



FAW JIEFANG GROUP CO., LTD.

Annual Report 2023

March 2024

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.

Wu Bilei, 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
Wu Bilei	Chairman of the Board	Work	Li Sheng
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.

The Company has described in detail the possible risks and countermeasures for its future development in the section of Management Discussion and Analysis. Investors are kindly requested to pay attention to relevant contents. China Securities Journal, Securities Times and CNINFO (<http://www.cninfo.com.cn>) are the 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 profit distribution plan approved by the Board of Directors of the Company is as follows: Based on the 4,636,485,668 shares of the Company, a cash dividend of CNY 1.5 (tax inclusive) will be distributed to all shareholders for every 10 shares they hold. Additionally, no bonus shares (tax inclusive) will be distributed. The Company does not 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	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.,
Shareholders' meeting	Refers to	Shareholders' Meeting of FAW JIEFANG GROUP
Board of Supervisors	Refers to	Board of Supervisors of FAW JIEFANG GROUP CO.,
SASAC	Refers to	State-owned Assets Supervision and Administration
Ministry of Finance	Refers to	Ministry of Finance of the People's Republic of China
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
China Securities Depository and	Refers to	Shenzhen Branch, China Securities Depository and
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
Articles of Association	Refers to	Articles of Association of FAW JIEFANG GROUP
Reporting Period	Refers to	January 1, 2023-December 31, 2023
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	Wu Bilei		
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
Tel.	0431-80918881 0431-80918882	0431-80918881 0431-80918882
Fax	0431-80918883	0431-80918883
E-mail	faw0800@fawjiefang.com.cn	faw0800@fawjiefang.com.cn

III. 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 China FAW 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, and the two parties completed the equity registration and

	<p>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. 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 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	Scitech Place, No. 22 Jianguomenwai Avenue, Chaoyang District, Beijing, China
Name of the accountants	Wu Songlin, 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

Reasons for the retroactive adjustment or restatement: Changes in accounting policies

	2023	2022		Increase or decrease compared to that of last year	2021	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Operating income (CNY)	63,904,532,477.03	38,331,747,083.88	38,331,747,083.88	66.71%	98,751,242,669.55	98,751,242,669.55
Net profit attributable to shareholders of the listed company (CNY)	763,024,957.14	367,745,445.34	367,444,113.56	107.66%	3,899,854,760.39	3,900,127,760.42
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (CNY)	-83,315,836.30	-1,714,242,885.11	-1,714,544,216.89	95.14%	3,581,266,777.71	3,581,539,777.74
Net cash flows from operating activities (CNY)	4,201,717,721.52	-5,135,243,969.35	-5,135,243,969.35	181.82%	15,203,123,279.16	15,203,123,279.16
Basic earnings per Share (CNY/share)	0.1651	0.0735	0.0734	124.93%	0.8412	0.8413
Diluted earnings per	0.1651	0.0735	0.0734	124.93%	0.8412	0.8413

Share (CNY/share)						
Weighted average return on equity	3.16%	1.50%	1.50%	Increased by 1.66%	15.37%	15.37%
	End of 2023	End of 2022		Increase or decrease compared with that at the end of last year	End of 2021	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Total assets (CNY)	65,873,387,927.31	56,772,860,616.12	56,792,504,497.01	15.99%	69,765,943,932.81	69,792,186,974.11
Net assets attributable to shareholders of the listed company (CNY)	24,486,759,369.40	23,719,427,082.48	23,719,398,750.73	3.24%	26,242,240,723.26	26,242,513,723.29

Causes of changes in accounting policies: In November 2022, the Ministry of Finance issued the Interpretation No. 16 of Accounting Standards for Business Enterprises (CK [2022] No. 31, hereinafter referred to as "Interpretation No.16"). Interpretation No.16 stipulates that for a single transaction that is not a business combination and does not affect accounting profits or taxable income (or deductible losses) at the time of the transaction and that the initial recognition of assets and liabilities results in equal amounts of taxable temporary differences and deductible temporary differences, such taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities shall be recognized at the time the transaction occurred as the corresponding deferred income tax liabilities and deferred income tax assets in accordance with relevant provisions such as the Accounting Standards for Business Enterprises No. 18 -Income Tax. The Company shall apply these provisions to transactions that occurred from the beginning of the earliest period of the financial statements for which the provisions are first applied until the Implementation Date of the Interpretation. The cumulative impact of these adjustments shall be used to adjust the opening retained earnings and other related financial statement items for the earliest period in the presentation of financial statements. The above provisions on the accounting treatment have come into effect since January 1, 2023.

The Company shall also adjust the taxable temporary difference and deductible temporary difference for lease liabilities and right-of-use assets recognized for the lease business in accordance with the provisions of Interpretation No. 16. Please see 34(1) in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

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	2023	2022	Remarks
Operating income (CNY)	63,904,532,477.03	38,331,747,083.88	Sales revenue of complete vehicles, parts and components, materials, and purchased semi-finished products, etc.
Deducted amount of operating income (CNY)	11,310,091.46	30,729,859.27	Rental income for the current period, rental income and entrusted operating income for the previous period
Amount after the deduction of operating income (CNY)	63,893,222,385.57	38,301,017,224.61	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	14,037,665,296.82	18,976,996,617.31	15,108,308,697.92	15,781,561,864.98
Net profit attributable to shareholders of the listed company	61,785,210.95	339,551,091.40	11,070,373.79	350,618,281.00
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	-82,251,361.79	234,217,693.58	-66,799,444.13	-168,482,723.96
Net cash flows from operating activities	1,894,841,446.13	4,819,317,931.34	6,915,155,554.42	-9,427,597,210.37

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 2023	Amount in 2022	Amount in 2021	Description
Profits or losses on disposal of non-current assets (including the write-off part of the provision for impairment of assets made)	192,669,498.68	871,031,108.06	458,484.79	It refers to the net gain on disposal of non-current assets.

Government subsidies included in the current profit or loss (except those closely related to the Company's normal operations, conforming to the State policies and regulations and enjoyed in line with the specified standards, and having a continuous impact on the profit or loss of the Company)	546,340,041.28	1,635,846,930.83	336,044,406.64	
Reversal of impairment provision for receivables subject to separate impairment test	9,205,923.40	15,110,580.89	11,809,885.69	It mainly refers to the reversal of impairment provision for receivables subject to separate impairment test.
Profits or losses from debt restructuring			684,628.03	Mainly the profits or losses from debt restructuring
Trustee fee earned from entrusted management		864,779.87	471,698.11	The trustee fee
Non-operating income and expenses other than the above	173,374,447.46	127,429,456.42	28,144,798.08	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	100,996,378.33		117,055,384.99	Other non-recurring profits and losses
Less: amount affected by income tax	176,245,495.71	568,294,525.62	176,081,303.65	
Total	846,340,793.44	2,081,988,330.45	318,587,982.68	--

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.

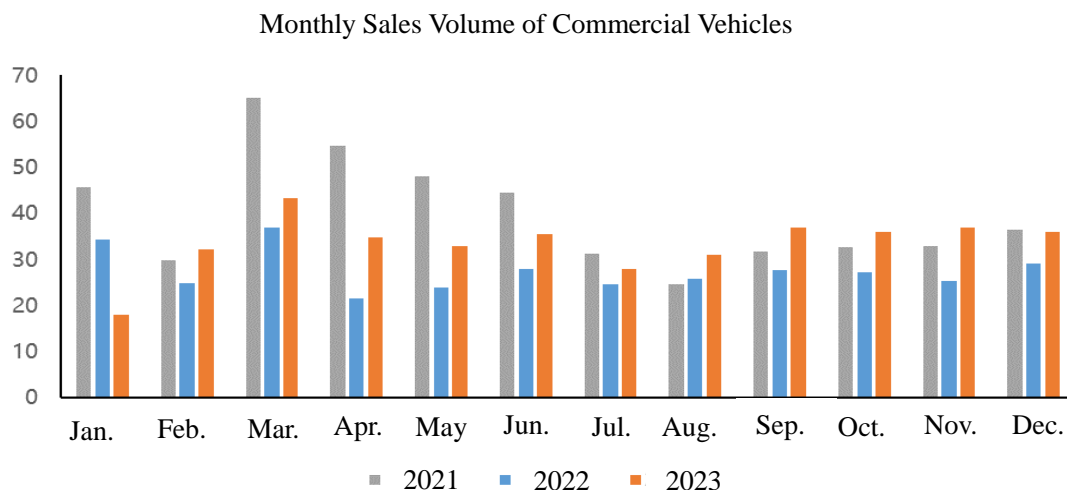
Section III Management Discussion and Analysis

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 2023, the macro-economy entered a phase of recovery, showing an upward trend, with an annual GDP growth rate of 5.2%. However, the transformation of economic drivers was exerting a weakened influence on the overall growth of the commercial vehicle industry, primarily due to reduced investment support and a negative export growth rate. The demand for commercial vehicles exhibits significant cyclical fluctuations and is closely correlated with the macro-economy. Based on the characteristics of the past industry demand and the product life cycle, these cyclical fluctuations are expected to last for about 7-8 years. Consequently, the industry was recovering from the bottom of the cycle in 2023. Compared with 2022, the freight market has improved in 2023. Road cargo transportation volume rebounded slightly, up by 7.2% year on year. However, the profitability of vehicle owners remained low due to the ongoing weakness in road transportation freight rates. Additionally, the demand for commercial vehicles was significantly suppressed due to obviously excessive transportation capacity.

According to statistics from the China Association of Automobile Manufacturers (CAAM), the production output and sales volume of commercial vehicles in 2023 were 4.037 million vehicles and 4.031 million vehicles, representing year-on-year growth rates of 26.8% and 22.1%, respectively. Among them, the annual demand for medium and heavy trucks reached 1.018 million vehicles, up by 32.5% year on year. FAW Jiefang achieved a sales volume of 205,000 medium and heavy trucks in 2023, representing a year-on-year increase of 46.1%. The company also increased its industry market share to 20.1%, reflecting a year-on-year increase of 1.8%. FAW Jiefang's sales volume growth significantly outperformed the industry average.



Source of industry production and sales data in the figure: CAAM

In 2023, a pilot program for the overall electrification of vehicles in public transport was formally launched. This program clarifies that scenarios such as urban public transport, sanitation, postal and express services, urban logistics distribution, and airports are the key areas of public transport electrification, thus creating plenty of electrification substitution opportunities for the industry. Moreover, the scope of industrial environmental classification has expanded from the iron and steel industry to include the cement and coking industry. Relevant policies explicitly require the use of ultra-low emission vehicles, including China VI vehicles, clean energy vehicles, and new-energy vehicles, for material transportation. In certain scenarios, the use of new energy vehicles is mandatory. As a result of these national policies driving the use of new energy commercial vehicles in specific scenarios, the sales volume of new energy commercial vehicles increased from 338,000 vehicles in 2022 to 447,000 vehicles in 2023. FAW Jiefang experienced a significant increase in sales volume, from 2,700 vehicles to 7,200 vehicles.

In 2023, there was explosive growth of natural gas heavy trucks due to reduced gas prices, improved gas filling convenience, and a stable gas supply. The industry's demand for natural gas heavy trucks increased from 37,000 vehicles in 2022 to 152,000 vehicles in 2023. Leveraging its competitive advantage, FAW Jiefang achieved significant growth in the sales volume of natural gas heavy trucks, from 12,000 vehicles in 2022 to 51,000 vehicles in 2023, making the largest contribution to market growth.

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 that produces heavy, medium and light trucks, and buses, as well as core components such as engines, transmissions and axles, and has a complete manufacturing system covering raw materials, core components, key large assemblies and complete vehicles. The products of the Company are mainly used in market segments such as traction, cargo carrying, dumping, special purposes, highway passenger transport, bus passenger transport, etc., and the Company also provides standardized and customized commercial vehicle products. The Company is committed to becoming a "China's first and world-class" provider of green and intelligent transportation solutions, focusing on the main production lines, insisting on innovation-driven and reform-driven, and creating a leading trend. Main business, products, and business model of the Company were not changed significantly in the reporting period.

Relying on its five vehicle manufacturing bases, the Company has formed a capacity layout of "coordinated advancement of the main and auxiliary functions, with flexible complementary roles." The Company's total annual production capacity amounts to 418,000 vehicles. Among them, the annual production capacity of each manufacturing base is as follows: Changchun, 153,000 vehicles; Qingdao, 200,000 vehicles; Guanghan, 40,000 vehicles; Liuzhou, 20,000 vehicles and Foshan, 5,000 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.

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	214,256	123,011	74.18%	205,162	140,384	46.14%

truck						
Light-duty truck	35,101	27,560	27.36%	35,199	29,414	19.67%
Bus	1,283	241	432.37%	1,301	251	418.33%
Total	250,640	150,812	66.19%	241,662	170,049	42.11%

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

Applicable Not applicable

In the current context of recovering demand in the commercial vehicle market industry, the Company continues to improve its product capabilities, strengthen its position in advantageous markets, actively expand overseas exports, and increase the sales volume of various types of vehicles.

Construction of parts and components supporting system

In terms of the construction of the parts and components supporting system, the Company continues to build the core competitiveness of the Jiefang supply chain. It focuses on understanding the requirements of market customers and their demand for resources of various product lines, while also improving the construction of the resource platform. Currently, the Company independently produces the three core assemblies of its main models, i.e. engine, transmission and axle. It also focuses on resource-oriented core parts and components in fields such as medium and heavy trucks, new energy vehicles, light vehicles, intelligent vehicle software and hardware, and intelligent connected services. The Company actively participates in market-based competition by broadening its resource access. It improves supplier relationship management and enhances collaborative cooperation with outstanding suppliers at home and abroad through various forms such as strategic cooperation and joint venture partnerships. Additionally, the Company ensures vehicle quality and reputation by controlling the purchase by implementing access evaluation of new suppliers, strengthening performance assessment and capability reviews of existing suppliers, and effectively supervising and controlling supplier processes, all 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
Commercial vehicles	48,000 vehicles/year	7,897	7,203	2,686,244,407.22

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 China's first and world-class provider of green and 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, and light trucks and passenger vehicles, are covered. Heavy trucks include eight products: J7, J6P, J6V, J6E, Yingtu, JH6, JH5 and Han V2.0. Medium trucks include four products: J6G, J6L, JK6 and Long V. Light trucks include four products: LINKTOUR, Hu 6G, J6F and Hu V. Passenger vehicles include road vehicles, new energy buses, recreational vehicles, etc. New energy products cover all mainstream scenarios of the market segment. The Company 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 3,000 people. With its five core capabilities, the Company has created five technical platforms encompassing 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 the market segment, the Company has successfully built differentiated product technology advantages such as traditional vehicle's system fuel saving, light weight, independent post processing and maintenance free, the leading product technology advantages such

as digital intelligent independent assembly of new energy vehicles, vehicle thermal management and vehicle energy management, and the pioneering product technology advantages such as smart driving of intelligent connected vehicles, IoV big data and intelligent cockpit. 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 of three sales companies (including Changchun Medium and Heavy-duty Vehicle, Qingdao Medium and Heavy-duty Vehicle and Light Trucks) composed of nearly 1,000 dealers, more than 1,800 service providers, more than 80 spare parts centers and more than 190 spare parts dealers covers more than 230 prefecture-level cities in China, with a coverage rate of 96.9% in cities with a capacity of more than 1,000 vehicles. With a national average service radius of 48 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 become strategic partners with top enterprises at home and abroad successively, including Huawei, Knorr-Bremse, ZF, Shell, BOSCH, CATL, VOSS, China Unicom, and CATARC.

3. Production and manufacturing: The Company has the most complete manufacturing system in China from raw materials to core components, from key assemblies to complete vehicles, and its processing and manufacturing depth ranks the top in the industry. The Company has five complete vehicle bases in Changchun, Qingdao, Guanghan, Liuzhou and Foshan, with an existing planned production capacity of 418,000 vehicles. The Company also has three assembly bases in Changchun, Wuxi and Dalian. With its three product series, namely All-Win, Power-Win, and King-Win, the Wuxi Diesel Engine Factory has reached the world-class manufacturing level. Based on the business such as commercial intelligent vehicles, post-market services, connected services, new energy business model operations and fuel cell power systems, the Company has built six new business bases in Suzhou, Nanjing, Tianjin, Shijiazhuang, Foshan and Wuxi.

4. Overseas export: The Company actively responds to the "Belt and Road" initiative, accelerates its presence in overseas markets, and creates new avenues of growth for its business. The Company accelerates the development of its commercial vehicle overseas business comprehensively, broadens the channels gradually and expands its brand's overseas influence continuously. Jiefang's products are exported to over 80 countries and regions such as Southeast Asia, the Middle East, Latin

America, Africa and Eastern Europe, and the Company has more than 100 core dealers and nearly 190 distributors in nearly 40 countries and regions around the world. Export products include models such as J7, J6, JH6, and Hu V. Additionally, the Company leverages its system advantages based on reality, and through system collaboration, strives to build an overseas marketing platform of "talent+ service+ automotive+ finance".

5. New energy: Its product portfolio covers five major lines: tractors, dump trucks, cargo trucks, SPVs and passenger cars. These product lines encompass three major technological routes: EVs, FCVs and hybrid vehicles, achieving full coverage of key segment markets for new energy commercial vehicles, such as steel mills, coal and slag. The goal of product development is to meet market demand and alleviate user pain points. It focuses on achieving the "three-low and one-high" core competitiveness, which refers to low cost, low self-weight, low energy consumption and high reliability. Additionally, the Company strives to differentiate its products through the attributes of long endurance, low-temperature resistance, high intelligence, and high comfort. To achieve these goals, the Company undertakes continual iteration and upgrading of its products and technologies. In terms of core technology, the Company has achieved integration across three critical areas: vehicle architecture, vehicle control software, and assembly interface. This integration significantly improves development efficiency. The Company harnesses technologies such as efficient energy recovery and scenario-based calibration to significantly reduce energy consumption. Moreover, the application of assembly technology incorporates a dual-wheel drive system that combines independent core assemblies with external high-quality social resources, enabling complementary advantages. By continuously exploring and applying new products, technologies and processes, the Company aims to maintain a leading position in both new energy technology and new energy products in the market.

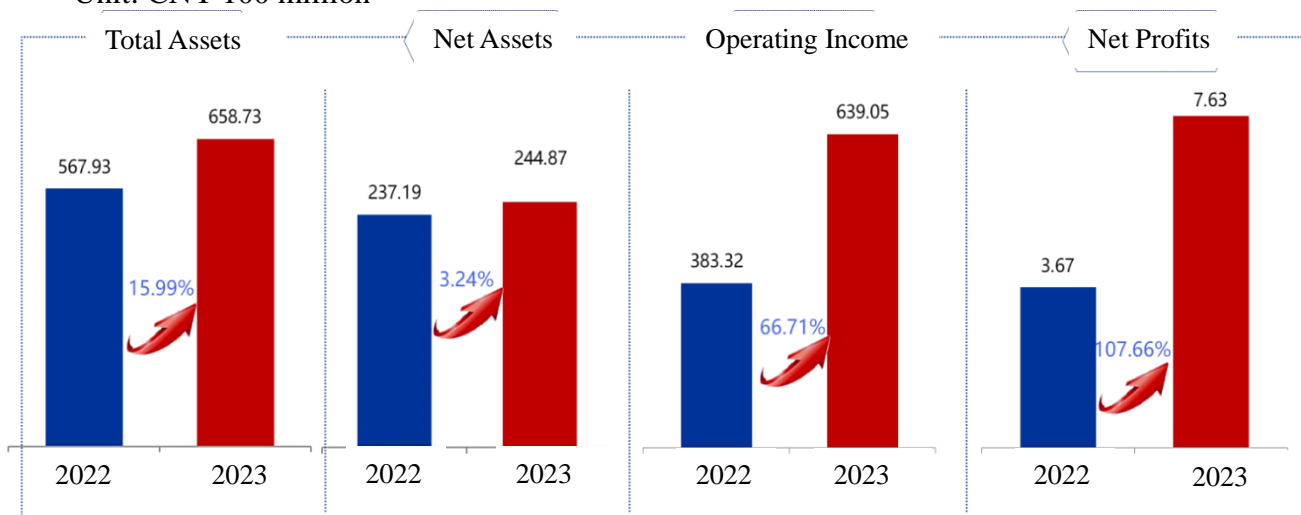
IV. Analysis of Main Business

1. Overview

In 2023, although the demand for commercial vehicles bottomed out and rebounded, this period represented the low point for this cycle compared to previous highs. Faced with sustained sluggish demand, hardships in industry transformation and difficulties in market transition, all Jiefang staff demonstrated their resilience by fearlessly confronting challenges and pushing forward under high pressure. They implemented various deployment requirements resolutely, focused on annual strategic

goals closely and advanced various tasks solidly and effectively, achieving satisfactory business results. As of December 31, 2023, the total assets of the Company reached CNY 65.873 billion, a year-on-year increase of 15.99%. The net assets attributable to shareholders of the listed company amounted to CNY 24.487 billion, representing a year-on-year increase of 3.24%. During the period from January to December 2023, the Company generated a revenue of CNY 63.905 billion, representing a year-on-year increase of 66.71%; and achieved a net profit attributable to the parent company of CNY 763 million, reflecting a year-on-year increase of 107.66%. The Company achieved sales of 241,700 vehicles, a year-on-year growth of 42.11%. Among these, 205,200 medium and heavy trucks were sold, reflecting a year-on-year increase of 46.14%. The Company sold 7,200 new energy vehicles, indicating a year-on-year increase of 164.5%. Moreover, overseas exports reached 45,000 vehicles, showing a year-on-year increase of 60.7%.

Unit: CNY 100 million



In 2023, the Company successfully won the titles of "Creating a world-class professional leading demonstration enterprise" and "Science and Technology Transformation Enterprise" by the SASAC and was nominated for the China Quality Award for the first time. It also maintained an A rating for information disclosure on the SZSE for three consecutive years. The Jiefang brand value has continued to lead the commercial vehicle industry for 12 consecutive years, while tractor sales maintained their top position in the industry for 18 consecutive years.



In 2023, the Company's priorities are as follows:

(1) Sales increase: Based in China, the Company has accelerated overseas expansion and maintained its leading position in the market. The Company strengthened its strengths and tackled areas of weaknesses, accelerated breakthroughs in major strategic areas such as new energy and overseas markets, and achieved balanced development in various segmented markets, resulting in a significant increase in overall sales.

Domestic market: The Company further implemented the concept of high-quality marketing, and in the face of severe market conditions, closely focused on terminal operations. It strategically positioned medium and heavy trucks to compete in markets such as NG tractors, high horsepower tractors, and large single-axle cargo trucks, with precise positioning and reasonable promotion. The Company strengthened customer development and engagement. It maintained a favorable reputation on the second-tier network and especially seized the opportunity of "oil to gas" explosive growth. The Company achieved a 33.6% market share in the NG segment and maintained its position as the top tractor seller in the industry for 18 consecutive years. The sales terminal share of medium and heavy trucks was 26.3%, an increase of 0.6% year-on-year. The Company nurtured and improved its light vehicle segment by implementing innovative marketing models and establishing a reputation for high-end offerings. This resulted in annual sales of 35,000 vehicles, representing a year-on-year increase of 19.7%. The Company accelerated its strategic transformation towards new energy and launched a tough battle around five major scenarios: steel mills, power plants, slag mixing and sanitation, sand and gravel mines, fuel cells, and hybrid power. By focusing on these areas, the Company achieved sales of 7,200 vehicles, marking a year-on-year increase of 164.5% and setting a new historical high.

Overseas market: With deepening transformation as the main line, the Company continued to win four major battles, enhanced core capabilities, and accelerated the development of excellent overseas iron army teams. By implementing a combination of strategies, the Company achieved sustained leapfrog growth in overseas sales and fully demonstrated the "Jiefang speed". Throughout the year, the Company sold 45,000 vehicles overseas, representing a year-on-year increase of 60.7%. The Company's products gained favor among overseas users, laying a solid foundation for it to accelerate towards high-end products, an internationalized brand and global expansion.

(2) Product leadership: The Company has concentrated on the main line of product leadership and vigorously built robust product strength.

National VI products: Nearly 140 new products have been launched, with new product sales

accounting for over 60%, and product competitiveness has significantly improved. The J100 project was fully launched to complete the transformation into a solution provider. The Company continued to carry out planning work for the J7 2026 product package and the development of the J167 product, aiming to create quasi-all-around products that could compete with international competitive products and localized products. Seizing the opportunity presented by the rapid increase in demand for high-end products in the Russian market, the Company planned to develop and introduce high-end products tailored to the differentiated requirements of users. By successfully entering the high-end traction segment market in Russia, the Company enhanced the Jiefang brand image in the country. The Company continued to enhance the competitiveness of light vehicles around "cost reduction, quality improvement and performance enhancement". It launched new products such as LinkTour Lightweight and Hu6G. Additionally, the Company defined product package requirements for mini trucks and devised a robust product strategy to enter the pickup truck market, thereby accelerating the expansion of its light vehicle product line.

