,576.46		
Provision in the current period		208,297.04		208,297.04
Balance as at December 31, 2022		234,873.50		234,873.50

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	Book balance
1-2 years	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	208,297.04				234,873.50
Total	26,576.46	208,297.04				234,873.50

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

Unit: CNY

Name of Organization	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	1-2 years	100.00%	234,873.50
Total		459,006.26		100.00%	234,873.50

2. Long-term equity investment

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Investment in subsidiaries	21,109,221,438.36		21,109,221,438.36	21,086,037,005.30		21,086,037,005.30
Investment to associated enterprises and joint ventures	4,471,059,131.83		4,471,059,131.83	4,554,765,365.23		4,554,765,365.23
Total	25,580,280,570.19		25,580,280,570.19	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 decrease	Impairment provision	Others		
FAW Jiefang Automotive	21,086,037,005.30	23,184,433.06				21,109,221,438.36	

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Co., Ltd.							
Total	21,086,037,005.30	23,184,433.06				21,109,221,438.36	

(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 decrease	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Cash dividends and profits declared to pay	Impairment provision	Others		
I. Joint ventures											
II. Associated enterprises											
First Automobile Finance Co., Ltd.	4,341,181,324.38			358,137,304.38	-98,154.88		429,182,504.29			4,270,037,969.59	
Sanguard Automobile Insurance Co., Ltd.	213,584,040.85			6,044,847.34	-686,753.20		17,920,972.75			201,021,162.24	
Subtotal	4,554,765,365.23			364,182,151.72	-784,908.08		447,103,477.04			4,471,059,131.83	
Total	4,554,765,365.23			364,182,151.72	-784,908.08		447,103,477.04			4,471,059,131.83	

3. Investment income

Unit: CNY

Item	Amount incurred in the current period	Amount in the previous period
Long-term equity investment income calculated with cost method	2,799,650,000.00	2,719,920,000.00
Long-term equity investment income calculated with equity method	364,182,151.72	758,201,966.42
Total	3,163,832,151.72	3,478,121,966.42

XVIII. 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	871,031,108.06	It refers to the net gain on disposal of non-current assets.
Government subsidies included in the current profit and loss (except those closely related to the Company normal operations, conforming to the State policies and regulations and enjoyed persistently in line with certain standard rating or ration)	1,635,846,930.83	
Reversal of impairment provision for receivables subject to separate impairment test	15,110,580.89	It mainly refers to the reversal of impairment provision for receivables subject to separate impairment test.
Trustee fee earned from entrusted management	864,779.87	The trustee fee
Non-operating income and expenses other than the above	127,429,456.42	They mainly refer to the net non-operating income and expenses
Other losses and profits conforming to the definition of non-recurring profit and loss		Other non-recurring profits and losses
Less: amount affected by income tax	568,294,525.62	
Total	2,081,988,330.45	--

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

Applicable Not applicable

There is 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	1.50%	0.0735	0.0735
Net profit attributable to common shareholders of the Company after deducting non-recurring profit and loss	-7.01%	-0.3781	-0.3781

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