New energy products: The Company underwent a comprehensive transition to new architectures, which involved upgrading the driver's cab, motor, electronic control, etc., built differentiated competitiveness in the "three-low and one-high" aspects of its products, and further reduced costs, weight and electricity consumption. Regarding charging products, the Company introduced nearly 60 upgraded products tailored to specific scenarios such as steel plant short barges, municipal works, and factory logistics. Among them, star products such as J6L ultra-lightweight, low-cost tractors and mixer trucks, and J6P slag dump trucks received widespread praise in the market. More than 300 FCVs have been promoted in Tangshan, Shanghai, Chengdu and other places, serving as continuous demonstrations and leading the way. Furthermore, the Company announced the small-scale trial launch of hybrid products in user scenarios. More than 10 differentiated new car models were reserved simultaneously, further expanding the product lineup and enhancing the competitiveness of the Company's offerings.

Intelligent IoV products: The J6V-L2 intelligent vehicle product underwent testing and operation, with a cumulative operating mileage of 39,000 kilometers. The port ICV-L4 product completed line control debugging. In the environmental sanitation operation scenario, full coverage of expressways and main roads was achieved, with a cumulative operating mileage of 160,000 kilometers. In respect of intelligent diagnosis and repair, core functions of remote regeneration and remote code clearing were developed and launched, serving users a total of 323,000 times. The new

energy IoV enabled the launch and operation of the Jiefangxing Lantu version APP. The digital key completed platform product development and functional adaptation on models such as J167. The FOTA platform underwent system upgrades and completed pilot upgrades for over 5,000 vehicles.

(3) Technological innovation: Taking innovation as the primary driving force, the Company has strengthened planning, implementation, technological breakthroughs, and resource investment, while adhering to the technology-leading strategy.

The 2nd Science and Technology Conference was convened, refreshing the "13586" science and technology development plan and achieving 100% of the milestone of the "1025" Phase II Program. Throughout the year, the Company achieved breakthroughs in nearly a hundred industry-leading key core technologies and maintained its position as the top-ranked company in the China Commercial Vehicle Innovation Ranking for the seventh consecutive year. The Company has applied for over 1,500 patents, including more than 1,200 invention patents. The Company has led/participated in the development of over 130 national, industry, and group standards, of which more than 20 standards were led by the Company and more than 40 standards were successfully released in the same year.

Traditional vehicle field: The Company has conquered the high compression ratio and fast combustion technology in diesel engines, with a thermal efficiency exceeding 50.7%. The world's first "ammonia-hydrogen fusion engine" was successfully ignited, reaching an internationally leading technical level.

New energy vehicle field: The first domestically produced medium-sized electric drive bridge with dual motors was industrially applied. The Starship China concept truck and the Starlight forward-looking FCV were released as a blockbuster, featuring breakthroughs in more than 30 technologies such as wide temperature range sealing of fuel cell stacks, large flow injection of hydrogen, and dual motor multi-mode control.

Intelligent IoV field: The official launch of the IPU brand marked the release of the world's first IPU product, GD300. The "Star Chess" intelligent cockpit was the first to be launched in China, leading a new direction of intelligent experience for commercial vehicles. Significant breakthroughs have been made in more than 20 key core technologies, including high-speed L4 autonomous driving, low latency remote driving, and predictive intelligent diagnosis and repair.

(4) Digital and intelligent transformation: The Company has focused on improving operational efficiency through business-centric approaches and accelerating the transformation process.

Centering on the "1143" digital transformation framework, the Company has focused on efficiency, benefits, quality and experience improvement. It has adhered to the principles of end-to-end process and business integration. The Company has comprehensively promoted the deepening of business design, optimization of 4A architecture, and construction of digital platforms. It has also enhanced digital capabilities such as big data, AI, independent development and network security, and continuously built a system to ensure capabilities in strategic operations, process operations, project operations, product operations, and other areas.

Business model innovation: The Company has deepened 8 digital products such as intelligent locking and fleet management, and optimized and upgraded its network freight platform, resulting in a more than 50% improvement in system efficiency. In terms of digital project construction: The Company has built a digital system that covers the entire chain of research, production, supply, sales, and service of the Company. Over 30 systems, including CAD/CAE Phase II and new energy direct sales platforms, have been constructed, and more than 20 system optimizations have been completed. The construction of big R&D and big marketing digital platforms have been coordinated and planned, significantly improving work efficiency in various fields.

Big data capacity building: The Company has accelerated the construction of data management systems, deepened the application of data analysis, and promoted AI technologies such as big models to empower business digital transformation. In terms of data governance, the Company has implemented a data management system and completed the sorting of L4/L5 assets for 100 business objects in areas such as R&D and marketing. In respect of data analysis, nearly 20 projects including IoV data governance and BOM change analysis were launched to support efficient business decision-making. In terms of big models, the Company has created a "new energy policy insight robot" that automatically crawls, processes and pushes policy data from over 40 websites, greatly enhancing information acquisition efficiency.

(5) Capital operation: The Company has strengthened compliance operation, attached importance to investment management, and actively planned capital operation.

The Company has conducted information disclosure efficiently and compliantly in strict accordance with regulatory requirements for listed companies. A total of 175 announcements were disclosed throughout the year. It has received an A rating for information disclosure from the SZSE for three consecutive years. The Company has strengthened its investor relations management and organized multi-level investor exchange activities, totaling 400 exchanges. The Company has

actively planned to launch a project to issue A-shares to specific targets, with a total planned fundraising of no more than CNY 3.713 billion, to provide strong support for R&D in the new four-based (electrification, networking, intelligence and sharing) field. The Company has timely and compliantly completed the unlocking, listing, repurchase and cancellation of over 300 related stocks in its equity incentive plan. The Company has enhanced the management of more than 10 participating enterprises and achieved a total investment income of CNY 348 million throughout the year. It has proactively promoted equity investment projects, offering robust support for the swift implementation of the Company's strategies in new energy, IoV, autonomous driving and aftermarket.

2. Revenues and costs

(1) Composition of operating income

Unit: CNY

	2023		2022		Year-on-year Increase and Decrease
	Amount	Proportion in Operating Income	Amount	Proportion in Operating Income	
Total operating income	63,904,532,477.03	100%	38,331,747,083.88	100%	66.71%
By industries					
Automobile industry	63,904,532,477.03	100.00%	38,331,747,083.88	100.00%	66.71%
By products					
Commercial vehicles	58,781,305,472.90	91.98%	33,483,232,308.59	87.35%	75.55%
Spare parts and others	5,123,227,004.13	8.02%	4,848,514,775.29	12.65%	5.67%
By regions					
Northeast China, North China, Northwest China and Southwest China	35,412,537,135.12	55.41%	19,888,808,283.34	51.89%	78.05%
East China, South China and Central China	28,491,995,341.91	44.59%	18,442,938,800.54	48.11%	54.49%

(2) Information about industries, products, regions and sales model accounting for more than 10% of the Company's operating income or operating profitApplicable 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	61,967,850,165.95	57,133,830,184.15	7.80%	70.98%	70.00%	Increased by 0.53%
By products						
Commercial vehicles	58,781,245,667.94	54,332,060,946.48	7.57%	75.55%	74.06%	Increased by 0.79%
Spare parts and others	3,186,604,498.01	2,801,769,237.67	12.08%	15.49%	17.03%	Reduced by 1.15%
By regions						
Northeast China, North China, Northwest China and Southwest China	34,339,329,467.34	31,705,921,159.18	7.67%	82.61%	78.98%	Increased by 1.87%
East China, South China and Central China	27,628,520,698.61	25,427,909,024.97	7.96%	58.44%	59.98%	Reduced by 0.89%

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 revenue**Yes No

Industry classification	Item	Unit	2023	2022	Year-on-year Increase and Decrease
Automobile industry	Sales Qty	Vehicle	241,662	170,049	42.11%
	Production output	Vehicle	250,640	150,812	66.19%
	Storage amount	Vehicle	22,126	13,235	67.18%

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

Applicable Not applicable

In the current context of recovering demand in the commercial vehicle market industry, the Company continues to improve its product capabilities, strengthen its position in advantageous markets, actively expand overseas exports, and increase the sales volume of various types of vehicles.

(4) Performance of major sales contracts and major procurement contracts signed by the Company as of the reporting period

Applicable Not applicable

(5) Composition of operating cost

Industry and product classification

Unit: CNY

Industry classification	Item	2023		2022		Year-on-year increase and decrease
		Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Automobile industry	Material cost	53,650,304,272.56	91.51%	31,126,255,860.34	88.30%	72.36%
	Others	4,979,331,438.99	8.49%	4,125,915,026.19	11.70%	20.68%

Unit: CNY

Product Classification	Item	2023		2022		Year-on-year Increase and Decrease
		Amount	Proportion in Operating Cost	Amount	Proportion in Operating Cost	
Commercial vehicles	Commercial vehicles	54,332,060,946.48	92.67%	31,214,534,982.58	88.55%	74.06%
Spare parts and others	Spare parts and others	4,297,574,765.07	7.33%	4,037,635,903.95	11.45%	6.44%

Note: None

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

Yes No

The Company established a new subsidiary, FAW Jiefang UNI-D (Tianjin) Technology Co., Ltd., on April 14, 2023.

(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)	20,306,447,061.24
Proportion of total sales amount of the top five customers in total annual sales amount	31.78%
Proportion of sales of related parties in total annual sales of the top five customers	22.39%

Information about the top 5 customers of the Company

S/N	Customer name	Sales (CNY)	Proportion in Total Annual
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			Sales
1	CHINA FAW GROUP CO., LTD.	11,861,365,832.71	18.56%
2	Customer 1	2,736,305,708.02	4.28%
3	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	2,446,872,744.97	3.83%
4	Customer 2	1,903,418,018.14	2.98%
5	Customer 3	1,358,484,757.40	2.13%
Total	--	20,306,447,061.24	31.78%

Other information about main customers

Applicable Not applicable

Information about main suppliers of the Company

Total purchase amount of the top five suppliers (CNY)	17,320,145,386.31
Proportion of total purchase amount of the top five suppliers in total annual purchase amount	28.73%
Proportion of the purchase amount of related parties in the total annual purchase amount of the top five suppliers	7.38%

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	10,924,862,616.15	18.12%
2	CHINA FAW GROUP CO., LTD.	2,791,804,801.30	4.63%
3	Fawer Auto Parts Co., Ltd.	1,659,607,907.68	2.75%
4	Supplier 2	980,210,553.71	1.63%
5	Supplier 3	963,659,507.47	1.60%
Total	--	17,320,145,386.31	28.73%

Other information about main suppliers

Applicable Not applicable

3. Cost

Unit: CNY

	2023	2022	Year-on-year Increase and Decrease	Description of Major Changes
Sales expenses	1,605,495,233.98	1,255,882,221.64	27.84%	
Administrative expenses	1,931,279,477.64	2,040,339,354.62	-5.35%	
Financial expenses	-915,389,862.57	-1,052,600,813.17	-13.04%	
R&D expenses	2,982,257,879.16	2,895,655,097.73	2.99%	

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, create greater value for users, expand the market capacity of high-end vehicle products year by year, realize double sales volume, and lead the industry development.	Support Jiefang'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	In the current situation where JH6 products have been on the market for eight years, it is urgent to upgrade the JH6 platform to ensure the leading competitiveness	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 muck, strengthen the advantages of highway vehicles in the mid-to-high-end market and renew the brand image of engineering vehicles by	Enhance the competitiveness of Jiefang'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.

	s of the Jiefang brand.		optimizing the complete vehicle reliability, comfort and TCO.	
Light truck	Continuously improve the high-end attributes of Jiefang Light Truck and develop a new energy exclusive platform	Planning stage	Complete the development of a new energy exclusive platform in urban logistics, medium and short-distance transportation and other relevant markets, which covers both pure electric and hybrid routes, aiming to create an ultimate driving and riding experience while achieving an industry-leading electricity consumption level.	Lay the foundation for the overall realization of new energy transformation of Jiefang and assist in completing the 14th Five-Year Development Plan.
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 Jiefang to lead the new energy industry continuously.
Jiefang intelligent driving product development project	Develop aided driving and restricted-region high-level intelligent driving commercial vehicle products based on customer needs, so as to help Jiefang realize the commercialization of the intelligent	Development phase	Develop intelligent vehicle series products, realize aided driving in trunk logistics scenarios 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.	Through the commercial operation of emerging industries in multiple scenarios, the Company's independent R&D capability and competitiveness in the intelligent driving field are improving continuously. The rapid accumulation of operational experience supports the Company's strategic transformation to become "China's first

	vehicle industry in a short period.			and world-class" provider of green intelligent transportation solutions.
Jiefangxing APP IoV platform development project	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 connected vehicles, so as to support the layout of the Company in ecological services.	Iterative operation phase	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 enable 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 to enhance user experience. At the cloud terminal, it optimizes the IoV cloud platform continuously to 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.	With continuous product iteration and service optimization of the IoV project, the achievements will improve the digital, networking and intelligent experience of Jiefang's commercial vehicle users significantly, solve user complaints, enhance product competitiveness and reduce service costs. They will also help the Company to lay out the field of commercial vehicle ecology, promote the digital transformation of products and services, and enter the commercial cycle of data-driven iteration.
Upgraded transmission product development project	Develop transmission products complying with noise regulations and	Development phase	Complete the development of drive axle and AMT products and improve the comprehensive competitiveness of assembly products.	Provide competitive drive axle and AMT transmission products for Jiefang's vehicle platform, improve the competitiveness of

	fuel consumption regulations to improve the competitiveness of complete vehicles.			vehicle products, and support Jiefang 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 independent fuel cell system.

Information about R&D personnel of the Company

	2023	2022	Change ratio
Number of R&D personnel (person)	3,151	2,904	8.51%
Proportion of R&D personnel	15.75%	14.27%	1.48%
Educational background structure of R&D personnel			
Bachelor's degree	2,059	1,907	7.97%
Master's degree	1,027	943	8.91%
Doctor's degree	49	36	36.11%
Junior college degree	16	18	-11.11%
Age structure of R&D personnel			
Under 30 years old	1,171	1,065	9.95%
30-40 years old	1,299	1,159	12.08%
41-50 years old	483	465	3.87%

51-60 years old	198	215	-7.91%
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Information about R&D investment of the Company

	2023	2022	Change ratio
Amount of R&D Investment (CNY)	3,104,963,079.11	2,895,655,097.73	7.23%
Proportion of R&D Investment in Operation Income	4.86%	7.55%	-2.69%
Capitalization amount of R&D investment (CNY)	122,705,199.95	0.00	-
Proportion of capitalized R&D investment in total R&D investment	3.95%	0.00%	3.95%

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	2023	2022	Year-on-year Increase and Decrease
Subtotal of cash inflows from operating activities	62,308,904,099.97	44,778,021,694.80	39.15%
Subtotal of cash outflows from operating activities	58,107,186,378.45	49,913,265,664.15	16.42%
Net cash flows from operating activities	4,201,717,721.52	-5,135,243,969.35	181.82%
Subtotal of cash inflows from	404,944,067.84	1,715,798,644.98	-76.40%

investment activities			
Subtotal of cash outflows from investment activities	2,798,293,719.39	3,345,556,203.30	-16.36%
Net cash flows from investment activities	-2,393,349,651.55	-1,629,757,558.32	-46.85%
Subtotal of cash outflows from financing activities	22,968,693.24	3,080,358,351.01	-99.25%
Net cash flows from financing activities	-22,968,693.24	-3,080,358,351.01	99.25%
Net increase in cash and cash equivalents	1,786,174,827.41	-9,845,007,165.71	118.14%

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 increased by 39.15% compared with the previous year, which is mainly due to the recovery of demand in the commercial vehicle market, competition for overseas exports, increased sales of various vehicle models, and increased sales receipts.

(2) "Net cash flows from operating activities" increased by 181.82% compared to the previous year, mainly due to the recovery of demand in the commercial vehicle market, competition for overseas exports, increased sales of various vehicle models, and increased sales receipts.

(3) "Subtotal of cash inflows from investment activities "of this year decreased by 76.40% compared with the previous year, mainly due to the adjustment of interest income and the decrease in cash received from the disposal of long-term assets.

(4) "Net cash flows from investment activities "of this year decreased by 46.85% compared to the previous year, mainly due to the adjustment of interest income and the decrease in cash received from the disposal of long-term assets.

(5) "Subtotal of cash outflows from financing activities" of this year decreased by 99.25% compared with the previous year, mainly due to undistributed cash dividends for the year.

(6) "Net cash flows from financing activities "of this year increased by 99.25% compared with the previous year, mainly due to undistributed cash dividends for the year.

(7) "Net increase in cash and cash equivalents" of this year increased by 118.14% compared to the previous year, mainly due to the recovery of demand in the commercial vehicle market, increased sales of various vehicle models, increased sales receipts, and increased net operating flow.

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 58 "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 2023		Early 2023		Increase/D ecrease in Proportion	Descrip tion of Major Change s
	Amount	Proportion in Total Assets	Amount	Proportion in Total Assets		
Monetary capital	22,920,710,903.12	34.80%	21,041,473,417.71	37.05%	-2.25%	
Accounts receivable	1,989,386,169.77	3.02%	867,090,338.42	1.53%	1.49%	
Contract assets	17,582,856.82	0.03%	11,129,624.75	0.02%	0.01%	
Inventories	9,210,971,356.15	13.98%	6,382,739,897.83	11.24%	2.74%	
Investment properties	47,049,995.53	0.07%	80,647,597.48	0.14%	-0.07%	
Long-term equity investments	5,469,591,970.26	8.30%	4,692,648,635.84	8.26%	0.04%	
Fixed	11,380,286,165.58	17.28%	9,612,922,810.28	16.93%	0.35%	

assets						
Project under construction	816,484,299.18	1.24%	1,902,143,354.11	3.35%	-2.11%	
Right-of-use assets	138,989,886.70	0.21%	198,220,342.59	0.35%	-0.14%	
Contract liabilities	2,204,692,602.77	3.35%	1,629,524,704.35	2.87%	0.48%	
Lease liabilities	30,494,014.13	0.05%	54,814,603.06	0.10%	-0.05%	

High proportion of overseas assets

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: CNY

Item	Beginning balance	Profits and losses from changes in fair value for the current period	Accumulated changes in fair value through equity	Provision for impairment in the current period	Purchase amount in the current period	Sales amount in the current period	Other changes	Closing balance
Financial assets								
1. Investment in other equity instruments	480,780,000.00							480,780,000.00
Total	480,780,000.00							480,780,000.00
Financial liabilities	0.00							0.00

Content of other changes: none

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

Yes No

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

For details, please refer to Note 21 "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 situation

Applicable Not applicable

Investment Amount in the Reporting Period (CNY)	Investment Amount in the Same Period of Previous Year (CNY)	Variation range
725,139,697.94	516,780,000.00	40.32%

2. Major equity investments acquired in the reporting period

Applicable Not applicable

Unit: CNY

Name of Investee Company	Main business	Investment method	Investment amount	Share proportion	Capital source	Partners	Investment horizon	Product type	Progress as of Balance Sheet Date	Estimated Revenue	Profit and Loss of Investment in the Current Period	Involved in Litigation or not	Date of Disclosure	Disclosure Index
Changchun Automotive Test Center Co., Ltd.	Automobile testing services, etc.	Capital increase	670,872,897.94	14.63%	Own Funds	CHINA FAW GROUP CO., LTD.	Long-term	Testing services	Delivery completed	—	29,796,896.33	No	December 16, 2022	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz000800&sjstsBond=false#latestAnnouncement
Total	--	--	670,872,897.94	--	--	--	--	--	--	0.00	29,796,896.33	--	--	--

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

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

The Company has no securities investment in the reporting period.

(2) Derivatives investment

Applicable Not applicable

The Company has no derivative investment in the reporting period.

5. Use of 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

Counterparty	Assets Sold	Date of Sale	Transaction Price (CNY 10,000)	Net Profit Contributed by the Asset to the Listed Company from the Beginning of the Current Period to the Date of Sale (CNY 10,000)	Effect of Sale on the Company	Proportion of Net Profit Contributed by Asset Sales to the Listed Company in the Total Net Profit	Pricing Principle of Asset Sale	Related Party Transaction or Not	Relationship with the Counterparty	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
Mashan Sub-district Office, Binhu District, Wuxi City	The house and land at No. 31, Mawei Bridge 7, Mashan Sub-district Office, Binhu District, Wuxi, with a floor area of 39,148.58	December 28, 2023	24,363.46	17,717.94	This reserve and consolidation will not affect the normal operation of the Company and will be conducive to optimizing the asset structure, revitalizing the stock	23.22%	Asset appraisal pricing	No	N/A	Yes	No	Implemented as planned	August 31, 2023	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800&sjstsBond=false#latestAnnouncement

	square meters			assets, increasing the 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 10,000

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 vehicles and parts	1,080,301.25	6,119,806.08	1,990,539.44	6,390,453.25	-7,979.29	44,143.78
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	1,000,000.00	17,404,165.76	2,109,616.64	665,435.99	263,159.83	178,629.31

Acquisition and disposal of subsidiaries in the reporting period

Applicable Not applicable

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 commercial vehicle industry, especially medium and heavy trucks, will enter a period of deep adjustment, which will bring many unprecedented changes. The main characteristics are maintaining low demand, adjusting product structure, and intensifying stock competition.

The macro-economy is moving towards a stage of high-quality development, with an expected GDP growth rate of around 5%. The slowdown in economic growth will lead to low demand for medium and heavy trucks. Real estate investment is expected to remain sluggish, with limited growth in traditional infrastructure investment, low demand for transportation capacity in new infrastructure, and sluggish demand for engineering transport vehicles. However, at the same time, there will be an increase in consumer-driven demand for road vehicles, effectively driving the increase in demand for traction and freight vehicles, which is also an advantageous area of FAW Jiefang. Overall, industry demand will remain low and difficult to recover to the high demand level during the 13th Five-Year Plan period.

The demand structure of medium and heavy trucks is facing deep adjustment. In the future, natural gas vehicles will continue to maintain high sales due to stable gas prices and an increase in the "fuel-to-gas price ratio", resulting in their continued TCO advantage over traditional fuel vehicles. The significant trends in the industry include the adoption of high horsepower and AMT technology. Furthermore, there is an increasing demand for new energy vehicles, intelligent connectivity, and comprehensive solutions. Although the growth momentum of export demand has slowed down, it will remain at a high level. China will continue to promote a higher level of opening up to the outside world, optimize its international market layout, and improve its overseas service system. Export demand will still have a certain potential.

Stock competition is the main tone of future market competition, and the competition between enterprises will be further intensified. The battle for the status of traditional domestic OEMs is becoming more intense; international leading enterprises launch domestically produced products to

lower the ceiling of domestic high-end products; new forces leverage capital to explore new models and expand new markets in the new energy and intelligent vehicle tracks, seeking to overtake traditional enterprises on bends. In the future, it is expected that the concentration of the top 5 in the medium and heavy trucks industry will further increase.

Based on the environment described above, FAW Jiefang will rely on its existing industry position to expand its leading advantages in products, marketing, technology and other aspects, and continue to make efforts overseas, new energy and other business sectors to ensure its position as a leading enterprise in the medium and heavy truck market.

2. Development strategy and business plan of the Company

In 2024, the Company will comprehensively and thoroughly study and implement the guiding principles of the 20th CPC National Congress, continuously implement the guiding principles of the important speech made by General Secretary Xi Jinping at the time of inspecting FAW, and unswervingly uphold and strengthen the leadership of the Party. With a focus on high-quality development, the Company will be committed to thoroughly implementing its strategy and annual key requirements. It will adhere to the overarching concept of "creating a leading brand, focusing on the leading mainline, adhering to innovation and reform drive, winning the four tough battles, and carrying out the seven key tasks". Throughout the year, the Company will diligently undertake various tasks related to production and operation. By gathering momentum for leading, bravely crossing the peak, gathering strength to win tough battles, and ambitioning to win a new journey, the Company shall accelerate its relentless struggle towards becoming "China's first and world-class" green and intelligent transportation solutions provider, as well as a century-old national automobile brand.

(1) Taking the brand as the leader, refreshing the brand core, and creating the leading brand strength. Devoted to a century-old national automobile brand, the Company adheres to "inheritance" and "refreshment" to achieve the brand development of "modernization, substantiation, enrichment, internationalization and precision".

(2) Focusing on the leading mainline of products, comprehensively enhancing product competitiveness, and consolidating the leading position of FAW Jiefang. Adhere to the concept of "product is the priority", have insight into market trends and customer needs, develop and upgrade the product platform by focusing on traditional products, new energy, special equipment and powertrain, and constantly reserve and create new advantages of the products of FAW Jiefang.

(3) Firmly adhering to innovation and reform drive, strengthening the core capabilities of the enterprise for facing the future, and creating a strong driving force for high-quality development. In terms of technological innovation, anchor the goal of "ranking first in the industry in scientific and technological innovation capability", grasp the cutting-edge technology of global commercial vehicles, strengthen the independent innovation capability, and support the products and solutions in fields such as traditional vehicles, NEVs and intelligent connected vehicles to enter the world-class level. In terms of reform drive, further promote business process and integration reform, strive to realize the value of reform, create a world-class modern management system, and continuously deepen the "four-capability" reform, thereby meeting the needs of process-based organizational reform.

(4) Resolutely winning the four tough battles and promoting the operation level to a new level with innovative thinking, precise policy implementation, strong system building and quick capability promotion. Resolutely win the tough battle for the first rank of traditional vehicles in China, stick to the "two-beyond" goal, and promote the absolute leading advantage of medium and heavy trucks in the country; resolutely win the tough battle for the leapfrog growth of NEVs, and continuously dig deep into sales increment by focusing on typical scenarios, innovating marketing models and implementing customized solutions; resolutely win the tough battle for catching up with the peers in volume in overseas markets, continue to seize market opportunities, accelerate the pace of internationalization, and expand the overseas sales base; resolutely win the tough battle for cost reduction, income increment and profit promotion, adhere to the idea of "increasing margin, reducing cost and increasing income", strengthen the pulling effect of budget, implement rolling forecasts, optimize economic operation analysis, and improve operation quality.

(5) Carrying out seven key tasks and providing strong support for improving the efficiency and effect of enterprise operations. In terms of strategic management, strengthen strategic management to ensure quick and effective implementation of the strategies of the Company, enhance joint venture cooperation, and make good use of external resources. In terms of quality management, unwaveringly adhere to the concept of "win with quality", innovate and deepen the four major projects, and accelerate the construction of world-class competitiveness in quality. In terms of digital intelligent transformation, constantly create the "four-pillar" digital intelligent architecture, and build the main digital intelligent platform of FAW Jiefang in accordance with the principles of end-to-end process, business integration and urgent use first, thereby supporting the improvements in the

"benefit, efficiency, and quality" of the Company. In terms of supply chain security, persist in building a "world-class supply chain system", and steadily enhance the resilience and security of the supply chain. In terms of manufacturing technology, inherit the 70 years of vehicle building experience of FAW Jiefang and create the world-class process manufacturing technology capability. In terms of capital operation, build the first-class capital operation capability in the industry focusing on the "electrification, networking, intelligence and sharing" and globalization trend of commercial vehicles. In terms of safety and environmental protection & risk compliance & confidentiality, deeply implement the safety production responsibility system, keep an eye on the bottom line of environmental compliance, continue to strengthen the construction of audit, compliance and risk systems, and prioritize the action of the "Year of Trade Secret Protection", thus realizing system enhancement and work improvement.

(6) Aiming at the goals of various business sectors, cooperating with each other, improving the operation efficiency, and supporting the overall transformation and development of FAW Jiefang.

3. Possible risks to the Company's operation

(1) International environment change risk

The stock competition will be maintained in the domestic heavy truck market for a long time, with product export representing one of the industrial development directions. During the reporting period, the quantity and proportion of the export products of the Company increased continuously. However, considering international environmental factors such as regional conflicts, tariff barriers and currency exchange rate fluctuations, coupled with the sustained high global inflation level and slower economic growth, the product export of the Company will face more challenges.

(2) Market structure change risk

In the context of propelling the stable promotion of investment scale and efficiency in China, there is a favorable investment situation in China, and the heavy truck industry shows a slight increase in volume within the short term as affected by the policies. Also, with the constant change in factors such as gasoline and diesel prices, liquefied natural gas prices and new energy battery costs, the market structure will be further adjusted. These factors, coupled with the impact brought by policies including the "carbon peaking and carbon neutrality" strategy, will cause the Company to confront the opportunities and challenges brought by market structure change. Moreover, due to market structure change, the market share of new energy products will continue to increase. However,

the intensified competition and disorder in the new energy market will also bring great risks to the operation of the Company.

(3) Commodity price fluctuation risk

The production and operation of the Company involve three types of commodities, namely basic raw materials, precious metals and energies. Although the supply and demand of raw materials such as steel are relatively stable in the short term, factors such as macro-economy, supply and demand relationships, policies and regulations change continuously. Hence, there are still many uncertainties in the prices of some precious metals and energies, and the price fluctuations will have a certain impact on the production cost of the Company.

Based on the above risks, the Company has prepared the following solutions:

(1) Strengthening product investment and improving service level. Increase product research and development, accurately launch new products, and continue to improve service level, thereby meeting customer needs, enhancing market competitiveness, and promoting brand image.

(2) Optimizing marketing network. Establish diversified sales channels by developing multiple market segments, shore up areas of weakness, expand advantages, comprehensively improve marketing network capability, and seize market opportunities.

(3) Perfecting the quick response mechanism to cope with the rapid changes in the market. Continue to perfect and improve the response mechanism, give quick responses and adjust strategies and policies in case of changes in the market situation, timely cope with the competition, and strive for the market.

(4) Strengthening environment investigation and monitoring. Continuously conduct market investigations and adverse factors assessment of the domestic and overseas political and economic landscapes, aiming at timely adjustment of market strategies; establish a robust market monitoring mechanism, optimize the cost of raw materials, and constantly improve resources, thereby timely coping with the challenges brought by market changes.

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	Index of Basic

					Discussion and Information Provided	Information of Investigation
February 04, 2023	Meeting room of the company	Telephone communication	Organization	Zhejiang Zheshang Asset Management Co., Ltd., Sinosafe Asset Insurance, Huatai Asset Management, Hwabao Trust, KNIHT Investment, Bosera Funds, Sunsource Investment, Harfor Funds, Bohai Life, Nuode Fund, CITIC Securities, and Northeast Securities	Operation and development planning of the Company, no relevant information is provided	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800#research
February 17, 2023	Meeting room of the company	Field Research	Organization	GF Securities, Proprietary Branch of Soochow Securities, Infore Capital, Xitai Investment, Zhejiang Jing'an Investment Management Co., Ltd., Visione Asset, PICC Pension, and CNIC Corporation Limited		
February 23, 2023	Meeting room of the company	Field Research	Organization	Caitong Securities		
April 04, 2023	Meeting room of the company	Telephone communication	Organization	Sino Life Asset, Great Wall Securities, Shanghai Chaser Asset, GF Securities, Oriental Holdings, Hua'an Securities, Kuwait Investment Authority, CITIC Securities CLSA Capital Partners, Eastmoney Securities, Kaiyuan Securities, Soochow Securities, CITIC Prudential Fund, Juming Investment, Harvest Forever Capital Management, New China Fund Management, CITIC Securities, JU Capital, Northeast Securities, Chentai Capital, Oriental Harbor Investment, Danlian Investment, CMB Wealth Management, Hezhong Yisheng, Bank Of China Investment Management, Nuode Fund, China Pacific Asset, Huatai-pinebridge,		

				<p>Tianhong Asset Management, Caitong Securities, Qianhai Alliance, Shanghai Berkeley Brothers, Maxwealth Fund Management, Penghua Fund Management, Brilliance Capital, Taiping Assets, Huaxi Securities, Shanghai Fangwu Fund, Hotland Innovation Asset Management, Jingyu Asset, Generali China Asset, ZhiJun Asset, Bosera Funds, Xitai Investment, Willing Capital, Xuanjia Private Equity, Invesco Great Wall Fund, Point72, Dajia Asset, IvyRock Asset Management, JM Capital, Ruipu Investment, Yong Rong Asset, HAITONG Securities, Genxi Fund, Shenzhen Juming Investment, Wuhan Rongjing Technology Investment, Taikang Asset Management, Yongxing Securities, Southwest Securities, Huatai Securities, Zhongke Richland Asset Management, Guolian Securities, Beijing Yiguang Investment Management, Zheshang Securities, Shenzhen Cedar Asset, CICC, Changjiang Securities, Guangzhou Yue Min Investment Asset, Goldenneer Capital, Capital Securities, CITIC Prudential Asset Management, Silver Leaf Investment, Proprietary Branch of Soochow Securities, CNIC Corporation Limited, China Post & Capital Fund Management, Shanghai CR Asset Management, Aegon-industrial Fund Management, China Post Life Insurance, Truvalue Asset Management, Ping An Fund, Hengyue Fund, ICBC-AXA Life Insurance, First State Cinda Fund</p>		
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				Management, Huatai Asset Management, PRUDENCE INVESTMENT, Danyi Investment, Beijing Rongguang Investment, Gohedge Asset, Beijing Gaoshang Capital Management, FAW Equity, Qing Shui Yuan Investment, and Shangcheng Asset Management		
April 04, 2023	Meeting room of the company	Network platform online communication	Others	Investors participating in FAW Jiefang 2022 Annual Performance Presentation		
April 28, 2023	Meeting room of the company	Telephone communication	Organization	China Post Securities, CITIC Securities, Proprietary Branch of CITIC Construction Investment, CITIC Prudential Asset Management, CITIC Prudential Fund, Zhong Ou Asset Management, Zhongke Richland Asset Management, CICC, Zheshang Securities, Changjiang Securities, Great Wall Securities, Oriental Holdings, CIB Research, Cinda Securities, Southwest Securities, Shangcheng Asset Management, Qianhai Gohedge, Silver Leaf Investment, LS Asset, Licheng Asset, Baixi Private Equity, Credit Suisse, Nuode Fund, Kaiyuan Securities, Jing'an Investment, Huaxi Securities, Huatai Securities, Huatai-pinebridge, Hua'an Securities, Xinghai Future Private Equity, HAITONG Securities, Haichuang Fund, Guolian Securities, GF Securities, ICBC-AXA Life Insurance, Eastmoney Securities, Northeast Securities, Caitong Securities, Golden Trust Investment, Founder Life Insurance, UBS, Prudence Investment, Petrel Capital		

				Greater CHINA FUND, JM GREAT, CHINA FUND, JM Capital, HGNH, International Asset, Grand Alliance Asset Management, Fenghe Asia, CLOUDALPHA MASTER FUND, China Galaxy Asset Management, Cathay Life Insurance, and BRILLIANCE - BRILLIANT PARTNERS FUND LP		
May 19, 2023	Meeting room of the company	Field Research	Organization	Caitong Securities, Dapu Asset Management, Eastmoney Securities, Proprietary Branch of Donghai Securities, Soochow Securities, GF Securities, Sealand Securities, Guolian Securities, CNIC Corporation Limited, HAITONG Securities, Huatai Securities, BNB Wealth Management, Penghua Fund Management, Southwest Securities, Xinyuan Fund Management, Cinda Securities, Industrial Securities, CIB Wealth Management, New Insight Capital, Great Wall Securities, China Merchants Fund Management, CICC, Zhongtai Asset Management, CITIC Securities, China Post & Capital Fund Management		
May 22, 2023	Meeting room of the company	Network platform online communication	Others	Investors participating in the Online Collective Performance Presentation of Listed Companies within the Jurisdiction of Jilin		
August 31, 2023	Meeting room of the company	Telephone communication	Organization	ICBC International, Proprietary Branch of Essence Securities, Niuhe Asset Management, Proprietary Branch of CITIC Construction Investment, Zijin Venture Capital, China Post Life Insurance, CPIC, Southern Tianchen, PSBC Wealth Management, Bosc Asset Management, Nuode Fund, Great Wall Securities, Wuxi		

				<p>Venture Capital, Zhongtian Fortune Fund Management, Zeyuan Asset, Wuxi Capital Group, Lvjingda Technology, China Post & Capital Fund Management, Topsperity Securities, China Resources Yuanda Fund Management, Shenjiu Assets, Taikang Asset Management, Qianhai Gohedge, Polunin Capital, CITIC Prudential, MARCO POLO PURE ASSET, MANAGEMENT LTD, Horizon Insights, SZITIC-Shangya Phase 1, Jarislowsky, Fraser Limited, Ping An Bank, Zhongke Richland Asset Management, Eastmoney Securities, HAITONG Securities, Huashan Capital, Heju Investment, Purekind Fund, Hongyi Yuanfang Investment, Ping An Asset Management, JU Capital, Tinny Investment, Oaktree Overseas, Longrising Asset Management, CITIC Securities, Licheng Asset, Zhong Ou Asset Management, Great Wall Securities, Soochow Securities, Baixi Private Equity, Ping An Securities, Mingyu Asset Management, HighGear Investment, Qing Shui Yuan Investment, Xueshi Assets, Brighter Investment, Changsheng Fund, Aegon-industrial Fund Management, Eastern Bay Asset Management, Taiping Assets, Point72, GF Securities, Lizhen Capital, Baozhen Investment, UBS, Caitong Securities, Kaiyuan Securities, Huatai Securities, Southwest Securities, Changjiang Securities, Pinpoint, Truvalue Asset Management, Hongchou</p>		
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				Investment, Oriental Holdings, Zheshang Securities, Coast Horn, Sealand Securities, Neo-Criterion, Yinsheng Asset Management, Quanguo Fund, HGNH International Asset Management (SG) PTE.LTD, Cinda Securities, Silver Leaf Investment, CIGNA & CMB, JM Capital, and CICC		
October 13, 2023	Meeting room of the company	Field Research	Organization	Rongtong Fund Management and Shanxi Securities		
October 31, 2023	Meeting room of the company	Telephone communication	Organization	Springs Capital, Mingshi Partners Private Equity, BNB Wealth Management, Harvest Fund, Dongxing Securities, CITIC Prudential Fund, Invesco Great Wall, Shanghai Mingyu, Everbright Securities, Nuode Fund, CITIC Securities, Guohai Automobile, Quanguo Fund, Development Research Center, PICC, Truvalue Asset Management, Zhongke Richland, Taikang Funds, Zheshang Securities, JM Capital, JT Asset Management, Huatai-pinebridge, ETOCK Capital, Proprietary Branch of Industrial Securities, Northeast Securities, Great Wall Securities, Silver Leaf Investment, Taikang Pension, Ping An Asset Management, Bund Capital, Topsperity Securities, UBS Securities, KNIHT Investment, Shangcheng Asset Management, New Insight Investment, Huaxi Securities, Guolian Securities, Hel Ved Capital Management Limited, Infore Capital, HAWTAI Motor, C&S Paper, and E Fund		
November 08, 2023	Meeting room of the company	Field Research	Organization	Essence Securities, Chasing Securities, Topsperity Securities, Eastmoney Securities, GF Securities, GH		

				Shining Asset, Guotai Junan Securities, Hubei SME Financial Service Center Co., Ltd., Hua'an Securities, Jiufu Investment, Qingdao Botai, Shanxi Securities, CRRC Zhuzhou Electric Locomotive Research Institute, CITIC Non-Banking, and CITIC Securities		
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XIII. Implementation of the "Improvement of Both Quality and Return" Action Plan

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

Yes No

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

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

quality, highlights the importance and pertinence of information disclosure, fully demonstrates the intrinsic value of the Company, and provides investors with an objective decision-making basis. Through listing announcements, brokerage strategy meetings, investor exchanges, Interaction Easy, telephone, email and other channels, the Company ensures good communication with investors and builds an efficient and transparent communication platform.

The Company strictly implements the shareholder dividend return plan and profit distribution policy and prepares the 2023 annual profit distribution plan based on its actual situation. The 2023 annual profit distribution plan of the Company is as follows: Based on the 4,636,485,668 shares of the Company, a cash dividend of CNY 1.5 (tax inclusive) will be distributed to all shareholders for every 10 shares they hold; the cash dividends to be distributed will reach CNY 695,472,850.20 (tax inclusive), and the remaining undistributed profits will be carried forward to the next accounting year. The Company does not convert its capital reserves into share capital. This distribution plan is subject to the review and approval of the 2023 annual shareholders' meeting before implementation.

Section IV Corporate Governance

I. Basic Information about Corporate Governance

In 2023, in strict accordance with relevant laws and regulations such as the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, and the Self-regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No.1 - Standardized Operation of Main Board Listed Companies, as well as relevant normative documents of the China Securities Regulatory Commission and the Shenzhen Stock Exchange (SZSE), and the Articles of Association, the Company revised and updated the Articles of Association and the Special Management System for Directors, Supervisors and Senior Executives to Hold, Buy and Sell Company Shares, perfected the internal control system, constantly improved the corporate governance structure, promoted the standardized operation of the Company, enhanced the information disclosure quality of the Company, actively conducted the investor relations management, and continuously propelled the improvement of corporate governance level. 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.

1. Shareholders and shareholders' meeting

The Company normatively convenes and holds the shareholders' meetings in strict accordance with the regulations and requirements of the Rules for Shareholders' Meeting of Listed Companies, the Self-regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No.1 - Standardized Operation of Main Board Listed Companies and the Articles of Association, etc. The shareholders' meeting combines on-site and online voting, which effectively safeguards the participation of minority shareholders in relevant decision-making matters of the Company and enables them to fully exercise their rights as shareholders. When reviewing related transaction matters at the shareholders' meeting of the Company, the procedure for voting avoidance of related shareholders is strictly performed, thus ensuring the fairness, justice and openness of the related transactions. The Company employs professional lawyers to witness and provide legal opinions on the convening of the meeting, so as to ensure standardized operation of the meeting.

2. Directors and the board of directors

The Company elects directors in strict accordance with the selection procedures stipulated in the Company Law, the Articles of Association and the Rules of Procedure for the Board of Directors. The composition and qualifications of the Board members comply with relevant laws and regulations. In the reporting period, the Board of Directors of the Company convened and held the board meeting according to the duties assigned by laws and regulations. All directors of the Company, with a responsible attitude towards all shareholders, actively attended the board meetings and the shareholders' meetings, carried out all tasks diligently and responsibly, and protected 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, which can provide scientific and professional opinions and suggestions for the decision-making of the Board of Directors, thus ensuring the rationality of the decision-making of the Board of Directors.

3. Supervisors and the Board of Supervisors

The Company elects supervisors in strict accordance with the selection procedures stipulated in the Company Law, the Articles of Association and the Rules of Procedure for the Board of Supervisors. The composition and qualifications of the members of the Board of Supervisors of the Company comply with relevant laws and regulations. In the reporting period, the Board of Supervisors of the Company convened and held the board meeting according to the duties assigned by laws and regulations. All supervisors of the Company can earnestly perform their duties, actively attend relevant meetings, supervise regular reports, related transactions, major matters, and the fulfillment of duties directors and senior executives and other matters of the Company, protect legitimate interests of the Company and shareholders, and promote the improvement of the corporate governance level.

4. Relationship between controlling shareholders and listed companies

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. 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 the permission of the shareholders' meeting, or occupy non-operational funds of the Company, or obtain guarantee from the Company.

5. Information disclosure and transparency

The Company discloses relevant information truthfully, accurately, completely, timely and fairly in strict accordance with the Measures for the Administration of Information Disclosure by Listed Companies, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, 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, so as to provide equal opportunities for all investors to obtain information of the Company. The Company conducts the registration management of insiders according to the provisions of the Insiders Registration Management Policy, thereby safeguarding the legitimate rights and interests of investors. The Company designates the special person to take charge of investor relations management, and strengthens communication with investors through investigations, telephones, emails, Interaction Easy and other channels, thereby ensuring that all shareholders have fair access to the relevant information of the Company.

6. Stakeholders

The Company fully respects and safeguards the legitimate rights and interests of stakeholders, attaches importance to its communication and exchange with stakeholders, strives to coordinate and balance the interests of shareholders, employees, society and other parties, protects the rights and interests of stakeholders in accordance with the law, and promotes sustainable, stable and sound 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 has independent and complete business and operation capacity and is completely independent of 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 procurement, production and sales, possesses independent operation capacity, and can organize and undertake production and operation activities independently.

2. Personnel: The Company has an 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 ownership of the assets of the Company is clear and complete, and no asset of the controlling shareholders is relied on for production and operation. The Company 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 an independent and complete organizational structure and production and business premises. 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, possesses a perfect financial management system and accounting 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,	FAW Harbin Light Automobile Co., Ltd. (hereinafter referred to as	Perform as promised

				<p>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.</p>	<p>"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 way, or prevent the light truck company from engaging in light truck related</p>
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					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.	
Horizontal competition	Controlling shareholder	China FAW 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	Harbin Light Automobile and FAW Hongta are in a state of discontinuation or loss currently, with heavy burden and unstable profitability. FAW 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	Perform as promised

				<p>Commercial Vehicle Co., Ltd., a subsidiary of FAW Car Co., Ltd., are engaged in some light truck businesses. There is horizontal competition or potential horizontal competition between them and the listed company.</p>	<p>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 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>
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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' meeting of 2023	Extraordinary shareholders' meeting	84.91%	March 02, 2023	March 03, 2023	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, the Proposal on Amending the Articles of Association, the Proposal on Estimated Daily Related Transaction Amount in 2023, the Proposal on Signing a Financial Service Framework Agreement with First Automobile Finance Co., Ltd., and the Proposal on Estimated Financial Business Amount with First Automobile Finance Co., Ltd. in 2023 were deliberated and approved.
2022 Annual shareholders' meeting	Annual shareholders' meeting	83.95%	April 24, 2023	April 25, 2023	The 2022 Work Report of the Board of Directors, the 2022 Work Report of the Board of Supervisors, the 2022 Financial Statements, the 2022 Annual Report and Summary Thereof, the 2022 Profit Distribution Plan, the Proposal on Unsuccessful Lifting of Conditions of the Second Release Period First Granted by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and of Conditions of the First Release Period Reserved by the Phase I Restricted Share

					<p>Incentive Plan for Releasing the Restricted Sales and Repurchase and Cancellation of Some Restricted Shares, the Proposal on Change of Registered Capital of the Company, the Proposal on Amending the Articles of Association, the Proposal on Election of Non-employee Representative Supervisors of the 10th Board of Supervisors at the General Meeting of the Board of Supervisors, the Proposal on Election of Non-independent Directors of the 10th Board of Directors at the General Meeting of the Board of Directors, and the Proposal on Election of Independent Directors of the 10th Board of Directors at the General Meeting of the Board of Directors were deliberated and approved.</p>
<p>Second Extraordinary Shareholders' Meeting of 2023</p>	<p>Extraordinary shareholders' meeting</p>	<p>84.43%</p>	<p>July 18, 2023</p>	<p>July 19, 2023</p>	<p>Reviewed and approved the Proposal on the Company's Eligibility to Issue A Shares to Specific Objects, the Proposal on the Company's Plan to Issue A Shares to Specific Objects in 2023, the Proposal on the Plan to Issue A Shares to Specific Objects in 2023, the Proposal on Demonstration and Analysis Report on the Plan to Issue A Shares to Specific Objects in 2023, the Proposal on the Report on Use of Previously Raised Funds, the Proposal on Feasibility Analysis Report on Use of Funds Raised by Issuing A Shares to Specific Objects in 2023, the Proposal on Diluting Return At Sight of the Company's</p>

					Issuance of A Shares to Specific Objects, Taking Filling Measures and Commitments of Relevant Subjects in 2023, the Proposal on Shareholders' Return Plan of the Company in the Next Three Years (2023-2025), and the Proposal on Requesting General Meeting of Shareholders of the Company to Authorize Board of Directors to Handle Specific Matters Related to Issuance of A Shares to Specific Objects
Third Extraordinary Shareholders' Meeting of 2023	Extraordinary shareholders' meeting	84.56%	September 28, 2023	October 09, 2023	Reviewed and approved the Proposal on Land and House Expropriation of Subsidiaries, 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
Fourth Extraordinary Shareholders' Meeting of 2023	Extraordinary shareholders' meeting	84.82%	December 06, 2023	December 07, 2023	Reviewed and approved the Proposal on Electing Li Sheng as a Non-independent Director of the Company, the Proposal on Electing Yan Feng as the Supervisor of the Company, the Proposal on Renewing Engagement of Financial Audit Institution, the Proposal on Renewing Engagement of Internal Control Audit Institution, the Proposal on Increasing the Estimate of Daily Related Transactions in 2023, 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
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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

Name	Gender	Age	Position	Employment Status	Start Date of Tenure	Ending Date of Tenure	Number of Shares Held at the Beginning of the Period (share)	Number of Shares Increased in the Current Period (share)	Number of Shares Reduced in the Current Period (share)	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	Male	59	Chairman of the Board	Departure from office	April 23, 2023	October 30, 2023	334,331			110,329	224,002	Cancellation through repurchase
Wu Bilei	Male	53	Chairman of the Board	In-service	October 30, 2023	April 23, 2026	228,552			75,422	153,130	Cancellation through repurchase
Li Sheng	Male	47	Director	In-service	December 06, 2023	April 23, 2026	192,778			63,617	129,161	Cancellation through repurchase
Zhang Guohua	Male	51	Director	In-service	June 23, 2020	March 08, 2024	228,493			75,403	153,090	Cancellation through repurchase
Bi Wenquan	Male	51	Director	In-service	September 15, 2021	April 23, 2026						
Li Hongjian	Male	51	Director	Departure from office	April 29, 2022	October 30, 2023						
Liu Yanchang	Male	60	Director	In-service	September 16, 2022	April 23, 2026						
Han	Male	57	Independe	In-service	April 22,	April 23,						

Fangming			nt director		2020	2026						
Mao Zhihong	Male	62	Independent director	In-service	April 22, 2020	April 23, 2026						
Dong Zhonglang	Male	59	Independent director	In-service	April 22, 2020	April 23, 2026						
Wang Yanjun	Male	60	Chairman of Board of Supervisors	Departure from office	September 15, 2021	October 30, 2023						
Yan Feng	Male	57	Chairman of Board of Supervisors	In-service	December 29, 2023	January 17, 2024						
Xu Haigen	Male	59	Employee Supervisor	In-service	April 22, 2020	April 23, 2026						
Wang Lijun	Male	55	Employee Supervisor	In-service	April 22, 2020	April 23, 2026						
Duan Yinghui	Male	53	Employee Supervisor	In-service	April 22, 2020	April 23, 2026						
Ren Ruijie	Male	40	Employee Supervisor	In-service	April 22, 2020	March 08, 2024						
Wu Bilei	Male	53	General Manager	Departure from office	September 17, 2021	October 30, 2023						
Li Sheng	Male	47	General Manager	In-service	October 30, 2023	April 23, 2026						
Li Sheng	Male	47	Deputy General Manager	Departure from office	October 19, 2022	October 30, 2023						
Yu Changxin	Male	51	Executive Deputy	In-service	November 28,	April 23, 2026						

			General Manager		2022							
Ji Yizhi	Male	54	Deputy General Manager	In-service	October 19, 2022	April 23, 2026	192,778			63,617	129,161	Cancellation through repurchase
Tian Haifeng	Male	51	Deputy General Manager	In-service	October 19, 2022	March 08, 2024	192,778			63,617	129,161	Cancellation through repurchase
Wang Jianxun	Male	40	Secretary of the Board of Directors	In-service	July 23, 2020	April 23, 2026	192,778			63,617	129,161	Cancellation through repurchase
Total	--	--	--	--	--	--	1,562,488	0	0	515,622	1,046,866	--

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

Yes No

(1) On October 31, 2023, the Company disclosed the Announcement on Changing the Chairman of the Board, Director, and General Manager of the Company and the Announcement on Changing the Supervisor of the Company. Mr. Hu Hanjie applied to resign from his posts as the Chairman of the 10th Board of Directors, the Director and a member of the Special Committee of the Board of Directors due to job arrangements. Mr. Li Hongjian applied to resign from his posts as a director of the 10th Board of Directors and a member of the Special Committee of the Board of Directors due to job changes. Mr. Wang Yanjun applied to resign from his posts as the Chairman and Supervisor of the 10th Board of Supervisors due to reaching the statutory retirement age. Mr. Wu Bilei applied to resign from his post as the General Manager of the Company due to job changes, and he will hold the post of the Chairman of the Board after resigning.

(2) On January 18, 2024, the Company disclosed the Announcement on Changing the Supervisor of the Company. Mr. Yan Feng applied to resign from his posts as the Chairman and the Supervisor of the 10th Board of Supervisors of the Company due to personal reasons. On March 11, 2024, the

Company separately disclosed the Announcement on Resignation of Directors and Senior Executives and the Announcement on Resignation of Supervisors. Mr. Zhang Guohua applied to resign from his post as a Director of the Company due to job changes. Mr. Ren Ruijie applied to resign from his post as the Supervisor of the Company due to job changes. Mr. Tian Haifeng applied to resign from his post as the Deputy General Manager of the Company due to job changes.

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

Changes in Directors, Supervisors and Senior Management of the Company

Applicable Not applicable

Name	Position	Type	Date	Reason
Hu Hanjie	Chairman of the Board	Departure from office	October 30, 2023	Job arrangements
Wu Bilei	Chairman of the Board	Elected	October 30, 2023	
Li Sheng	Director	Elected	December 06, 2023	
Li Hongjian	Director	Departure from office	October 30, 2023	Job changes
Wang Yanjun	Chairman of Board of Supervisors	Departure from office	October 30, 2023	Statutory retirement
Yan Feng	Chairman of Board of Supervisors	Elected	December 29, 2023	Resigned on January 17, 2024 due to personal reasons
Wu Bilei	General Manager	Departure from office	October 30, 2023	Job changes
Li Sheng	General Manager	Appointed	October 30, 2023	
Li Sheng	Deputy General Manager	Departure from office	October 30, 2023	Job changes

2. Employment status

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

Director:

Mr. Wu Bilei is currently the Chairman of the Board and Secretary of the Party Committee of FAW Jiefang, the Executive Director and Secretary of the Party Committee of Jiefang Limited. He has served successively as the Deputy Chief Engineer of the Technical Center of China FAW Group Corporation and Deputy Director of Product Management Department of Jiefang Limited, Vice President of Commercial Vehicle R&D Institute of Technical Center of China FAW Group Corporation and Deputy Director of Product Management Department of Jiefang Limited, 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 Jiefang Limited, Deputy General Manager of FAW Jiefang, the Director, General Manager and Deputy Secretary of the Party Committee of FAW Jiefang, the General Manager and Deputy Secretary of the Party Committee of Jiefang Limited, and the General Manager of the Medium and Heavy Vehicle Product Line of the Headquarters.

Mr. Li Sheng is currently the General Manager and Deputy Secretary of the Party Committee of FAW Jiefang, and the General Manager and Deputy Secretary of the Party Committee of Jiefang Limited. 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 (FAW Jiefang Qingdao Automobile Plant) of Jiefang Business Headquarters, the Assistant to President of Commercial Vehicle Development Institute of Jiefang Limited and the Senior Manager and Director of R&D Department of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant), the Deputy General Manager of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant) of Jiefang Limited and Assistant to President of Commercial Vehicle Development Institute, the Vice President of Commercial Vehicle Development Institute of Jiefang Limited 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 Jiefang Limited, Deputy General Manager of FAW Jiefang, Deputy General Manager of Jiefang Limited, General Manager and Secretary of Party Committee of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant), General Manager of the Medium and Heavy Vehicle Product Line of the Qingdao Vehicle Division, and General Manager of the Light Vehicle Product Line, etc.

Mr. Zhang Guohua is currently the Deputy Secretary of the Party Committee and Chairman of the Labor Union of FAW Jiefang and the Deputy Secretary of the Party Committee and Chairman of the Labor Union of Jiefang Limited. He has served successively as the Senior Manager of the Organization and Personnel Department and Director of the Senior Manager Management Office of China FAW Group Corporation, Senior Manager of the Organization and Personnel Department and Senior Manager of the 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, Deputy General Manager of FAW-Bestune, General Manager of FAW Engineering and Production Logistics Department, etc.

Mr. Liu Yanchang is currently a full-time external director and 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 Jiefang Limited, Deputy Secretary of the Party Committee and Chairman of the Labor Union of FAW Jiefang, 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. Yan Feng has served successively as the Director of the Overseas Business Unit of FAW Group, the Chairman of the Board and Secretary of the Party Committee of FAW Import and Export Company, the General Manager of the Overseas Business Unit of FAW Group and the Chairman of the Board and Secretary of the Party Committee of FAW Import and Export Company; the General Manager and Deputy Secretary of the Party Committee of FAW Import and Export Company, the Secretary of the Party Committee and Chairman of the Labor Union of FAW Group, the General Legal Advisor and General Manager of the Audit and Legal Department of FAW Group, etc.

Mr. Xu Haigen is currently a Senior Executive Manager of the Powertrain Division of Jiefang Limited. He has served successively as the Deputy General Manager of the Wuxi Diesel Engine Branch of Jiefang Limited, 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 Jiefang Limited, 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 Jiefang Limited

Mr. Wang Lijun is currently the Deputy Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection and Chairman of the Labor Union of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant) of Jiefang Limited. 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, 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, 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 Jiefang Limited, and the Deputy Secretary of the Party Committee, Secretary of the Commission for Discipline Inspection and Head of the Labor Union of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant).

Mr. Duan Yinghui is currently the Deputy General Manager of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant) of Jiefang Limited, the Manager of Qingdao Factory and the Safety Director of FAW Jiefang (Qingdao) Automotive Co., Ltd.. He has served successively as the Deputy General Manager of FAW Jiefang (Qingdao) Automotive Co., Ltd., 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.), and the Manager and Secretary of the Party Committee of the Truck Factory of Jiefang Limited.

Mr. Ren Ruijie is currently the Director of the Party-Masses Work Department of FAW Jiefang. He has served successively as the Acting Director and Director of the Party Committee Organization Office of the Party Committee Work Department of Jiefang Limited, the Office Director of the Management Department of Jiefang Limited, 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 Jiefang Limited, and the Deputy Director of Party-Masses Work Department of Jiefang Limited (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. and the Executive Deputy General Manager of Jiefang Limited. He has served successively as the Deputy General Manager of the Marketing Headquarters (Sales Company) of FAW Jiefang Business Headquarters (Jiefang Company), 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 Jiefang Limited. and the Deputy General Manager of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant), the General Manager of the Commercial Vehicle Overseas Marketing Department of Jiefang Limited. and Deputy General Manager of China FAW Group Import & Export Co., Ltd., the General Manager and Deputy Secretary of the Party Committee of China FAW Group Import & Export Co., Ltd., the Executive Deputy General Manager of FAW Jiefang, the Deputy General Manager of Jiefang Limited and the General Manager of the Overseas Product Line.

Mr. Ji Yizhi is currently the Deputy General Manager of FAW Jiefang, and the Deputy General Manager and General Counsel and CCO of Jiefang Limited. He has served successively as the Executive Deputy General Manager of the Engine Division of Jiefang Limited 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 Jiefang Limited (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 Jiefang Limited (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 FAW Jiefang Sales Company), and the General Manager of New Energy Division and the General Manager of Bus Division of Jiefang Limited, the Deputy General Manager of FAW Jiefang, the Deputy General Manager, General Counsel and CCO of Jiefang Limited, and the General Manager and Secretary of the Party Committee of New Energy Vehicle Product Line (New Energy Business Division), etc..

Mr. Tian Haifeng is currently the Deputy General Manager of FAW Jiefang and the Deputy General Manager of Jiefang Limited. He has served successively as the Director of the Procurement Department of Jiefang Business Headquarters (Jiefang Limited), the Director of the Procurement Department of Jiefang Limited, and the Deputy General Manager of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant) and the Manager of Qingdao Factory of Jiefang Limited.

Mr. Wang Jianxun is currently the Secretary of the Board of Directors and Director of the Capital Operation Department of FAW Jiefang. 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
Bi Wenquan	CHINA FAW GROUP CO., LTD.	General Manager of Production Logistics Department	February 01, 2023		Yes
Liu Yanchang	CHINA FAW GROUP CO.,	Full-time external director, convener/team	July 01, 2022		Yes

	LTD.	leader of subsidiary of Financial Management Department (Office of the Board of Directors)			
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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 01, 2009		Yes
Mao Zhihong	Jilin University	Director, Professor and Doctoral Supervisor of the Department of Accounting, School of Business and Management	November 01, 2000		Yes
Dong Zhonglang	Zhuhai Yinshan Capital Equity Investment Management Co., Ltd.	Managing Partner	May 01, 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 Executives

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	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. The remuneration paid by the Company to relevant directors, supervisors and senior executives shall be determined by the
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	Board of Directors.
Decision Basis of Compensation of Directors, Supervisors and Senior Management	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.
Remuneration Paid to Directors, Supervisors and Senior Management	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 15,575,900 (tax inclusive).

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

Unit: CNY 10,000

Name	Gender	Age	Position	Employment Status	Total Pre-tax Compensation Received from the Company	Whether remuneration is obtained from related parties of the Company
Hu Hanjie	Male	59	Chairman of the Board	Departure from office	161.98	No
Wu Bilei	Male	53	Chairman of the Board	In-service	129.09	No
Li Sheng	Male	47	Director and General Manager	In-service	151.24	No
Zhang Guohua	Male	51	Director	In-service	128.12	No
Bi Wenquan	Male	51	Director	In-service		Yes
Li Hongjian	Male	51	Director	Departure from office		Yes
Liu Yanchang	Male	60	Director	In-service		Yes
Han Fangming	Male	57	Independent director	In-service	15	No
Mao Zhihong	Male	62	Independent director	In-service	15	No

Dong Zhonglang	Male	59	Independent director	In-service	15	No
Wang Yanjun	Male	60	Chairman of Board of Supervisors	Departure from office		Yes
Yan Feng	Male	57	Chairman of Board of Supervisors	In-service		Yes
Xu Haigen	Male	59	Employee Supervisor	In-service	105.58	No
Wang Lijun	Male	55	Employee Supervisor	In-service	118.36	No
Duan Yinghui	Male	53	Employee Supervisor	In-service	151.01	No
Ren Ruijie	Male	40	Employee Supervisor	In-service	110.24	No
Yu Changxin	Male	51	Executive Deputy General Manager	In-service	68.82	No
Ji Yizhi	Male	54	Deputy General Manager	In-service	135.32	No
Tian Haifeng	Male	51	Deputy General Manager	In-service	122.52	No
Wang Jianxun	Male	40	Secretary of the Board of Directors	In-service	175.31	No
Total	--	--	--	--	1,602.59	--

Other situations

Applicable Not applicable

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 31st Meeting of the 9th Board of Directors	February 10, 2023	February 11, 2023	Reviewed and approved the Proposal on Estimating Daily Related Transaction Amount in 2023, the Proposal on Estimating the Amount of Financial Business with First Automobile Finance Co., Ltd. in 2023, the Proposal on Signing the Financial Services Framework Agreement with First Automobile Finance Co., Ltd. and the Proposal on Convening the First Extraordinary General Meeting of Shareholders in 2023.
The 32nd	March 31,	April 01,	Reviewed and approved the 2022 Business Summary

Meeting of the 9th Board of Directors	2023	2023	and 2023 Business Plan, the 2022 Work Report of the Board of Directors, the 2022 Final Financial Account and 2023 Financial Budget, the 2022 Annual Report and Its Summary, the Proposal on Asset Impairment Provision in 2022, the Asset Impairment Test Report on Major Asset Restructuring of the Company, the Report on the Risk Assessment of First Automobile Finance Co., Ltd., the 2022 Social Responsibility Report and ESG Report, the 2022 Profit Distribution Plan, the 2022 Internal Control Evaluation Report, the 2022 Work Report on Rule of Law Construction and Compliance Management, the 2022 Internal Audit Report, the 2022 Work Report on Internal Control Construction, the Proposal on Unfulfilling Conditions for Releasing Restricted Sales in the Second Period of Releasing Restricted Shares Firstly Granted and Conditions for the First Period of Releasing Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares, the Proposal on Change of Registered Capital of the Company, the Proposal on Amending the Articles of Association, the Proposal on Amending Special Management System for Directors, Supervisors and Senior Executives to Hold and Buy Shares of the Company, the Proposal on Election of Non-independent Directors of the Tenth Board of Directors by the Board of Directors, the Proposal on Election of Independent Directors of the Tenth Board of Directors by the Board of Directors, the Proposal on Convening 2022 Annual Shareholders' Meeting, the Conveying Major Decision-making Arrangements and Guiding Principles of Important Meetings of the CPC Central Committee, the State Council and the SASAC, and listened to the Report on the Implementation of Resolutions of the Board of Directors, the Report on the Implementation of Authorization of the Board of Directors, the Report on the Implementation of Strategic Plans of the Company, the Report on Audit of Accounting Firm in 2022 and the Report on Work of Independent Directors in 2022.
The 1st Meeting of the 10th Board of Directors	April 24, 2023	April 25, 2023	Reviewed and approved the Proposal on Electing Chairman of the Company, the Proposal on Electing Members of the Strategy Committee of the Board of Directors, the Proposal on Electing Members of the Audit and Risk Control Committee of the Board of Directors, the Proposal on Electing Members of the Remuneration and Appraisal Committee of the Board of Directors, the Proposal on Appointing General Manager of the Company, the Proposal on Appointing Executive Deputy General Manager of the Company,

			the Proposal on Appointing Deputy General Manager of the Board of Directors, the Proposal on Appointing Secretary of the Board of Directors and the Proposal on Appointing Securities Affairs Representative of the Company.
The 2nd Meeting of the 10th Board of Directors	April 25, 2023	April 28, 2023	Reviewed and approved the Report on the First Quarter of 2023, the Proposal on Releasing Restriction on Sales of Part of Restricted Shares, and the Conveying Major Decision-making Arrangements and Guiding Principles of Important Meetings of the CPC Central Committee, the State Council and the SASAC, and listened to the Report on Operation in the First Quarter of 2023 and the Report on the Implementation of Resolutions of the Board of Directors in the First Quarter of 2023.
The 3rd Meeting of the 10th Board of Directors	May 29, 2023		Reviewed and approved the 2022 Performance Evaluation Results of Senior Executives, 2022 Performance Assessment and Remuneration Encashment Plan for Senior Executives, 2023 Total Salary and Labor Cost Plan, 2023 Performance Appraisal Indicator Plan, 2023 Performance Assessment Indicator Plan for Senior Executives, 2023 Base Salary Plan for Senior Executives, and Management Measures for Authorization of Board of Directors of FAW Jiefang Group Co., Ltd. (Trial).
The 4th Meeting of the 10th Board of Directors	July 19, 2023	June 20, 2023	Reviewed and approved the Proposal on the Company's Eligibility to Issue A Shares to Specific Objects, the Proposal on the Company's Plan to Issue A Shares to Specific Objects in 2023, the Proposal on the Plan to Issue A Shares to Specific Objects in 2023, the Proposal on Demonstration and Analysis Report on the Plan to Issue A Shares to Specific Objects in 2023, the Proposal on the Report on Use of Previously Raised Funds, the Proposal on Feasibility Analysis Report on Use of Funds Raised by Issuing A Shares to Specific Objects in 2023, the Proposal on Diluting Sight Return of the Company's Issuance of A Shares to Specific Objects, Taking Filling Measures and Commitments of Relevant Subjects in 2023, the Proposal on Shareholders' Return Plan of the Company in the Next Three Years (2023-2025), the Proposal on Requesting Shareholders' Meeting of the Company to Authorize Board of Directors to Handle Specific Matters Related to Issuance of A Shares to Specific Objects, and Proposal for Convening Shareholders' Meeting.
The 5th Meeting of the 10th Board of Directors	August 29, 2023	August 31, 2023	Reviewed and approved the Business Summary of First Half and Business Plan for Second Half of 2023, the Mid-year Adjustment Plan for Equity Investment Plan in 2023, the Mid-year Adjustment Plan for Fixed Assets Investment Plan in 2023, the Proposal on Land and House Expropriation of Subsidiaries, the Semi-

			Annual Report of 2023 and Its Summary, the Proposal on Risk Assessment Report of First Automobile Finance Co., Ltd., the Proposal on Asset Impairment Provision in First Half of 2023, the Semi-Annual Work Report of Internal Audit in 2023, the Proposal on the 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, the Proposal on Amending the Articles of Association, the Proposal on Convening the Third Extraordinary Shareholders' Meeting in 2023, the Conveying Major Decision-making Arrangements and Guiding Principles of Important Meetings of the CPC Central Committee, the State Council and the SASAC, and listened to the Report on the Implementation of Resolutions of the Board of Directors, the Report on the Implementation of Authorization of the Board of Directors and the Report on the Implementation of Strategic Plans of the Company.
The 6th Meeting of the 10th Board of Directors	October 30, 2023	October 31, 2023	Reviewed and approved the Medium and Long-Term Development Plan of the Company (2024-2030), the Report of the Third Quarter of 2023, the Proposal on Electing Chairman of the Company, the Proposal on Electing Li Sheng as Non-independent Director of the Company, the Proposal on Appointing General Manager of the Company, the Conveying Major Decision-making Arrangements and Guiding Principles of Important Meetings of the CPC Central Committee, the State Council and the SASAC, and listened to the Report on Operation in the Third Quarter of 2023 and the Report on Implementing Resolutions of Meeting of the Board of Directors in the Third Quarter of 2023.
The 7th Meeting of the 10th Board of Directors	November 20, 2023	November 21, 2023	Reviewed and approved the Proposal on Renewing the Engagement of Financial Audit Institution, Proposal on Renewing the Engagement of Internal Control Audit Institution, the Proposal on Increasing the Estimate of Daily Related Transactions in 2023, the Proposal on the 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, the Proposal on Amending the Articles of Association and the Proposal on Convening the Fourth Extraordinary Shareholders' Meeting in 2023.
The 8th Meeting of the 10th Board of Directors	December 29, 2023	December 30, 2023	Reviewed and approved the Proposal on Increasing the Estimate of Daily Related Transactions in 2023.

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	8	4	4	0	0	No	2
Wu Bilei	10	4	6	0	0	No	5
Li Sheng	1	0	1	0	0	No	0
Zhang Guohua	10	3	6	1	0	No	4
Bi Wenquan	10	2	6	2	0	No	1
Li Hongjian	8	4	4	0	0	No	2
Liu Yanchang	10	4	6	0	0	No	5
Han Fangming	10	3	6	1	0	No	4
Mao Zhihong	10	4	6	0	0	No	5
Dong Zhonglang	10	4	6	0	0	No	4

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 2023, all directors of the Company worked in strict accordance with the Company Law, Securities Law, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and the Articles of Association and other laws and regulations, and performed their duties faithfully and diligently in a responsible attitude towards all shareholders. Actively attended the meetings of the Board of Directors and the Shareholders' Meeting, carefully reviewed proposals, and put forward professional opinions and suggestions on the development strategy, regular reports, related transactions and other matters during the reporting period, so as to safeguard the legitimate rights and interests of the Company and shareholders and ensure the standard operation and sustainable development of the Company.

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, Liu Yanchang.	3	March 20, 2023	Reviewed the 2022 Financial Audit Report of the Company, the 2022 Internal Control Evaluation Report, the 2022 Work Report on Rule of Law Construction and	All proposals were agreed.		N/A

				Compliance Management , the 2022 Internal Audit Report and the 2022 Work Report on Internal Control Construction .			
			April 27, 2023	Reviewed the First Quarter Report of 2023 and the First Quarter Report on Internal Audit of 2023.	All proposals were agreed.		N/A
			August 25, 2023	The 2023 Semi-annual Report and Its Summary and 2023 Semi-annual Work Report of Internal Audit were deliberated.	All proposals were agreed.		N/A
	Mao Zhihong, Liu Yanchang and Han Fangming authorized Mao Zhihong to exercise voting rights on their behalf for work reasons.	1	October 27, 2023	Reviewed the Third Quarter Report of 2023 and the Third Quarter Report on Internal Audit of 2023	All proposals were agreed.		N/A
	Mao Zhihong, Han	1	November 20, 2023	Reviewed the Proposal on	All proposals were		N/A

	Fangming , Liu Yanchang.			Renewing the Engagement of the Financial Audit Institution and the Proposal on Renewing the Engagement of Internal Control Audit Institutions	agreed.		
Remunerati on and Appraisal Committee	Dong Zhonglan g, Mao Zhihong, Liu Yanchang.	3	March 31, 2023	Reviewed the Proposal on Unfulfilling Conditions for Releasing Restricted Sales in the Second Period of Releasing Restricted Shares Firstly Granted and Conditions for the First Period of Releasing Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted	Approved the proposal.		N/A

				Shares			
			April 27, 2023	Reviewed the Proposal on Releasing Restrictions on Sales of Part of Restricted Shares.	Approved the proposal.		N/A
			May 29, 2023	The performance evaluation results of senior executives, performance assessment indicators of senior executives and other topics were deliberated.	All proposals were agreed.		N/A
Strategy Committee	Hu Hanjie, Wu Bilei, Li Hongjian, Han Fangming, Dong Zhonglan g.	1	June 19, 2023	Reviewed the Proposal on the Company's Eligibility to Issue A Shares to Specific Objects, the Proposal on the Company's Plan to Issue A Shares to Specific Objects in 2023, the Proposal on the Plan of FAW Jiefang Group Co., Ltd. to Issue A Shares to Specific Objects in 2023, the Proposal on	All proposals were agreed.		N/A

				<p>Demonstration and Analysis Report on the Plan of FAW Jiefang Group Co., Ltd. to Issue A Shares to Specific Objects in 2023, the Proposal on the Report of FAW Jiefang Group Co., Ltd. on Use of Previously Raised Funds, the Proposal on Feasibility Analysis Report of FAW Jiefang Group Co., Ltd. on Use of Funds Raised by Issuing A Shares to Specific Objects in 2023, the Proposal on Diluting Return At Sight of the Company's Issuance of A Shares to Specific Objects, Taking Filling Measures and Commitments of Relevant</p>			
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				Subjects in 2023, the Proposal on Shareholders' Return Plan of the Company in the Next Three Years (2023-2025), and the Proposal on Requesting General Meeting of Shareholders of the Company to Authorize Board of Directors to Handle Specific Matters Related to Issuance of A Shares to Specific Objects.			
Strategy Committee	Wu Bilei, Li Hongjian, Han Fangming and Dong Zhonglan g. Hu Hanjie authorized Wu Bilei to exercise voting rights on his behalf for work reasons.	1	August 25, 2023	The 2023 Mid-year Adjustment Scheme of Equity Investment Plan and 2023 Mid-year Adjustment Scheme of Fixed Assets Investment Plan were deliberated.	All proposals were agreed.		N/A
Strategy Committee	Hu Hanjie, Wu Bilei and Dong	1	October 27, 2023	Reviewed the Medium and Long-term	Approved the proposal.		N/A

	Zhonglan g. Li Hongjian and Han Fangming authorized Hu Hanjie and Dong Zhonglan g to exercise voting rights on their behalf respectively for work reasons.			Development Plan of the Company (2024-2030).			
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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)	158
Number of on-the-job employees of main subsidiaries at the end of the reporting period (person)	19,846
Total number of on-the-job employees at the end of the reporting period (person)	20,004
Total number of employees receiving compensation in the current period (person)	20,983
Number of retired employees whose expenses shall be borne by the parent company and major subsidiaries (person)	15
Specialty composition	

Category	Number (person)
Production personnel	11,739
Sales personnel	1,079
Technicians	5,925
Financial personnel	340
Administrative personnel	921
Total	20,004
Education background	
Category	Number (person)
Doctor's degree	63
Master's degree	1,619
Bachelor's degree	8,129
Junior college degree	4,357
High school and below	5,836
Total	20,004

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 Company's monthly operating indicators and the employees' performance, with a focus on the timeliness of incentives and constraints and the matching between bonuses and contributions, 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 insurance 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. All the expenses of retired employees are included in the social security system.

3. Training Plan

In 2023, 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 the annual operation targets. The Company completed a total of 6,813 training sessions throughout the year, with 258 credits per person.

First, we focused on the improvement of the core competence of employees and carried out training according to different levels and types. In terms of leadership, we focused on the training of management cadres, the construction of grass-roots teams, and the rapid transformation of new managers, and continued to carry out standard leadership training plans such as the piloter development plan, peak climber cultivation plan, "Sailing" and "Peiyuan", and the training on leadership improvement of China Business Executives Academy, Dalian, for more than 100 sessions in total. For training on professional ability, we arranged professional training, technical lectures and other training targeting at business transformation and development of the Company and the employees' job competence, for more than 5,000 sessions. For skill training, we provided more than 700 training sessions on the improvement of job operation skills, on-site problem solving and on-site management ability, such as standardized empowerment of operation heads and team leaders, practice for basic skill improvement, quality defect identification, skill level identification, etc. For certification of professional skill levels, we completed the certification of more than 100 new certification reviewers, 50 junior workers, 160 intermediate workers, 80 senior workers, 60 technicians, and more than 20 senior technicians.

Second, we focused on the strategic transformation and development of the Company and implemented special empowerment. In terms of digital and intelligent transformation, we arranged full-time courses for training on transformation, targeting digital-related positions. We also provided more than 70 training sessions on data governance, data analysis and application of digital tools. In terms of IPD reform, we arranged workshops on the role cognition and model of PDT managers, and the training on product planning of PDT team resource pool, main process, project management, etc. for nearly 50 sessions. In terms of new energy, we provided nearly 40 training sessions on key technologies of new energy, and the engine, power battery and electric control of new energy, etc. In terms of overseas development, we provided more than 50 training sessions on international legal affairs, finance and overseas security, overseas products and marketing strategies. In terms of

intelligent manufacturing, we provided more than 10 training sessions on intelligent factories, blockchain and combined optimization algorithms.

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

On June 19, 2023, the 4th Meeting of the 10th Board of Directors of the Company reviewed and approved the Proposal on Shareholders' Return Plan of the Company in the Next Three Years (2023-2025), which was reviewed and approved by the Second Extraordinary Shareholders' Meeting in 2023 held on July 18, 2023. For details, please refer to the Shareholders' Return Plan of the Company in the Next Three Years (2023-2025) published on June 20, 2023 on CNINFO (<http://www.cninfo.com.cn>).

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 complete:	Yes
Whether the independent directors have fulfilled their duties and played their due roles:	Yes
In case no cash dividends are distributed, we shall disclose the specific reasons and the subsequent actions to be taken to improve the investor's return level:	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

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

Applicable Not applicable

Number of bonus shares given per 10 shares (share)	0
Number of distributed dividends per 10 shares (CNY) (tax inclusive)	1.50
Share capital base for distribution plan (share)	4,636,485,668
Amount of cash dividends (CNY) (tax inclusive)	695,472,850.20
Amount of cash dividends paid by other means (such as share repurchase) (CNY)	0.00
Total amount of cash dividends (including by other means) (CNY)	695,472,850.20
Distributable profits (CNY)	7,083,209,394.76
Proportion of total amount of cash dividends (including by other means) in the total amount for profit distribution	100%
Cash dividends	
Others	
Note on details of schedule of profit distribution or transfer of capital reserve to equity	
<p>Grant Thornton Certified Public Accountants (Special General Partnership) confirmed after audit that the Company's parent company realized a net profit of CNY 321,587,144.29 in 2023, plus the undistributed profit of CNY 6,793,780,964.90 in the previous year, and less the provision for statutory surplus reserve of CNY 32,158,714.43 this year, the actual profit available for distribution for shareholders this year is CNY 7,083,209,394.76.</p> <p>The 2023 annual profit distribution plan of the Company is as follows: Based on the 4,636,485,668 shares of the Company, a cash dividend of CNY 1.5 (tax inclusive) will be distributed to all shareholders for every 10 shares they hold; the cash dividends to be distributed will reach CNY 695,472,850.20 (tax inclusive), and the remaining undistributed profits will be carried forward to the next accounting year. The Company does not convert its capital reserves into share capital.</p> <p>For any change to the total share capital of the Company due to the equity incentive plan before the implementation of the distribution plan, the cash dividend of CNY 1.50 (tax inclusive) will be distributed to all shareholders per 10 shares based on the total share capital registered on the date of record when the profit distribution plan is implemented in the future, and the specific amount will be subject to the actual distribution.</p> <p>This distribution plan is subject to the review and approval of the 2023 annual shareholders' meeting before implementation.</p>	

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 approve the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan. The Proposal was subsequently deliberated and approved at the 3rd Extraordinary Shareholders' Meeting of the Company in 2022. It was agreed to repurchase and cancel a total of 1,359,247 restricted stocks, either in full or in part, that were granted but not yet released from restrictions to the original 11 incentive recipients; on January 17, 2023, The Company issued the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares on CNINFO (<http://www.cninfo.com.cn>).

(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 approve 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, agreeing that the Company handled the unlocking of 13,042,347 shares of 311 incentive objects meeting the unlocking conditions during the first release period of restricted shares granted for the first time in accordance with the relevant provisions of the restricted share incentive plan. 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 on CNINFO (<http://www.cninfo.com.cn>), and the unlocked restricted shares will be listed and circulated on February 6, 2023. At the 30th Meeting of the 9th Board of Directors and the 26th Meeting of the 9th Board of Supervisors, the Company reviewed and approved the Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan and agreed to repurchase and cancel all or part of 723,435 restricted stock that had been granted to the original six incentive targets but not lifted the restriction for sales. On April 28, 2023, the Company issued the

Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares on CNINFO (<http://www.cninfo.com.cn>).

(7) On March 31, 2023, the Company held the 32nd meeting of the 9th Board of Directors and the 28th meeting of the 9th Board of Supervisors respectively, deliberated and approved the Proposal on Unsuccessful Lifting of Conditions of the Second Release Period First Granted by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and of Conditions of the First Release Period Reserved by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and Repurchase and Cancellation of Some Restricted Shares, agreeing to repurchase and cancel 327 restricted shares of incentive objects that do not meet the release conditions. The total number of shares repurchased was 13,909,890. The Proposal was deliberated and approved at the Company's 2022 Annual Shareholders' Meeting held on April 24, 2023. On June 30, 2023, the Company issued the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares on CNINFO (<http://www.cninfo.com.cn>).

(4) On April 27, 2023, the Company held the 2nd meeting of the 10th Board of Directors and the 2nd meeting of the 10th Board of Supervisors respectively to deliberate and approve the Proposal on Lifting the Trading Restrictions of Partial Restricted Shares. A total of 4 incentive objects met the conditions for lifting the trading restrictions this time, and 64,954 shares were lifted. On May 15, 2023, the Company issued the Prompt Announcement on Lifting Sales Restrictions and Listing Circulation of Partial Restricted Shares on CNINFO (<http://www.cninfo.com.cn>), and the unlocked restricted shares were listed and circulated on May 16, 2023.

(9) On August 29, 2023, the Company held the 5th Meeting of the 10th Board of Directors and the 4th Meeting of the 10th Board of Supervisors respectively, and deliberated and adopted the Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, which was reviewed and approved at the Third Extraordinary Shareholders' Meeting in 2023, and agreed to repurchase and cancel all or part of 333,855 restricted stocks that had been granted to the original 8 incentive targets but had not been lifted the restriction for sales. On November 29, 2023, the Company published the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares on CNINFO (<http://www.cninfo.com.cn>).

(10) On November 20, 2023, the Company held the 7th Meeting of the 10th Board of Directors and the 6th Meeting of the 10th Board of Supervisors respectively, and deliberated and adopted the Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted

Share Incentive Plan, which was reviewed and approved at the Fourth Extraordinary Shareholders' Meeting in 2023, and agreed to repurchase and cancel all or part of 512,807 restricted stocks that have been granted to 10 incentive targets but have not been lifted the restriction for sales. On March 28, 2024, the Company published the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares on CNINFO (<http://www.cninfo.com.cn>).

(11) On March 28, 2024, the Company held the 11th Meeting of the 10th Board of Directors and the 10th Meeting of the 10th Board of Supervisors respectively, and reviewed and approved the Proposal on Unfulfilling Conditions for Releasing Restricted Share for the Third Release Period of Restricted Shares Firstly Granted and the Second Release Period of Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares, and agreed to buy back and cancel the restricted stocks of 299 objects failing to fulfill the conditions for lifting the restriction for sales, 12,621,954 shares in total.

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
Wu Bilei	Chairman of the Board							8.50	228,552	75,422		7.54	77,708
Li Sheng	General Manager							8.50	192,778	63,617		7.54	65,544
Zhang Guohua	Director							8.50	228,493	75,403		7.54	77,687
Ji Yizhi	Deputy General Manager							8.50	192,778	63,617		7.54	65,544
Tian	Deputy							8.50	192,778	63,617		7.54	65,544

Haifeng	General Manager												
Wang Jianxun	Secretary of the Board of Directors							8.50	192,778	63,617		7.54	65,544
Total	--	0	0	0	0	--	0	--	1,228,157	405,293	0	--	417,571

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

During the reporting period, adhering to the structure guidance and based on transformation projects, we optimized the process structure of R&D and marketing areas, and carried out the hierarchical construction based on the structural planning documents; interpreted the Basic Standard for Enterprise Internal Control and 18 supporting guidelines and other related requirements, and identified its implementation against the documents. We also promoted the company-wide process operation, organized the review, updating and optimization of business processes and systems, and monitored the implementation, to ensure the business is carried out according to the process, reduce the cost of rectification, and improve the operational efficiency, so that we can ensure the appropriateness, sufficiency and effectiveness of the internal control system construction, and improve management and optimize the independent cycle of the system.

2. Specific information on major internal control deficiencies found during 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 Evaluation Report or Internal Control Audit Report

1. Internal Control Evaluation Report

Disclosure Date of Full Text of Internal Control Evaluation Report	March 30, 2024
Disclosure Index of Full Text	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=00080

of Internal Control Evaluation Report	0&orgId=gssz0000800&sjstsBond=false#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 accounting firm issues the auditor report with a qualified opinion to the Company.</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 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>
Quantitative Criteria	<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</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</p>

	<p>previous year; 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; General deficiencies: other control deficiencies except for major and significant deficiencies. Identification criteria for internal control deficiencies related to profits Major deficiencies: misstated (including potential) amount \geq 5% of the absolute value of the pre-tax profit in the consolidated income statement of the previous year of the Company; Significant deficiencies: 3% of the absolute value of the pre-tax profit in the consolidated income statement of the previous year of the Company \leq 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; General deficiencies: other control deficiencies except for major and significant deficiencies.</p>	<p>losses of CNY 10,000,000 and more; Significant deficiencies: causing asset losses of less than CNY 10,000,000 and greater than or equal to CNY 5,000,000; Minor deficiencies: causing asset losses of less than CNY 5,000,000.</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	
In our opinion, FAW Jiefang maintained effective internal control over financial reporting in all material aspects as of December 31, 2023 in accordance with the Basic Specification for Enterprise Internal Control and relevant regulations.	
Disclosure of Internal Control Auditor Report	Disclosure
Disclosure Date of Full Text of Internal Control Audit Report	March 30, 2024
Disclosure Index of Full Text of Internal Control Audit Report	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800&sjstsBond=false#latest

	Announcement
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 Environmental Impact Assessment, the Regulations on Environmental Protection Management of Construction Projects, 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 Water 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 Environmental Pollution by Solid Wastes, 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 Promotion of Clean Production, the Measures for the Administration of Pollutant Discharge Permits, 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; and the Integrated Emission Standard of Air Pollutants (GB16297-1996), the Integrated Wastewater Discharge Standard (GB8978-1996), the Emission Standard of Industrial Enterprises Noise at Boundary (GB12348-2008), the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2023), the Technical Guidelines for Deriving Hazardous Waste Management Plans and Records (HJ1259-2022), the Technical Specifications for Acceptance of Environmental Protection Facilities for Completed Construction Projects - Automobile Manufacturing Industry (HJ 407-2021), and other national and industry standards.

Administrative licensing for environmental protection

The Company strictly implemented the system of "environmental impact assessment" and "simultaneous design, construction and operation" when implementing the 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 Unit	Application (Renewal) Date of Pollutant Discharge Permit	Pollutant Discharge Permit No.	Valid Period (Year)
1	Truck Factory of FAW Jiefang Automotive Co., Ltd	December 30, 2022	9122010174302872 5R001R	5
2	Chengdu Branch of FAW Jiefang Automotive Co., Ltd.	July 16, 2022	9151011474640772 0B001V	5
3	Sichuan Branch of FAW Jiefang Automotive Co., Ltd.	July 21, 2023	91510681MABQ7 AKG4Y001V	5
4	Transmission Branch (Transformation Factory) of FAW Jiefang Automotive Co., Ltd.	December 31, 2021	9122010157113166 1N001Q	5
5	Transmission Branch (Axle Factory) of FAW Jiefang Automotive Co., Ltd.	December 31, 2021	9122010157113166 1N002V	5
6	Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd.	January 09, 2023	91220108MA170M RB74001V	5
7	FAW Jiefang (Qingdao) Automotive Co., Ltd.	December 29, 2023	9137020016356734 3M001V	5
8	Engine Branch of FAW Jiefang Automotive Co., Ltd.	December 27, 2022	9122010175616357 19001Q	5
9	Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd.	October 05, 2021	9132020074815922 2H001Q	5
10	Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd.	June 19, 2023	9132020633096901 7N001C	5
11	FAW Jiefang Dalian Diesel Engine Co., Ltd.	October 09, 2022	9121021371788030 8K001U	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	Enforced pollutant discharge standard	Total Discharge	Total Approved Discharge	Excessive Discharge
Truck Factory of FAW Jiefang Automotive Co., Ltd	Wastewater	COD	Continuous or intermittent discharge	4	One for frame, cab and non-metal coating respectively, and one for general domestic sewage outlet	137.6mg/L	800mg/L	24.6043 t	630.104 t	No excessive discharge
Truck Factory of FAW Jiefang Automotive Co., Ltd	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	71	Frame, cab, roof of non-metallic coating workshop	2.59mg/m ³	120mg/m ³	92.6441 t	335.4 t	No excessive discharge
Chengdu Branch of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	1	Southeast of the Company	41.97mg/L	500mg/L	0.6068 t	21.3 t	No excessive discharge

Chengdu Branch of FAW Jiefang Automotive Co., Ltd.	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	1	Roof of coating workshop	1.64mg/m ³	60mg/m ³	33.3849 t	75.91 t	No excessive discharge
Sichuan Branch of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	1	Northwest corner of the Company	40.85mg/L	500mg/L	0.1537 t	40.8469 t	No excessive discharge
Sichuan Branch of FAW Jiefang Automotive Co., Ltd.	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	15	Roof of Painting Workshop and General Assembly Workshop	4.68mg/m ³	60mg/m ³	2.3869 t	16.5208 t	No excessive discharge
Transmission Branch (Transformation Factory) of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	2	One in the northwest corner of substation one and the southwest corner of substation two workshop	19mg/L	500mg/L	1.1134 t	10 t	No excessive discharge
Transmission Branch (Transformation	Exhaust gas	Non-methane	Continuous	5	Four for No. 1 workshop and	8.73mg/m ³	120mg/m ³	2.2615 t	--	No excessiv

Factory) of FAW Jiefang Automotive Co., Ltd.		hydrocarbon	discharge during production		one for the south side outside No. 1 workshop					e discharge
Transmission Branch (Axle Factory) of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	6	Two for No. 1, No. 2 and No. 3 workshops respectively	21mg/L	500mg/L	1.3774 t	--	No excessive discharge
Transmission Branch (Axle Factory) of FAW Jiefang Automotive Co., Ltd.	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	20	Eight for No. 1 workshop, seven for No. 2 workshop, and five for No. 3 workshop	16.01mg/m ³	120mg/m ³	11.0669 t	--	No excessive discharge
Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	1	South gate of sewage treatment station	50mg/L	500mg/L	1.3724 t	4.575 t	No excessive discharge
Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd.	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	12	Roof of coating and welding workshop of the Company	3.25mg/m ³	120mg/m ³	10.25 t	49.5 t	No excessive discharge
FAW Jiefang (Qingdao) Automotive Co., Ltd.	Wastewater	COD, ammonia nitrogen	Continuous or intermittent	6	Outside the sewage treatment station of the	COD, 62.3mg/L Ammonia nitrogen,	COD, 500mg/L Ammonia nitrogen,	COD, 19.11 tons Ammonia nitrogen,	COD, 88.79 tons Ammonia nitrogen,	No excessive discharge

			discharge		Company	4.71mg/L	45mg/L	1.288 tons	5.11 tons	
FAW Jiefang (Qingdao) Automotive Co., Ltd.	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	87	Roof of each workshop of the Company	4.84mg/m ³	30mg/m ³	65.07 t	164.98 t	No excessive discharge
Engine Branch of FAW Jiefang Automotive Co., Ltd.	Exhaust gas	Non-methane hydrocarbon	Intermittent discharge	3	Workshop roof	1.84mg/m ³	120mg/m ³	0.0319 t	--	No excessive discharge
Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Continuous discharge	3	One for west gate and two for south gate	41mg/L	500mg/L	30.03 t	243 t	No excessive discharge
Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd.	Exhaust gas	Nitrogen oxide, non-methane hydrocarbon	Continuous discharge during production	13	Three for assembly workshop, five for the R&D Department, two for QA Department, two for processing workshop and one for hazardous waste warehouse	NOx, 89mg/m ³ Non-methane hydrocarbons, 1.13mg/m ³	NOx, 200mg/m ³ Non-methane hydrocarbons, 60mg/m ³	NOx, 22.12 tons VOCs 0.74 tons	NOx, 27.2 tons VOCs 1.77 tons	No excessive discharge

Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Continuous discharge	1	North Gate 1	57mg/m ³	500mg/m ³	4.76 t	79.15 t	No excessive discharge
Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd.	Exhaust gas	Nitrogen oxide, non-methane hydrocarbon	Continuous discharge during production	6	Joint workshop	NOx, 79mg/m ³ Non-methane hydrocarbons, 1.89mg/m ³	NOx, 200mg/m ³ Non-methane hydrocarbons, 60mg/m ³	NOx, 5.49 tons VOCs 0.67 tons	NOx, 26.137 tons VOCs 4.546 tons	No excessive discharge
FAW Jiefang Dalian Diesel Engine Co., Ltd.	Wastewater	COD, ammonia nitrogen	Continuous or intermittent discharge	1	Outside the sewage treatment station of the Company	COD, 41mg/L Ammonia nitrogen, 4.8mg/L	COD, 300mg/L Ammonia nitrogen, 30mg/L	COD, 1.796 tons Ammonia nitrogen, 0.3534 tons	COD, 88.79 tons Ammonia nitrogen, 5.11 tons	No excessive discharge
FAW Jiefang Dalian Diesel Engine Co., Ltd.	Exhaust gas	Nitrogen oxide, non-methane hydrocarbon	Continuous discharge during production	5	Roof of the Company's workshop	NOx, 88mg/m ³ Non-methane hydrocarbons, 0.33mg/m ³	NOx, 240mg/m ³ Non-methane hydrocarbons, 120mg/m ³	Nitrogen oxides: 1.163 t Non-methane hydrocarbons, 2.246 tons	Nitrogen oxides: 11.967 t Non-methane hydrocarbon 14.2 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 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) One sewage treatment station has been built in Chengdu Branch of FAW Jiefang Automotive Co., Ltd. for the treatment of production and domestic wastewater of the Company, with a total treatment capacity of 300 tons/day. The main treatment method is SBR process. All sewage stations can operate continuously and stably, and the sewage discharged up to standard enters the urban sewage treatment plant through the municipal pipe network for further treatment.

(3) The Sichuan Branch of FAW Jiefang Automotive Co., Ltd. has a wastewater treatment station that is used to treat the Company's production and domestic wastewater, has a total treatment capacity of 50 tons/hour, and adopts the physicochemical and biochemical treatment process. The sewage station can operate continuously and stably. The industrial wastewater discharged after meeting the standard enters the urban sewage treatment plant through the municipal pipeline network for further treatment.

(4) The Transmission Branch (Transmission 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 5 tons/hour, and it operates 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.

(5) There is a sewage storage tank in each of the three workshops in the Transmission Branch (Axle Factory) of FAW Jiefang Automotive Co., Ltd., and the industrial wastewater of the No. 3 Workshop is transferred to the sewage treatment station in Shaft Gear Park for treatment. The other two workshops signed a disposal contract with FAW to transfer the sewage by FAW tanks to the comprehensive treatment workshop for complaint disposal every day.

(6) One sewage treatment station is built in Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd. for the treatment of production and domestic wastewater of the Company, with a treatment capacity of 300 tons/day. The physicochemical + biochemical treatment process is adopted, which can operate continuously and stably and discharge up to standard in real time. The sewage discharged up to standard enters the urban sewage treatment plant through the municipal pipe network for further treatment.

(7) Two sewage treatment stations are built in FAW Jiefang Qingdao Automotive Co., Ltd. They combine physicochemical process with biochemical process and are 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/T31962-2015), and reaches the Reuse of Urban Recycling Water—Water Quality Standard for Urban Miscellaneous Use (GB/T18920-2020) 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 up-to-standard treated wastewater is discharged to Jimo North Sewage Treatment Plant for advanced treatment through the sewage outlet.

(8) The industrial wastewater produced by the Engine Branch of FAW Jiefang Automotive Co., Ltd. is transferred to the sewage treatment station of the Shaft Gear Park for treatment.

(9) One sewage treatment station is built in Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd. for the treatment of production and domestic wastewater of the Company, with a total treatment capacity of 3,000 tons/day and 24-hour operation. The main treatment process is physicochemical + biochemical treatment. The sewage station can operate continuously and stably, and realize real-time up-to-standard discharge. The up-to-standard discharged sewage enters the urban sewage treatment plant through the municipal pipe network for further treatment.

(10) One sewage treatment station is built in the Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd. for the treatment of production and domestic wastewater of the Company, with a total treatment capacity of 1,000 tons/day and 24-hour operation. The main treatment process is physicochemical + biochemical treatment. The sewage station can operate continuously and stably, and realize real-time up-to-standard discharge. The up-to-standard discharged sewage enters the urban sewage treatment plant through the municipal pipe network for further treatment.

(11) One sewage treatment station is built in FAW Jiefang Dalian Diesel Engine Co., Ltd. for the treatment of production and domestic wastewater, with a total treatment capacity of 816 tons/day and 24-hour operation. The main treatment processes are distillation pretreatment of production wastewater and biochemical treatment of comprehensive wastewater. The sewage station can operate continuously and stably, and realize real-time up-to-standard discharge. The up-to-standard discharged sewage enters the urban sewage treatment plant through the municipal pipe network for further treatment.

(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. The exhaust gas of VOCs from cab coating and non-metallic coating is discharged after reaching the standard through hydrocyclone + zeolite runner adsorption concentration + RTO (regenerative incineration).

(2) All waste gas treatment facilities of the 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 Sichuan 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 dry paper box + 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.

(4) 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.

(5) All waste gas treatment facilities of the Transmission Branch (Axle Factory) of FAW Jiefang Automotive Co., Ltd. can operate continuously and stably, and all welding fumes are discharged after reaching the standard and being treated by centralized and mobile dust removal systems. The waste gas from the painting line is treated by zeolite runner +RCO device and discharged after meeting the standard.

(6) Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd. plans to implement various centralized dust removal projects for welding fumes in 2023. The fumes were discharged up to standard after treatment. This project is being carried out. The waste gas from the painting process is treated by the pretreatment filtration system + zeolite concentration runner + RTO incineration treatment system and then discharged after reaching the standard.

(7) All waste gas treatment facilities of FAW Jiefang (Qingdao) Automotive Co., Ltd. can operate continuously and stably. The painting waste gas generated by Painting Workshops 1 and 2, Non-metallic Painting Workshop and Assembly Workshops 1 and 2 is discharged after reaching the standard and being purified by paint mist, adsorbed by zeolite concentration runner and treated by an 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 a filter cartridge dust collector.

(8) The Engine Branch of FAW Jiefang Automotive Co., Ltd. has three quenching machines generating waste gas and equipped with adsorption purification devices. After treatment, the waste gas is discharged up to standard.

(9) 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.

(10) 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.

(11) 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 being treated by SCR post-treatment + alkali liquor washing exhaust gas treatment device and reaching the standard.

(III) Noise control:

All noise reduction and vibration reduction 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 standards.

(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

We organized relevant departments to revise and improve the comprehensive plan, special emergency plan and on-site disposal plan of the Emergency Response Plan for Environmental Emergencies, conducted a detailed risk assessment on each risk point, clearly defined the work

responsibilities of each department, refined the emergency disposal procedures for unexpected environmental events, supplemented and provided all kinds of emergency response materials, and trained relevant personnel on the contents of the plan as required.

We organized relevant departments to formulate the emergency response drill plan and carried out the drills on the emergency plan, special emergency plan and on-site disposal plan for key areas such as sewage treatment stations, hazardous waste stations and waste gas treatment facilities on schedule. The drills improved the awareness of relevant personnel for the emergency procedures, and their emergency response ability and coordination ability for emergencies, providing the actual practice to the environmental emergency team and effectively improving the emergency response ability.

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 2023 shows that all monitoring indicators meet the requirements of all national emission regulations and standards.

Investment in environmental governance and protection and payment of environmental protection taxes

In 2023, the Company paid a total of more than CNY 38 million including various environmental governance and protection expenses and environmental protection taxes.

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

Applicable Not applicable

The Company pays close attention to energy conservation and carbon reduction and actively docks with the government's preferential energy policies. In 2023, the amount of the green electricity transaction was 46,393,400 kWh, and the PV clean energy projects implemented by Liuzhou Branch, FAW Jiefang (Qingdao) Automotive Co., Ltd. and other branches and subsidiaries were connected to the grid to generate electricity, further reducing carbon emissions. In 2023, we initiated and implemented 189 energy-saving and cost-reducing projects, with total annual savings of CNY 98.65 million and 36,267t CO₂.

Administrative penalties due to environmental problems in the Reporting Period

Name	of	Cause for	Violations	Results of	Impact on Production	Rectification
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Company or Subsidiary	Penalties		Penalties	and Operation of the Listed Company	Measures of the Company
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information that shall be disclosed

All branches and subsidiaries of the Company have disclosed environmental information as required, been certified by the environmental management system (GB/T24001-2016), 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 an ecological civilization benchmarking environment-friendly enterprise of "energy conservation, consumption reduction, emission reduction and efficiency improvement".

Other information related to environmental protection

In 2023, we revised 7 environmental protection management documents, refined the identification and evaluation standards of environmental factors, improved the evaluation process, strictly standardized the "simultaneous design, construction and operation" management of construction projects, clarified the management standards and spot inspection operation requirements of environmental protection facilities, and increased the identification of laws and regulations.

In order to improve the environmental responsibility awareness and working ability of managers and operators at all levels, the Company and its affiliates have formulated the environmental protection training plan, developed 9 professional environmental protection training courses, and conducted targeted training on important environmental protection laws and regulations. We also invited industry experts with a high internal environmental management level and rich experience in inspection to share VOC compliance management in the Company. In 2023, we provided a total of 9 company-level training, 42 training sessions in branches and subsidiaries and professional factories and 88 workshop-level training sessions, with a total of about 12,628 participants, laying a good foundation for the advancement of all tasks.

In 2023, we organized a series of activities of "Environmental Protection Publicity Month", and carefully prepared the Plan of Environmental Protection Publicity Month Activities for 2023. During the month, we prepared and posted posters on the theme of "World Environment Day", collected the works of "Short Video of Environmental Protection Publicity", publicized and promoted the "golden idea" of environmental protection, arranged employees to participate in the environmental protection

knowledge contest of the Group, and selected outstanding environmental protection cases. The employees of all units actively participated in the activities, achieving satisfactory publicity results.

II. Social Responsibility

For details of our performance of corporate social responsibilities, please refer to the 2023 Environment, Society and Governance (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 national rural revitalization strategy and the deployment of targeted assistance work. It focuses on the needs of Fengshan County in Guangxi and Zhenlai County in Jilin. With Party building as the guiding principle and the selection of competent officials as the main approach, the Company has implemented various measures to solidly carry out assistance work in the dimensions of industrial development, livelihood infrastructure, ecological improvement, education and employment, and consumer support. It continuously improves the well-being of local residents, effectively promotes comprehensive rural revitalization, and writes a liberating chapter on rural revitalization.

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.	Shareholder Lock-up Commitment	To safeguard the interests of investors, FAW promises that after this acquisition is completed, the Company will continue to fulfill the commitments made by FAW Group during the equity division reform and strictly abide by the relevant regulations of China Securities Regulatory Commission and Shenzhen Stock Exchange on share transfer, equity changes and information disclosure of listed companies.	August 08, 2011	Long-term validity	The locked shares were listed and circulated on April 10, 2023, and this commitment has been fulfilled.
Commitments made during asset restructuring	China FAW Co., Ltd.	Commitment on restricted shares	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). 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	April 08, 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	Among them, the new shares in this restructuring were listed and circulated on April 10, 2023; the shares before the restructuring expired on October 9, 2021. This commitment has been fulfilled.

			<p>the restructuring is lower than the issue price, the shares of the listed company acquired by China FAW Co., Ltd. through asset subscription in this restructuring will be automatically extended for 6 months on the basis of the above lock-up period. 3. The shares 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 the 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 guarantees that it is willing to assume corresponding legal responsibilities in case of violation of the above commitments.</p>		<p>not be transferred within 18 months from the date of completion of the restructuring.</p>	
China FAW Co., Ltd.	Commitment on regulating and reducing	1. We will exercise shareholders' rights in strict accordance with the Company Law and other laws, administrative regulations, rules and normative documents (hereinafter referred to as "laws and	April 08, 2020	Long-term validity	The matter is now in the normal process.	

		g related transact ions	<p>regulations") as well as the Articles of Association of FAW Car Co., Ltd. (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 Articles of Association. The price of related transactions shall be 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</p>			
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			FAW, and within the scope of legal shareholders' rights, FAW 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.			
	CHINA FAW GROUP CO., LTD.	Commitment on avoiding horizontal competition	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 vehicles. 2. Upon completion of the restructuring, FAW 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 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	April 08, 2020	Long-term validity	The commitment is being fulfilled normally.

			<p>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 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>			
China FAW Co., Ltd.	Commitment on avoiding horizontal competition	<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 vehicles. 2. Upon completion of the restructuring, FAW 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</p>	April 08, 2020	Long-term validity	The commitment is being fulfilled normally.	

			<p>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 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 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 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 Car Co., Ltd. will ensure that the holding enterprises of the Company comply with the above commitments. FAW Car Co., Ltd. will ensure that the holding enterprises of the Company comply with the above commitments. 5.</p>			
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			<p>Harbin Light Automobile and FAW Hongta under FAW Light Commercial Vehicle Co., Ltd., a subsidiary of FAW, are engaged in some light truck businesses. However, they are currently in a state of discontinuation or loss, with heavy burdens and unstable profitability. FAW 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 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 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</p>			
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			restructuring and shall remain valid and irrevocable during the period when China FAW Co., Ltd. serves as the controlling shareholder or actual controller of the listed company.			
	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 and its subordinate units. (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 and its subordinate units currently do not and will not illegally occupy the funds and assets of the listed company. 3. FAW. will not 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</p>	April 08, 2020	Long-term validity	The commitment is being fulfilled normally.

			<p>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. 4. Ensure that the financial personnel of the listed company do not take part-time jobs in FAW and its subordinate units. 5. Ensure that the listed company can make financial decisions independently, and FAW 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. 3. Ensure that the Board of Directors, Board of Supervisors and all functional departments of 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 do 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</p>			
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			market. 3. Ensure that FAW 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.			
	China FAW Co., Ltd.	Commitment on pledging consideration shares	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 Profit Forecast Compensation Agreement 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 commitment compensation obligations of such shares according to the Profit Forecast Compensation Agreement, 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.	April 08, 2020	April 30, 2023	With the fulfillment of performance commitments and compensation arrangement commitments, this commitment has been fulfilled.
	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. to purchase assets, and signed the Profit Forecast Compensation Agreement attached with effective conditions with FAW., providing legally binding safeguard measures to avoid diluted spot returns in this transaction.	April 08, 2020	Long-term validity	The commitment is being fulfilled normally.
CHINA	Descrip	The production qualification and		April 08,	Long-	The

FAW GROUP CO., LTD.	tion on vehicle production qualification	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 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.	2020	term validity	commitment is being fulfilled normally.
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 will compensate the listed company year by year by share-based payment.	April 08, 2020	April 30, 2023	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.

	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, 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.	November 27, 2019	Long-term validity	The commitment is being fulfilled normally.
Commitment made upon initial public offering or refinancing	N/A					N/A
Equity incentive commitment	N/A					N/A

Other commitments to minority shareholders of the Company	N/A					N/A
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	N/A					

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

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

Applicable Not applicable

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

III. Illegal External Guarantee

Applicable Not applicable

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

IV. 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

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").

Interpretation No.16 stipulates that for a single transaction that is not a business combination and does not affect accounting profits or taxable income (or deductible losses) at the time of the transaction and that the initial recognition of assets and liabilities results in equal amounts of taxable temporary differences and deductible temporary differences, such taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities shall be recognized at the time the transaction occurred as the corresponding deferred income tax liabilities and deferred income tax assets in accordance with relevant provisions such as the Accounting Standards for Business Enterprises No. 18 - Income Tax. The Company shall apply these provisions to transactions that occurred from the beginning of the earliest period of the financial statements for which the provisions are first applied until the Implementation Date of the Interpretation. The cumulative impact of these adjustments shall be used to adjust the opening retained earnings and other related financial statement items for the earliest period in the presentation of financial statements. The above provisions on the accounting treatment have come into effect since January 1, 2023.

The Company shall also adjust the taxable temporary difference and deductible temporary difference for lease liabilities and right-of-use assets recognized for the lease business in accordance with the provisions of Interpretation No. 16.

The enforcement of the above accounting policies has the following impact on the consolidated balance sheet on December 31, 2023 and the 2023 consolidated income statement:

Unit: CNY

Items of consolidated balance sheet	Amounts affected
(December 31, 2023)	
Deferred Income tax assets	12,975,866.73
Deferred income tax liabilities	12,560,241.88
Undistributed profit at the end of the year	415,624.85
Items of consolidated income statement	
(Year 2023)	
Income tax expenses	-443,956.60

The enforcement of the above accounting policies has the following impact on the consolidated balance sheet on December 31, 2022 and the 2022 consolidated income statement:

Unit: CNY

Items of consolidated balance sheet (December 31, 2022)	Before adjustment	Amount adjusted	After adjustment
Deferred Income Tax Assets	2,131,349,905.21	19,643,880.89	2,150,993,786.10
Deferred income tax liabilities	430,369,867.93	19,672,212.64	450,042,080.57
Undistributed profit at the end of the year	5,460,939,601.36	-28,331.75	5,460,911,269.61

Items of consolidated income statement (Year 2022)	Before adjustment	Amount adjusted	After adjustment
Income tax expenses	-185,173,776.38	301,331.78	-184,872,444.60

The enforcement of the above accounting policies has the following impact on the consolidated balance sheet on January 1, 2022.

Unit: CNY

Items of consolidated balance sheet (January 01, 2022)	Before adjustment	Amount adjusted	After adjustment
Deferred Income Tax Assets	1,650,296,511.26	26,243,041.30	1,676,539,552.56
Deferred income tax liabilities	374,185,114.15	25,970,041.27	400,155,155.42
Undistributed profit at the end of the year	8,434,403,352.08	273,000.03	8,434,676,352.11

Cumulative impact of changes in accounting policies during the current period

Unit: CNY

Affected items	Current period	Previous period
Net assets at the beginning of the period	-28,331.75	273,000.03
Including: Retained earnings	-28,331.75	273,000.03
Net Profit	443,956.60	-301,331.78
Capital reserves		
Other comprehensive incomes		
Special reserves		
Net assets at the end of the period	415,624.85	-28,331.75
Including: Retained earnings	415,624.85	-28,331.75

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

Applicable Not applicable

The Company established a new subsidiary, FAW Jiefang UNI-D (Tianjin) Technology Co., Ltd., on April 14, 2023.

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	7 years
Name of Certified Public Accountant of Domestic Accounting Firm	Wu Songlin, Yang Dongmin
Consecutive Years of Audit Service Provided by Certified Public Accountant of Domestic Accounting Firm	Wu Songlin (1 year), Yang Dongmin (2 years)

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 7th meeting of the 10th Board of Directors and the Fourth Extraordinary Shareholders' Meeting of 2023, Grant Thornton Accounting Firm (special general partnership) was appointed as the internal control audit institution of the Company in 2023, 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)	Estimated liabilities formed or not	Progress of Litigation (Arbitration)	Litigation (Arbitration) Results and Impact	Implementation of Litigation (Arbitration) Judgment	Date of Disclosure	Disclosure Index
Summary of other litigation not reaching the major disclosure standard	7,169.52	Including estimated liabilities of CNY 732,1600	Case not closed	No significant impact	Case not closed by the end of the reporting period		
	4,035.19	No	Case closed	No significant impact	Enforcement completed or a mediation agreement reached		

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
Fawer Auto Parts Co., Ltd.	Other related parties	Goods purchase and reception of labor services	Goods purchase and reception of labor services	Market price	Market price	165,960.79	2.75%	168,436	No	Cash + bill settlement	165,960.79	February 11, 2023	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800&sjstsBond=false#latestAnnouncement
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party	Sales of goods	Sales of goods	Market price	Market price	1,156,803.06	18.10%	1,158,179	No	Cash + bill settlement	1,156,803.06	November 21, 2023	
FAW Jiefang	Associate	Sales of	Sales of	Market price	Market	244,687.27	3.83%	279,005	No	Cash + bill	244,687.27	November 21, 2023	

Fujie (Tianjin) Technology Industry Co., Ltd.	enterprise of the Company	goods	goods		price					settlement			
Total				--	--	1,567,451.12	--	1,605,620	--	--	--	--	--
Details of large sales returns				N/A									
Actual performance in the reporting period, if the total amount of daily related transactions to be incurred in the current period is estimated by category				For details about the actual performance of related transactions in the reporting period, please see Item XIV "Related Parties and Related Transactions" in Section 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

Co-investor	Correlation	Name of the Invested Enterprise	Main Business of the Invested Enterprise	Registered Capital of the Investee	Total Assets of the Invested Enterprise (CNY 10,000)	Net Assets of the Invested Enterprise (CNY 10,000)	Net Profit of the Invested Enterprise (CNY 10,000)
CHINA FAW GROUP CO., LTD.	Ultimate controller of the Company	Changchun Automotive Test Center Co., Ltd.	Automobile testing service	CNY 11,714,400	368,415.05	341,211.16	22,084.31
Progress of major projects under construction of the investee		N/A					

4. Related credit and debt transactions

Applicable Not applicable

Whether there are non-operating related credit and debt transactions

Yes No

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

5. Transaction with related finance companies

Applicable Not applicable

Deposit Business

Related Parties	Correlation	Maximum Daily Deposit Limit (CNY 10,000)	Deposit Interest Rate Range	Opening Balance (CNY 10,000)	Amount Incurred in Current Period		Ending Balance (CNY 10,000)
					Total Deposit Amount in the Current Period (CNY 10,000)	Total Withdrawal Amount in the Current Period (CNY 10,000)	
First Automobile Finance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party	3,000,000	0.35% -2.3%	1,383,293.43	30,464,832.50	30,443,468.41	1,404,657.52

Credit Granting or Other Financial Businesses

Related Parties	Correlation	Business Type	Total Amount (CNY 10,000)	Actual Amount Incurred (CNY 10,000)
First Automobile Finance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party	Other financial businesses	900,000	311,664.25

6. Transactions between finance companies controlled by the Company and related parties

Applicable Not applicable

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

7. Other major related transactions

Applicable Not applicable

(1) On February 10, 2023, the 31st Meeting of the 9th Board of Directors of the Company reviewed and approved the Proposal on Estimating the Amount of Financial Business with First Automobile Finance Co., Ltd. in 2023, the Proposal on Signing the Financial Services Framework Agreement with First Automobile Finance Co., Ltd. and the Proposal on Estimating Daily Related

Transaction Amount in 2023, which were reviewed and approved by the First Extraordinary Shareholders' Meeting of 2023 of the Company.

(2) On November 20, 2023, the 7th Meeting of the 10th Board of Directors of the Company reviewed and approved the Proposal on Increasing the Estimate of Daily Related Transactions in 2023, which was reviewed and approved at the Fourth Extraordinary Shareholders' Meeting of 2023 of the Company.

(3) On December 29, 2023, the 8th Meeting of the 10th Board of Directors of the Company reviewed and approved the Proposal on Increasing the Estimate of Daily Related Transactions in 2023.

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 2023	February 11, 2023	CNINFO (http://www.cninfo.com.cn)
Announcement on Signing Financial Service Framework Agreement and Related Party Transactions with First Automobile Finance Co., Ltd.	February 11, 2023	CNINFO (http://www.cninfo.com.cn)
Announcement on estimated amount of financial business with First Automobile Finance Co., Ltd. in 2023	February 11, 2023	CNINFO (http://www.cninfo.com.cn)
Announcement on Increasing the Estimate of Daily Related Transactions in 2023	November 21, 2023	CNINFO (http://www.cninfo.com.cn)
Announcement on Increasing the Estimate of Daily Related Transactions in 2023	December 30, 2023	CNINFO (http://www.cninfo.com.cn)

XV. Major Contracts and Their Performance

1. Trusteeship, contracting and lease

(1) Trusteeship

Applicable Not applicable

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

(2) Contracting

Applicable Not applicable

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

(3) Lease

Applicable Not applicable

Description of lease

For details of the Company's operating lease, please refer to Note 14 "Investment real estate", Note 15 "Fixed assets", and Note 17 "Right-of-use assets" in Notes to Items in VII "Consolidated Financial Statements" of Section X "Financial Report", and Note 5 "Information of related transactions" in XIV "Related parties and related transactions".

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

Applicable Not applicable

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

2. Major guarantees

Applicable Not applicable

The Company has no major 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

The 4th Meeting of the 10th Board of Directors and the 3rd Meeting of the 10th Board of Supervisors held by the Company on June 19, 2023 reviewed and approved the Proposal on the Company's Eligibility to Issue A Shares to Specific Objects, the Proposal on the Company's Plan to Issue A Shares to Specific Objects in 2023 and other proposals, which were reviewed and approved by the Company's 2023 Second Extraordinary Shareholders' Meeting of 2023 of the Company held on July 18, 2023. On July 18, 2023, the Company disclosed the Announcement on Matters Related to the Issuance of A Shares to Specific Objects in 2023 Approved by China FAW Groups; on August 3, 2023, the Company disclosed the Announcement on the Application for Issuance of A Shares to Specific Objects in 2023 Accepted by the Shenzhen Stock Exchange. ; On October 13, 2023, the Company disclosed the Announcement on Issuance of A Shares to Specific Objects in 2023 Approved by Listing Audit Center of Shenzhen Stock Exchange.

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

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	
	Qty.	Scale	Issue of New Shares	Bonus shares	Share Transferred from Accumulation Fund	Others	Subtotal	Qty.	Scale
I. Restricted shares	3,241,570,824	69.66%				-	-	14,433,543	0.31%
1. Shares held by the state									
2. Shares held by the state-owned legal person	3,197,912,134	68.72%				-	-		
3. Shares held by other domestic enterprises	43,658,690	0.94%				-29,225,147	-29,225,147	14,433,543	0.31%
Including: shares held by domestic legal person									
Shares held by	43,658,690	0.94%				-29,225,147	-29,225,147	14,433,543	0.31%

domestic natural person									
4. Shares held by foreign enterprises									
Including: shares held by overseas legal person									
Shares held by overseas natural person									
II. Unrestricted shares	1,411,754,078	30.34%				3,210,810,854	3,210,810,854	4,622,564,932	99.69%
1. CNY ordinary shares	1,411,754,078	30.34%				3,210,810,854	3,210,810,854	4,622,564,932	99.69%
2. Foreign shares listed in China									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	4,653,324,902	100.00%				-16,326,427	-16,326,427	4,636,998,475	100.00%

Reasons for changes in shares

Applicable Not applicable

During the reporting period, the Company failed to achieve the performance assessment objectives set for the second release period first granted and the first release period reserved by the Company's Phase I restricted share incentive plan, and a total of 16,326,427 shares were repurchased and canceled due to organizational transfer, statutory retirement and personal reasons. After the aforesaid repurchase and cancellation, the total share capital of the Company was changed to 4,636,998,475 shares.

Approval of share changes

Applicable Not applicable

(1) On October 28, 2022, the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan was reviewed and approved at the 28th Meeting of the 9th Board of Directors and the 24th Meeting of the 9th Board of Supervisors respectively, with a total number of 1,359,247 restricted shares repurchased and cancelled. On November 18, 2022, the Proposal was deliberated and approved at the Company's third Extraordinary Shareholders' Meeting in 2022.

(2) On December 15, 2022, the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan was reviewed and approved at the 30th Meeting of the 9th Board of Directors and the 26th Meeting of the 9th Board of Supervisors respectively, with a total number of 723,435 restricted shares repurchased and cancelled. On March 2, 2023, the Proposal was deliberated and approved at the Company's first Extraordinary Shareholders' Meeting in 2023.

(3) On March 31, 2023, the 32nd Meeting of the 9th Board of Directors and the 28th Meeting of the 9th Board of Supervisors of the Company deliberated and approved the Proposal on Unsuccessful Lifting of Conditions of the Second Release Period First Granted by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and of Conditions of the First Release Period Reserved by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and Repurchase and Cancellation of Some Restricted Shares, with a total number of 13,909,890 restricted shares repurchased and canceled. On April 24, 2023, the proposal was reviewed and approved at the Company's 2022 Annual Shareholders' Meeting.

(4) The Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan was reviewed and approved at the 5th Meeting of the 10th Board of Directors and the 4th Meeting of the 10th Board of Supervisors on August 29, 2023. A total of 333,855 restricted shares were repurchased and canceled. On September 28, 2023, the Proposal was deliberated and approved at the Company's third Extraordinary Shareholders' Meeting in 2023.

Transfer of share changes

Applicable Not applicable

(1) On January 06, 2023, the Company submitted relevant registration materials to CDSC for 1,359,247 shares involved in equity incentive repurchase and cancellation. On January 16, 2023, CSDC issued the Confirmation of Securities Transfer Registration to the Company, and the total share capital of the Company was reduced to 4,651,965,655 shares.

(2) On April 20, 2023, the Company submitted relevant registration materials to CDSC for 723,435 shares involved in equity incentive repurchase and cancellation. On April 27, 2023, CSDC issued the Confirmation of Securities Transfer Registration to the Company, and the total share capital of the Company was reduced to 4,651,242,220 shares.

(3) On June 20, 2023, the Company submitted relevant registration materials to CDSC for 13,909,890 shares involved in equity incentive repurchase and cancellation. On June 29, 2023, CSDC issued the Confirmation of Securities Transfer Registration to the Company, and the total share capital of the Company was reduced to 4,637,332,330 shares.

(4) On November 22, 2023, the Company submitted relevant registration materials to CDSC for 333,855 shares involved in equity incentive repurchase and cancellation. On November 28, 2023, CSDC issued the Confirmation of Securities Transfer Registration to the Company, and the total share capital of the Company was reduced to 4,636,998,475 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 shareholders with ordinary shares of the Company

Applicable Not applicable

In the reporting period, the share capital of the Company decreased by 16,326,427 shares, which had little impact on the Company's financial indicators such as basic earnings per share, diluted earnings per share, and net assets per share attributable to shareholders with ordinary shares of the Company.

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

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: share

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Restricted Shares 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 10, 2023
FAW Bestune Car Co., Ltd.	784,500,000		784,500,000		Major asset restructuring	April 10, 2023
Hu Hanjie	334,331		110,329	224,002	Equity incentives and post-resignation lock-up	Among them, 110,329 shares were released from the restriction on April 30, 2024; the remaining shares were implemented in accordance with the restricted share incentive plan.
Wu Bilei	228,552		132,560	95,992	Equity incentive	Each year, 25% of the total shares held are released from restriction, and the
Li Sheng	192,778		111,812	80,966	Equity incentive	
Zhang Guohua	228,493		132,526	95,967	Equity incentive	
Ji Yizhi	192,778		111,812	80,966	Equity	

					incentive	assessment objectives of the restricted share incentive plan are implemented.
Tian Haifeng	192,778		111,812	80,966	Equity incentive	
Wang Jianxun	192,778		111,812	80,966	Equity incentive	
Other core employees of senior director and above	42,096,202		28,402,484	13,693,718	Equity incentive	The restricted share incentive plan and assessment objectives are implemented.
Total	3,241,570,824	0	3,227,137,281	14,433,543	--	--

II. Issuance and Listing of Securities

1. Issuance of Securities (Excluding Preferred Share) in the Reporting Period

Applicable Not applicable

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 repurchased and canceled a total of 16,326,427 granted shares of incentive objects that failed to conform to the restricted share incentive plan. The total number of shares of the Company was changed from 4,653,324,902 shares to 4,636,998,475 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 Shareholders with Ordinary Shares at the End of the Reporting Period	85,973	Total Number of Ordinary Shareholders at the End of the Last Month before the Disclosure Date of the Annual Report	78,906	Total Number of Shareholders with Preferred Share 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 (Excluding Shares Lent through Securities Refinancing).								
Name of Shareholder	Nature of Shareholders	Share proportion	Number of Shares Held at the End of the Reporting Period	Increase and Decrease in the Reporting Period	Number of Restricted Shares Held	Number of Unrestricted Shares Held	Pledge, Marking or Freezing	
							Status of Shares	Qty.
China FAW Co., Ltd.	State-owned legal person	66.00%	3,060,649,901	0	0	3,060,649,901	N/A	0
FAW Bestune Car Co., Ltd.	State-owned legal person	16.92%	784,500,000	0	0	784,500,000	N/A	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.35%	62,814,959	7,974,647	0	62,814,959	N/A	0
Lu Min	Domestic natural person	0.78%	36,096,590	0	0	36,096,590	N/A	0
Chao Guo	Domestic natural person	0.19%	8,665,558	806,200	0	8,665,558	N/A	0
Li Yan	Domestic	0.17%	7,660,000	0	0	7,660,000	N/A	0

	c natural person							
Industrial and Commercial Bank of China Limited-Huatai-PineBridge CSI 300 Trading Open Index Securities Investment Fund	Others	0.14%	6,440,000	2,814,000	0	6,440,000	N/A	0
Zhong Ou AMC - Agricultural Bank of China - Zhong Ou & CITIC Securities Financial Asset Management Plan	Others	0.12%	5,549,500	0	0	5,549,500	N/A	0
Bosera Asset Management Co., Ltd. - Agricultural Bank of China - Bosera & CITIC	Others	0.12%	5,549,500	0	0	5,549,500	N/A	0

Securities Financial Asset Management Plan								
Jilin Province State-owned Capital	State-owned legal person	0.12%	5,345,916	-8,367,000	0	5,345,916	N/A	0
Strategic investors or general legal persons who become the top 10 shareholders due to the issuance of new shares	N/A							
Description of correlation or concerted action of the above shareholders	Among the above shareholders, FAW Bestune is a holding subsidiary of FAW, and is a person acting in concert as specified in the Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.							
Description of involvement of the above shareholders in entrusting/entrusted voting rights and waiving voting rights	N/A							
Special description of the existence of repurchase special accounts among the top 10 shareholders	N/A							
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	Qty.					
China FAW Co., Ltd.	3,060,649,901	CNY ordinary shares	3,060,649,901					
FAW Bestune Car Co., Ltd.	784,500,000	CNY ordinary	784,500,000					

		shares	
Hong Kong Securities Clearing Company Ltd.	62,814,959	CNY ordinary shares	62,814,959
Lu Min	36,096,590	CNY ordinary shares	36,096,590
Chao Guo	8,665,558	CNY ordinary shares	8,665,558
Li Yan	7,660,000	CNY ordinary shares	7,660,000
Industrial and Commercial Bank of China Limited-Huatai-PineBridge CSI 300 Trading Open Index Securities Investment Fund	6,440,000	CNY ordinary shares	6,440,000
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
Jilin Province State-owned Capital	5,345,916	CNY ordinary shares	5,345,916
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 holding subsidiary of FAW, and is a person acting in concert as specified in the Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.		
Description of participation in financing bonds business of top 10 shareholders with ordinary shares	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 8,646,400 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.		

Share Lending of Top 10 Shareholders Participating in Refinancing Business

Applicable Not applicable

Change of Top 10 Shareholders Compared with the Previous Period

Applicable Not applicable

Unit: share

Change of Top 10 Shareholders Compared with the End of the Previous Period					
Name of Shareholder (Full Name)	New/Withdrawn during the Reporting Period	Number of Shares Lent at the End of the Period of Refinancing and Not Yet Returned		Quantity of Shares Held by Shareholders in Their Ordinary Accounts, Credit Accounts, and Shares Lent through Refinancing that have not yet been returned	
		Total Quantity	Proportion to Total Share Capital	Total Quantity	Proportion to Total Share Capital
Industrial and Commercial Bank of China Limited-Huatai-PineBridge CSI 300 Trading Open Index Securities Investment Fund	New	0	0.00%	0	0.00%
China Construction Bank Corporation - GF China Securities Auto Index-based Securities Investment Fund	Withdrawn	0	0.00%	0	0.00%

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

Yes No

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

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.	Qiu Xiandong	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 the law can be operated only after being approved by relevant authorities) **
Equity of Other Domestic and Foreign Listed Companies Controlled and Participated by Controlling Shareholders in the Reporting Period	N/A			

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

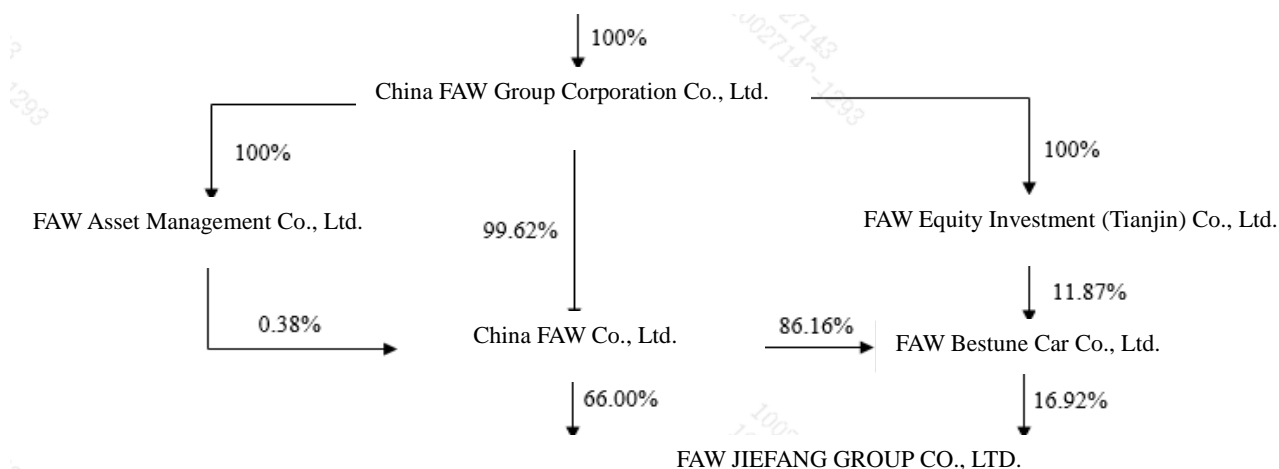
Applicable Not applicable

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

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

State-owned Assets Supervision and Administration Commission of the State Council



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 8,425,232,426	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

			<p>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</p>
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			<p>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).</p>
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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 28, 2024
Name of Audit Institution	Grant Thornton Certified Public Accountants (Special General Partnership)
Audit Report No.	ZTSZ (2024) No. 110A005436
Name of Certified Public Accountant	Wu Songlin 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, 2023, the Consolidated and the Company's Income Statements, the Consolidated and the Company's Cash Flow Statements, and the Consolidated and the Company's Statements of Changes in Shareholders' Equity in 2023, 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, 2023, 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 26 in Note III and 43 in Note VII to the financial statements.

1. Description

The sales revenue of FAW Jiefang mainly comes from the vehicle sales business. In 2023, FAW Jiefang realized an operating income of CNY 63,904,532,500, of which the vehicle sales revenue was CNY 58,781,305,500, accounting for 91.98%. According to the specific method of income recognition of FAW Jiefang, the income is recognized when the complete vehicle and its accessories have been delivered to the delivery location as agreed in the contract, and the customer has accepted the goods and obtained control of the goods. The vehicle sales income has a significant impact on the financial statements of FAW Jiefang, so we identified 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 the 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 13 in Note III and 7 in Note V to the financial statements.

1. Description

As of December 31, 2023, the book balance of inventory of FAW Jiefang was CNY 9,601,592,300, and the balance of inventory depreciation reserves was CNY 390,620,900, of which CNY 195,269,300 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 inventory depreciation reserves by the management;

(2) Obtain the Calculation Sheet of Inventory Depreciation Reserves of FAW Jiefang, conduct inventory depreciation tests, analyze the changes in provision for inventory depreciation reserves made in previous years and analyze whether the provision for inventory depreciation reserves in the current period is sufficient;

(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 depreciation reserves of inventories with signs of impairment;

(4) Check the changes in the provision for inventory depreciation reserves made in previous years in the current period, and analyze the rationality of the changes in the inventory depreciation reserves.

(III) Provision for Product Quality Guarantee Deposit

For details of relevant information disclosure, refer to 24 in Note III and 35 and 45 in Note V to the financial statements.

1. Description

As of December 31, 2023, FAW Jiefang has provided a product quality deposit of CNY 572,738,100 in the current year, and the balance of a product quality deposit in the estimated liabilities is CNY 711,161,700. Based on the vehicle sales contract and relevant national laws and regulations, customers can obtain warranty services provided by FAW Jiefang within the warranty period. The management of FAW Jiefang calculates the product quality 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:

(1) Test and evaluate the effectiveness of key internal control design and operation of key internal controls related to the provision for product quality deposit;

(2) Understand and evaluate whether the accounting policies related to the provision for product quality deposit are appropriate and consistently applied;

(3) Understand and evaluate the rationality of the method and calculation model adopted by FAW Jiefang for the provision for the product quality deposit according to laws, regulations and contract terms;

(4) Perform recalculation procedures to verify the accuracy of the management's provision for product quality 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 2023 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) Understand the internal controls related to the audit 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) Evaluate the overall presentation, structure and content 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 entity 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 in the notes to the financial statement is CNY

1. Consolidated balance sheet

Prepared by: FAW JIEFANG GROUP CO., LTD.

December 31, 2023

Unit: CNY

Item	December 31, 2023	January 01, 2023
Current assets:		
Monetary capital	22,920,710,903.12	21,041,473,417.71
Settlement reserve fund		
Loans to banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	44,626,048.13	186,748,716.22
Accounts receivable	1,989,386,169.77	867,090,338.42
Accounts receivable financing	4,878,126,972.73	3,461,653,473.66
Prepayments	689,621,097.66	897,834,864.08
Premiums receivable		

Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	1,309,376,221.57	1,068,454,162.91
Including: interests receivable		
Dividends receivable		2,608,000.00
Financial assets purchased under agreements to resell		
Inventories	9,210,971,356.15	6,382,739,897.83
Contract assets	17,582,856.82	11,129,624.75
Held-for-sale assets		
Current portion of non-current assets	222,664,624.89	191,262,030.30
Other current assets	1,032,089,815.23	894,927,499.59
Total current assets	42,315,156,066.07	35,003,314,025.47
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	132,031,253.27	121,606,587.43
Long-term equity investments	5,469,591,970.26	4,692,648,635.84
Other equity instruments investments	480,780,000.00	480,780,000.00
Other non-current financial assets		
Investment properties	47,049,995.53	80,647,597.48
Fixed assets	11,380,286,165.58	9,612,922,810.28
Project under construction	816,484,299.18	1,902,143,354.11
Productive biological assets		
Oil and gas assets		
Right-of-use assets	138,989,886.70	198,220,342.59
Intangible assets	2,438,433,780.65	2,549,096,918.05
Development expenditures	109,873,830.59	
Goodwill		
Long-term deferred expenses		130,439.66
Deferred income tax assets	2,544,710,679.48	2,150,993,786.10
Other non-current assets		
Total non-current assets	23,558,231,861.24	21,789,190,471.54
Total assets	65,873,387,927.31	56,792,504,497.01

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	11,769,864,678.11	9,198,593,038.03
Accounts payable	16,495,571,442.45	10,033,608,668.06
Advance receipts	641,221.46	1,861,865.37
Contract liabilities	2,204,692,602.77	1,629,524,704.35
Financial assets sold under agreement to repurchase		
Deposits taking and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	402,039,885.19	436,648,178.76
Taxes payable	129,222,373.32	301,211,845.51
Other payables	5,305,057,045.18	6,095,452,748.17
Including: interests payable		
Dividends payable	171,500.02	171,500.02
Handling charges and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	27,171,195.40	32,998,374.87
Other current liabilities	214,456,037.00	133,584,259.07
Total current liabilities	36,548,716,480.88	27,863,483,682.19
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual Bond		
Lease liabilities	30,494,014.13	54,814,603.06

Long-term payables		
Long-term employee compensation payable	672,957,633.25	707,310,890.43
Estimated liabilities	735,710,304.03	875,468,804.10
Deferred income	2,983,678,367.53	3,121,985,685.93
Deferred income tax liabilities	415,071,758.09	450,042,080.57
Other non-current liabilities		
Total non-current liabilities	4,837,912,077.03	5,209,622,064.09
Total liabilities	41,386,628,557.91	33,073,105,746.28
Owner's equities:		
Share capital	4,636,485,668.00	4,651,965,655.00
Other equity instruments		
Including: preferred shares		
Perpetual Bond		
Capital reserves	10,343,418,951.73	10,451,088,236.74
Less: treasury shares	86,131,497.27	267,837,184.11
Other comprehensive incomes	-8,514,110.10	-5,399,120.81
Special reserves	319,314,527.85	370,420,291.86
Surplus reserves	3,090,408,316.87	3,058,249,602.44
General risk provision		
Undistributed profits	6,191,777,512.32	5,460,911,269.61
Total equity attributable to owners of the parent company	24,486,759,369.40	23,719,398,750.73
Minority equity		
Total Owners' Equity	24,486,759,369.40	23,719,398,750.73
Total liabilities and owner's equities	65,873,387,927.31	56,792,504,497.01

Legal representative: Wu Bilei Person in charge of accounting: Ji Yizhi Person in charge of the accounting organization: Si Yuzhuo

2. Balance sheet of parent company

Unit: CNY

Item	December 31, 2023	January 01, 2023
Current assets:		
Monetary capital	165,157,237.21	5,776,955.29
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments	84,000.00	
Other receivables	219,864.00	224,132.76

Including: interests receivable		
Dividends receivable		
Inventories		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	261,636.19	141,004.41
Total current assets	165,722,737.40	6,142,092.46
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	25,594,049,970.19	25,580,280,570.19
Other equity instruments investments		
Other non-current financial assets		
Investment properties		
Fixed assets		
Project under construction		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditures		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	25,594,049,970.19	25,580,280,570.19
Total assets	25,759,772,707.59	25,586,422,662.65
Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	250,327.84	964,364.48

Advance receipts		
Contract liabilities		
Employee compensation payable		
Taxes payable	3,368,528.10	3,264,343.98
Other payables	90,343,250.16	298,294,257.75
Including: interests payable		
Dividends payable	171,500.02	171,500.02
Held-for-sale liabilities		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	93,962,106.10	302,522,966.21
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual Bond		
Lease liabilities		
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	93,962,106.10	302,522,966.21
Owner's equities:		
Share capital	4,636,485,668.00	4,651,965,655.00
Other equity instruments		
Including: preferred shares		
Perpetual Bond		
Capital reserves	12,171,693,342.10	12,278,939,213.88
Less: treasury shares	86,131,497.27	267,837,184.11
Other comprehensive incomes	863,137.93	-480,794.77
Special reserves		
Surplus reserves	1,859,690,555.97	1,827,531,841.54
Undistributed profits	7,083,209,394.76	6,793,780,964.90
Total owners' equity	25,665,810,601.49	25,283,899,696.44
Total liabilities and owner's equities	25,759,772,707.59	25,586,422,662.65

3. Consolidated profit statement

Unit: CNY

Item	2023	2022
I. Total operating income	63,904,532,477.03	38,331,747,083.88
Including: operating income	63,904,532,477.03	38,331,747,083.88
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	64,495,447,535.46	40,599,244,915.95
Including: operating cost	58,629,635,711.55	35,252,170,886.53
Interest expense		
Handling charges and commission expense		
Surrender value		
Net payments for insurance claims		
Net allotment of reserves for insurance liabilities		
Policy dividend expenditure		
Reinsurance expenses		
Taxes and surcharges	262,169,095.70	207,798,168.60
Sales expenses	1,605,495,233.98	1,255,882,221.64
Administrative expenses	1,931,279,477.64	2,040,339,354.62
R&D expenses	2,982,257,879.16	2,895,655,097.73
Financial expenses	-915,389,862.57	-1,052,600,813.17
Including: interest expenses	3,801,492.51	5,602,156.49
Interest income	768,570,466.66	949,854,588.85
Add: Other incomes	612,891,544.77	1,638,060,139.20
Investment income (loss to be listed with "-")	282,328,848.08	236,918,218.51
Including: income from investment in associates and joint ventures	347,980,074.28	346,588,767.31
Gains on derecognition of financial assets at amortized cost		
Foreign exchange gains (loss to be listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Profit arising from changes in fair value (loss to be listed with "-")		
Credit impairment loss (loss to be listed with "-")	-53,553,998.32	919,157.09

Asset impairment loss (loss to be listed with “-”)	-201,626,584.54	-424,288,578.25
Income from assets disposal (loss to be listed with “-”)	192,669,498.68	871,031,108.06
III. Operating profit (loss to be listed with “-”)	241,794,250.24	55,142,212.54
Add: non-operating income	197,837,768.23	153,997,194.43
Less: non-operating expenses	24,463,320.77	26,567,738.01
IV. Total profit (loss to be listed with “-”)	415,168,697.70	182,571,668.96
Less: income tax expenses	-347,856,259.44	-184,872,444.60
V. Net profit (net loss to be listed with “-”)	763,024,957.14	367,444,113.56
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss to be listed with “-”)	763,024,957.14	367,444,113.56
2. Net profit from discontinuing operations (net loss to be listed with “-”)		
(II) Classified by attribution of the ownership		
1. Net profit attributable to the parent company's shareholders	763,024,957.14	367,444,113.56
2. Minority interests		
VI. Net after-tax amount of other comprehensive income	-3,114,989.29	27,395,781.39
Net after-tax amount of other comprehensive income attributable to the owners of the parent company	-3,114,989.29	27,395,781.39
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	-4,710,588.55	27,800,000.00
1. Changes arising from re-measurement of the defined benefit plan	-5,170,000.00	27,800,000.00
2. Other comprehensive incomes that cannot be transferred to profits or losses under the equity method	459,411.45	
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified into profits or losses	1,595,599.26	-404,218.61
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method	871,354.25	-784,908.08
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Other debt investment credit impairment provisions		
5. Cash flow hedging reserve		
6. Translation difference in foreign currency financial statements	724,245.01	380,689.47
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		

VII. Total comprehensive income	759,909,967.85	394,839,894.95
Total comprehensive income attributable to the owners of parent company	759,909,967.85	394,839,894.95
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(I) Basic income per share	0.1651	0.0734
(II) Diluted income per share	0.1651	0.0734

In the case of a 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: Wu Bilei Person in charge of accounting: Ji Yizhi Person in charge of the accounting organization: Si Yuzhuo

4. Profit statement of parent company

Item	Unit: CNY	
	2023	2022
I. Operating income	0.00	0.00
Less: operating costs	0.00	0.00
Taxes and surcharges	93,606.12	112,763.40
Sales expenses		
Administrative expenses	3,496,572.38	3,603,463.88
R&D expenses		
Financial expenses	465,699.73	88,801.55
Including: interest expenses	644,156.98	338,917.37
Interest income	184,637.25	250,875.82
Add: Other incomes	344,768.40	528,150.13
Investment income (loss to be listed with "-")	325,302,522.88	3,163,832,151.72
Including: income from investment in associates and joint ventures	325,302,522.88	364,182,151.72
Gains on derecognition of financial assets at amortized cost (loss to be listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Profit arising from changes in fair value (loss to be listed with "-")		
Credit impairment loss (loss to be listed with "-")	-4,268.76	-208,297.04
Asset impairment loss (loss to be listed with "-")		
Income from assets disposal (loss to be listed with "-")		
II. Operating profit (loss to be listed with "-")	321,587,144.29	3,160,346,975.98

Add: non-operating income		0.07
Less: non-operating expenses		
III. Total profit (total loss to be listed with "-")	321,587,144.29	3,160,346,976.05
Less: Income Tax Expenses		
IV. Net profit (net loss to be listed with "-")	321,587,144.29	3,160,346,976.05
(I) Net profit from continuing operations (net loss to be listed with "-")	321,587,144.29	3,160,346,976.05
(II) Net profit from discontinuing operations (net loss to be listed with "-")		
V. Net after-tax amount of other comprehensive incomes	1,343,932.70	-784,908.08
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	472,578.45	
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	472,578.45	
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	871,354.25	-784,908.08
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method	871,354.25	-784,908.08
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Other debt investment credit impairment provisions		
5. Cash flow hedging reserve		
6. Translation difference in foreign currency financial statements		
7. Others		
VI. Total comprehensive income	322,931,076.99	3,159,562,067.97
VII. Income per share:		
(I) Basic income per share		
(II) Diluted income per share		

5. Consolidated cash flow statement

Item	Unit: CNY	
	2023	2022
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	59,619,602,424.77	41,009,913,172.02
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		
Cash from premium of original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase business capital		
Net cash received from securities brokerage		
Tax refunds received	820,160,322.26	1,413,758,222.98
Other cash received relating to operating activities	1,869,141,352.94	2,354,350,299.80
Subtotal of cash inflows from operating activities	62,308,904,099.97	44,778,021,694.80
Cash paid for goods and services	49,371,210,891.85	42,672,008,807.22
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash paid for policyholder dividend		
Cash paid to and on behalf of employees	5,292,273,257.85	4,767,225,368.39
Taxes paid	1,730,516,426.89	979,329,590.98
Cash paid for other operating activities	1,713,185,801.86	1,494,701,897.56
Subtotal of cash outflows from operating activities	58,107,186,378.45	49,913,265,664.15
Net cash flows from operating activities	4,201,717,721.52	-5,135,243,969.35
II. Cash flows from investment activities:		
Cash received from the return of investment		
Cash received from acquirement of investment income	299,242,143.02	461,970,529.25
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	105,701,924.82	455,276,221.08
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investment activities		798,551,894.65
Subtotal of cash inflows from investment activities	404,944,067.84	1,715,798,644.98
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,251,350,615.06	2,828,776,203.30
Cash paid to acquire investments	529,266,800.00	516,780,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		

Other cash paid relating to investment activities	17,676,304.33	
Subtotal of cash outflows from investment activities	2,798,293,719.39	3,345,556,203.30
Net cash flows from investment activities	-2,393,349,651.55	-1,629,757,558.32
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Including: cash received by subsidiaries absorbing minority shareholders' investments		
Cash received from borrowings		
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment		3,025,174,498.45
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	22,968,693.24	55,183,852.56
Subtotal of cash outflows from financing activities	22,968,693.24	3,080,358,351.01
Net cash flows from financing activities	-22,968,693.24	-3,080,358,351.01
IV. Effects from change of exchange rate on cash and cash equivalents	775,450.68	352,712.97
V. Net increase in cash and cash equivalents	1,786,174,827.41	-9,845,007,165.71
Add: opening balance of cash and cash equivalents	20,697,669,726.18	30,542,676,891.89
VI. Ending Balance of cash and cash equivalents	22,483,844,553.59	20,697,669,726.18

6. Cash flow statement of parent company

Item	Unit: CNY	
	2023	2022
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	100,021,565.10	3,050,893,952.65
Subtotal of cash inflows from operating activities	100,021,565.10	3,051,628,953.40
Cash paid for goods and services		
Cash paid to and on behalf of employees	378,000.00	396,000.00
Taxes paid	99,071.82	96,728.40
Cash paid for other operating activities	226,723,494.82	3,276,840,147.92
Subtotal of cash outflows from operating activities	227,200,566.64	3,277,332,876.32
Net cash flows from operating activities	127,179,001.54	-225,703,922.92
II. Cash flows from investment activities:		
Cash received from the return of investment		
Cash received from acquirement of investment income	288,101,230.25	3,246,753,477.04
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 investment activities		250,875.82
Subtotal of cash inflows from investment activities	288,101,230.25	3,247,004,352.86
Cash paid to acquire fixed assets, intangible assets and other long-term assets		
Cash paid to acquire investments		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities		
Subtotal of cash outflows from investment activities		
Net cash flows from investment activities	288,101,230.25	3,247,004,352.86
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Cash received from borrowings		
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment		3,025,174,498.45
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities		3,025,174,498.45
Net cash flows from financing activities		-
IV. Effects from change of exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	160,922,228.71	-3,874,068.51
Add: opening balance of cash and cash equivalents	4,235,008.50	8,109,077.01
VI. Ending Balance of cash and cash equivalents	165,157,237.21	4,235,008.50

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: CNY

Item	2023														
	Equity Attributable To Owners of the Parent Company												Minority Equity	Total Owners' Equity	
	Share Capital	Other Equity Instruments			Capital Reserves	Less: Treasury Shares	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	General Risk Provision	Undistributed Profits	Others			Subtotal
Preferred Shares		Perpetual Bonds	Others												
I. Ending Balance of the previous year	4,651,965,655.00				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
Add: changes in accounting policies											28,331.75		28,331.75		28,331.75
Correction of prior period errors															
Others															

II. Opening Balance of the current year	4,651,965 ,655.00				10,451,08 8,236.74	267,837, 184.11	- 5,399,12 0.81	370,420, 291.86	3,058,249 ,602.44		5,460,911 ,269.61		23,719,39 8,750.73		23,719,39 8,750.73
III. Increase/ decrease in amount of the current period (decrease to be listed with "-")	- 15,479,98 7.00				- 107,669,2 85.01	- 181,705, 686.84	- 3,114,98 9.29	- 51,105,7 64.01	32,158,71 4.43		730,866,2 42.71		767,360,6 18.67		767,360,6 18.67
(I) Total comprehe nsive income							- 3,114,98 9.29				763,024,9 57.14		759,909,9 67.85		759,909,9 67.85
(II) Invested and decreased capital of owners	- 15,479,98 7.00				- 107,669,2 85.01	- 181,705, 686.84							58,556,41 4.83		58,556,41 4.83
1. Ordinary shares invested	- 15,479,98 7.00				- 82,470,04 6.45								- 97,950,03 3.45		- 97,950,03 3.45

by owners															
2. Capital contributed by holders of other equity instruments															
3. Amounts of share-based payments recorded in owner's equity					- 24,775,825.33								- 24,775,825.33		- 24,775,825.33
4. Others					- 423,413.23	- 181,705,686.84							181,282,273.61		181,282,273.61
(III) Profit distribution								32,158,714.43					- 32,158,714.43		
1. Appropriation to surplus reserves								32,158,714.43					- 32,158,714.43		

2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carryover of owners' equity															
1. Transfer from capital reserve to paid-in capital (or share capital)															
2.															

Transfer from surplus reserves to paid-in capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried forward from changes in defined benefit plans															
5. Retained earnings carried forward from other															

comprehensive income															
6. Others															
(V) Special reserves								- 51,105,764.01					- 51,105,764.01		- 51,105,764.01
1. Appropriation in the current period								37,672,287.45					37,672,287.45		37,672,287.45
2. Use in the current period								- 88,778,051.46					- 88,778,051.46		- 88,778,051.46
(VI) Others															
IV. Ending Balance of the current period	4,636,485,668.00				10,343,418,951.73	86,131,497.27	- 8,514,110.10	319,314,527.85	3,090,408,316.87		6,191,777,512.32		24,486,759,369.40		24,486,759,369.40

Amount of the Previous Period

Unit: CNY

Item	2022
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	Equity Attributable To Owners of the Parent Company												Minority Equity	Total Owners' Equity	
	Share Capital	Other Equity Instruments			Capital Reserves	Less: Treasury Shares	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	General Risk Provision	Undistributed Profits	Others			Subtotal
		Preferred Shares	Perpetual Bond	Others											
I. Ending Balance of the previous year	4,654,114,613.00				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											273,000.03		273,000.03		273,000.03
Correction of prior period errors															
Others															
II. Opening Balance of the current year	4,654,114,613.00				10,439,365,093.18	310,460,486.38	-32,794,902.20	315,398,148.75	2,742,214,904.83		8,434,676,352.11		26,242,513,723.29		26,242,513,723.29
III. Increase/	-2,148,958				11,723,143.56	-42,623,3	27,395,781.39	55,022,143.11	316,034,697.61		-2,973,765		-2,523,114,		-2,523,114,

decrease in amount of the current period (decrease to be listed with "-")	.00					02.27					,082.50		972.56		972.56
(I) Total comprehensive income							27,395,781.39				367,444,113.56		394,839,894.95		394,839,894.95
(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		-3,341,209,196.06		-3,025,174,498.45		-3,025,174,498.45
1. Appropriation to surplus reserves									316,034,697.61		-316,034,697.61				
2. Appropriation to general risk reserves															
3. Distribution											-3,025,174		-3,025,174,		-3,025,174,

on to owners (or shareholders)												,498.45		498.45		498.45
4. Others																
(IV) Internal carryover of owners' equity																
1. Transfer from capital reserve to paid-in capital (or share capital)																
2. Transfer from surplus reserves to paid-in capital (or share capital)																
3.																

Recovery of losses by surplus reserves															
4. Retained earnings carried forward from changes in 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. Appropri								93,946,199.30					93,946,199.30		93,946,199.30

ation in the current period															
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	4,651,965,655.00				10,451,088,236.74	267,837,184.11	5,399,120.81	370,420,291.86	3,058,249,602.44			5,460,911,269.61		23,719,398,750.73	23,719,398,750.73

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

Amount in the Current Period

Unit: CNY

Item	2023											
	Share Capital	Other Equity Instruments			Capital Reserves	Less: Treasury Shares	Other Comprehensive Incomes	Special Reserves	Surplus Reserves	Undistributed Profits	Others	Total Owners' Equity
		Preferred Shares	Perpetual Bond	Others								

I. Ending Balance of the previous year	4,651,965,655.00				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
Add: changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening Balance of the current year	4,651,965,655.00				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
III. Increase/decrease in amount of the current period (decrease to be listed with "-")	-15,479,987.00				-107,245,871.78	-181,705,686.84	1,343,932.70		32,158,714.43	289,428,429.86		381,910,905.05
(I) Total comprehensive income							1,343,932.70			321,587,144.29		322,931,076.99
(II) Invested	-				-	-						58,979,828.0

and decreased capital of owners	15,479,987.00				107,245,871.78	181,705,686.84						6
1. Ordinary shares invested by owners	- 15,479,987.00				- 82,470,046.45							- 97,950,033.45
2. Capital contributed by holders of other equity instruments												
3. Amounts of share-based payments recorded in owner's equity					- 24,775,825.33							- 24,775,825.33
4. Others						- 181,705,686.84						181,705,686.84
(III) Profit distribution									32,158,714.43	- 32,158,714.43		
1. Appropriation to surplus									32,158,714.43	- 32,158,714.43		

reserves												
2. Distribution to owners (or shareholders)												
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	4,636,485,668.00				12,171,693,342.10	86,131,497.27	863,137.93		1,859,690,555.97	7,083,209,394.76		25,665,810,601.49

the current period												
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Amount of the Previous 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 Bond	Others								
I. Ending Balance of the previous year	4,654,114,613.00				12,267,337,664.44	310,460,486.38	304,113.31		1,511,497,143.93	6,974,643,184.91		25,097,436,233.21
Add: changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening Balance of the current year	4,654,114,613.00				12,267,337,664.44	310,460,486.38	304,113.31		1,511,497,143.93	6,974,643,184.91		25,097,436,233.21

III. Increase/decrease in amount of the current period (decrease to be listed with "-")	- 2,148,958.0 0				11,601,549.4 4	- 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			3,160,346.9 76.05		3,159,562.06 7.97
(II) Invested and decreased capital of owners	- 2,148,958.0 0				11,601,549.4 4	- 42,623,302 .27						52,075,893.7 1
1. Ordinary shares invested by owners	- 2,148,958.0 0				- 11,582,883.6 2							- 13,731,841.6 2
2. Capital contributed by holders of other equity instruments												
3. Amounts of share-based					23,184,433.0 6							23,184,433.0 6

payments recorded in owner's equity												
4. Others						42,623,302.27						42,623,302.27
(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)												
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	4,651,965,655.00				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

III. Company Profile

1. Overview

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 the 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 China FAW Co., Ltd. as its capital contribution to FAW, and received the Confirmation of Securities Transfer Registration issued by China Securities Depository & Clearing Co., Ltd. Shenzhen Branch on the same day.

On November 28, 2019, FAW Car held the 10th meeting of the 8th Board of Directors, and reviewed and approved the adjustment plan for major asset restructuring. After the adjustment, FAW Car transferred all its assets and liabilities except the equity and some reserved assets of First Automobile Finance Co., Ltd. and Sanguard Automobile Insurance Co., Ltd. to FAW 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. (Jiefang Limited) held by FAW. At the same time, FAW Car purchased the difference between the purchased assets and the sold assets from FAW by issuing shares and paying cash.

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

The Capital Verification Report (XYZH/2020BJA100417) issued by ShineWing Accounting Firm (special general partnership) indicates that, as of March 19, 2020, all proposed purchased assets, i.e. 100% equity of Jiefang Limited, to be replaced by FAW Car to FAW by issuing shares had been

transferred to FAW Car. The industrial and commercial change registration procedures of Jiefang Limited had been completed, all proposed assets, i.e. 100% equity of FAW Bestune, had been transferred to FAW, and the industrial and commercial change registration procedures of FAW Bestune had been completed. The registered capital of FAW Car is CNY 4,609,666,212.00 after this change.

In May 2020, the name of FAW Car was changed to "FAW JIEFANG GROUP CO., LTD." and the stock abbreviation was changed to "FAW Jiefang".

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

On December 9, 2021, the Company held the 20th meeting of the 9th Board of Directors and the 19th meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on Granting Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan to Incentive

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

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

On 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.

On December 15, 2022, the Company held the 30th Meeting of the 9th Board of Directors and the 26th Meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on the Achievement of Unlocking Conditions in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Incentive Plan. The unlocking conditions in the first release period of the restricted shares firstly granted in the phase I restricted incentive plan had been fulfilled. The unlocking matters of the first restriction releasing period for restricted shares firstly granted were handled in accordance with the restricted share incentive plan. There were a total of 311 incentive objects eligible for unlocking, and the number of restricted stocks unlocked this time was 13,042,347, and these shares were listed on May 16, 2023. On February 3, 2024, the Company disclosed the Indicative Announcement on the Listing and Circulation of Unlocked Shares in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Share Incentive Plan.

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

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

general partnership). On June 30, 2023, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

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

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

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

The Company establishes a corporate governance structure consisting of the Shareholders' Meeting, the Board of Directors and the Board of Supervisors, and has one wholly-owned subsidiary, Jiefang Limited. Jiefang Limited has six wholly-owned subsidiaries, namely, 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., FAW Jiefang New Energy Automotive Sales Co., Ltd., and FAW Jiefang Younida (Tianjin) Technology Co., Ltd. It also has 11 associated companies, namely, First Automobile Finance Co., Ltd., Sanguard Automobile Insurance Co., Ltd., FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd., FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd., Changchun Wabco Automotive Control System Co., Ltd., Suzhou Zhito Technology Co., Ltd., FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., Smartlink Intelligent Technology (Nanjing) Co., Ltd., Foshan Diyi Yuansu New Energy Technology Co., Ltd., Changchun Automotive Test Center Co., Ltd. and Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd. It has 1 joint company, namely, FAW Jiefang-CATL New Energy Technology Co., Ltd.

Business scope of the Company: R&D, production and sales of light, 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); value-added telecommunications services; car rentals and second-handed car sales; (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; operation of medical devices, Internet freight (excluding road transport of dangerous goods); road freight transport (excluding dangerous goods) (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 Wu Bilei.

The financial statements and notes to the financial statements were approved for issue by the Board of Directors of the Company on March 28, 2024.

2. Scope of consolidated financial statements

In 2023, the Company has 1 secondary subsidiary and 6 tertiary subsidiaries included in the scope of consolidation. For details, please refer to IX "Changes in Consolidation Scope" and X "Equity in Other Entities" of Section X - Financial Report.

IV. Basis of Preparation for Financial Statements

1. Preparation basis

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

2. Continuing operations

The financial statements are presented on continuing operations.

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

V. Significant Accounting Policies and Accounting Estimates

Tips for specific accounting policies and accounting estimates: The Company determines the depreciation of fixed assets, amortization of intangible assets, capitalization conditions of R&D

expenses and income recognition policies according to its own production and operation characteristics. For specific accounting policies, please see V "Significant Accounting Policies and Accounting Estimates" 21, 23 and 30 in Section X - Financial Report.

1. Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the Company meet the requirements of ASBE and truly and fully reflect the consolidated and company's financial position as of December 31, 2023 of the Company and its information such as consolidated and company's operating results 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. Operating cycle

The operating cycle of the Company is 12 months.

4. Recording currency

The Company and its domestic subsidiaries use CNY as their recording currency. The 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. Methods for determining materiality criteria and selection basis

Applicable Not applicable

Item	Materiality Criteria
Receivables with significant provision for bad debts by individual item	10% of the absolute value of net profit or 10% of similar business
Write-off of significant receivables in the current period	10% of the absolute value of net profit or 10% of similar business
Significant changes in the book value of contractual assets	10% of the absolute value of net profit or 10% of similar business
Major projects under construction	10% of the absolute value of net profit or 10% of similar business

Significant capitalized R&D projects	10% of the absolute value of net profit or 10% of similar business
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6. Accounting treatment method for business merger under common control and different control

(1) Business merger under common control

As to the business merger 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 merger under common control realized step-by-step through multiple transactions

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

(2) Business merger under different control

In case of business merger 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 merger not under common control realized step-by-step through multiple transactions

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

(3) Disposal of related handling charges for business merger

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

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

[Document No.15, Article XVI (VI), Criteria for control and preparation method of consolidated financial statements]

(1) Criteria for control

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

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

(2) Preparation methods of consolidated financial statements

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

Where a subsidiary or business has been acquired through a business merger 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 merger 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 the minority equity.

(3) Purchase of minority shareholders' equity in subsidiaries

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

(4) Disposal of the loss of control over subsidiaries

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

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

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

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

(1) Joint operation

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

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

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

(2) Joint ventures

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

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

9. Standards for recognition of cash and cash equivalents

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

10. Foreign currency transaction and foreign currency statement translation

(1) Foreign currency transaction

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

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

(2) Translation of foreign currency financial statements

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

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

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

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

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

11. Financial instruments

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

(1) Recognition and derecognition of the financial instruments

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

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

- ① The contractual right to receive the cash flow of the financial asset is terminated.
- ② The financial asset has been transferred and is in accordance with the following conditions for derecognition.

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

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

(2) Classification and measurement of financial assets

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

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

Financial assets measured at amortized cost

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

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

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

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

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

- The Company manages the financial assets in order not only to collect contractual cash flows 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. When the financial assets are derecognized, the accumulated profits or losses previously included in other comprehensive income are transferred out and included in the current profits and losses.

Financial assets at fair value through profit or loss

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

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

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

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

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

Financial assets are measured at fair value upon initial recognition. For financial assets at fair value through profit or loss, relevant transaction costs are directly included in current profits and losses; for other types of financial assets, relevant transaction costs are included in the initially recognized amount. For accounts receivable arising from sales of products or provision of labor services that do not include or consider significant financing components, the consideration amount that the Company is expected to be entitled to receive will be taken as the initially recognized amount.

(3) Classification and measurement of financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortized cost

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

Distinction between financial liabilities and equity instruments

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

- ① Contractual obligations to deliver cash or other financial assets to other parties.
- ② Contractual obligations to exchange financial assets or financial liabilities with other parties under potentially adverse conditions.
- ③ A non-derivative instrument contract that must or can be settled with the enterprise's own equity instruments in the future, and according to which the enterprise will deliver a variable number of its own equity instruments.
- ④ A derivative contract that must or can be settled with the enterprise's own equity instruments in the future, except for derivative contracts where a fixed amount of its own equity instruments is exchanged for a fixed amount of cash or other financial assets.

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

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

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

(4) Fair value of financial instruments

For the determination methods for the fair value of financial assets and liabilities, refer to 35 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

(5) Impairment of financial assets

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

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

Measurement of expected credit losses

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

The Company considers reasonable and reliable information about past events, current situation and forecast of the future economic situation, weighs the risk of default, calculates the probability

weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received, and recognizes the expected credit loss.

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

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

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

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

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

Notes receivable, accounts receivable and contract assets

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

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

A. Notes receivable

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

B. Accounts receivable

- Aging portfolio

C. Contract assets

- Aging portfolio

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

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

Other receivables

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

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

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

Long-term receivables

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

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

Finance lease receivables

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

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

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

Debt investment and other debt investments

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

Assessment of significant increase in credit risk

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

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

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

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

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

Credit-impaired financial assets

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

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

Presentation of provision for expected credit loss

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

Write-off

The Company writes down the book balance of the financial assets when it no longer reasonably expects that the contractual cash flow of the financial asset can be recovered in whole or in part. Such write-down constitutes the derecognition of related financial assets. This usually occurs when the Company determines that the debtor has no assets or sources of income that can generate

sufficient cash flows to repay the amount to be written down. However, the written-down financial assets may still be affected by the execution activities according to the Company's procedures for recovering due amounts.

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

(6) Transfer of financial assets

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

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

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

(7) Offset of financial assets and financial liabilities

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

12 Notes receivable

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

13 Accounts receivable

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

14 Receivables financing

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

15 Other receivables

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

16 Contract assets

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

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 contract assets, refer to 11 "Financial instruments" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

17. Inventories

(1) Classification of inventories

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

(2) Valuation method for inventories sent out

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

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

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

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

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

(4) Inventory system

The Company adopts the perpetual inventory system.

(5) Amortization method of low-value consumables and packaging materials

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

18. Long-term receivables

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

19. Long-term equity investments

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

(1) Recognition of initial investment cost

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

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

(2) Subsequent measurement and recognition of profit or loss

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

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

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

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

The sum of the fair value of the original equity and the new investment cost is taken as the initial investment cost calculated with the equity method on the date of conversion if it is possible to exert significant influence on or implement joint control but not constitute control over the investee due to additional investment or other reasons. The cumulative changes in fair value originally included in other comprehensive income related to the original equity are transferred to retained earnings when the equity method is adopted if the original equity is classified as a non-trading equity instrument measured at fair value through other comprehensive income.

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

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

If the shareholding ratio of the Company decreases due to capital increase by other investors, resulting in loss of control but joint control over or significant influence on the investee, the Company's share of net assets increased due to capital increase and share expansion of the investee shall be recognized according to the new shareholding ratio, and the difference from the original book value of long-term equity investment corresponding to the decrease in shareholding ratio that shall be carried forward shall be included in current profits and losses. Then, adjustments are made based on the new shareholding ratio with the equity method as if it had been used since the acquisition of the investment.

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

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

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

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

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

(4) Impairment test method and impairment provision methods

For investments to subsidiaries, associated enterprises and joint ventures, the method of provision for asset impairment is described in 35 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

20 Investment properties

Measurement mode of investment properties: cost method

Depreciation or amortization method

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

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

For the investment real estate which is subsequently measured with the cost mode, the method of drawing asset impairment is described in 35 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

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

21. Fixed assets

(1) Recognition conditions

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

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

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

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

(2) Depreciation method

Category	Depreciation Method	Depreciation Period	Residual Rate	Annual Depreciation Rate
Houses and Buildings	Straight-line method	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	5 years	3-5	19.40-19.00
Others	Straight-line method	5 years	0-5	20.00-19.00

The Company uses the straight-line method for depreciation. The depreciation of fixed assets starts when they reach the expected serviceable condition and stops when they are derecognized or classified as non-current assets held for sale. Without taking into account 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.

(3) For the impairment test methods and impairment provision methods of fixed assets, please refer to 35 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

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

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

(5) Disposal of fixed assets

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

22 Construction in progress

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

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

For the method of provision for asset impairment of construction in progress, refer to 35 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

23 Intangible Assets

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

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

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

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

Category	Service Life	Amortization Method	Remarks
Land Use Right	50 years	Straight-line method	
Software	2-10 years	Straight-line method	
Non-patented Technology	5-10 years	Straight-line method	

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

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

For the method of provision for asset impairment of the intangible assets, refer to 35 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

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

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

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

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

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

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

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

The capitalization conditions of specific research and development projects are as follows: The Company's research and development project ends with product planning, and the division point of the research and development stages lies in the fact that the overall plan of the development project is prepared and adopted through deliberation and decision-making on the product project review meeting (that is, project initiation). The expenses incurred in the planning stage before the project initiation are directly included in the current profits and losses, and those incurred after the project initiation are included in expenditures in the development stage.

24. Impairment of long-term assets

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

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

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

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

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

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

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

25 Long-term deferred expenses

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

26. Contract liabilities

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

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

27. Employee compensation

(1) Accounting method of short-term compensation

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

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

Short-term compensation

In the accounting period when employees provide services, the Company recognizes the employee wages, bonuses, social security contributions according to regulations such as medical insurance,

work injury insurance and maternity insurance as well as housing funds as liability, and includes them in current profits and losses or relevant asset costs.

(2) Accounting method of post-employment benefits

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

Defined contribution plan

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

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

Defined benefit plan

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

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

③ Changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

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

(3) Accounting method of dismissal welfare

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

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

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

Other long-term employee benefits provided by the Company to the employees satisfying the conditions for classifying as a defined contributions plan are accounted for in accordance with the above requirements relating to defined contribution plan. The benefits that meet the requirements of the defined benefit plan are treated in accordance with the provisions of the plan. However, the "changes caused by remeasurement of net liabilities or net assets of the defined benefit plan" in relevant employee compensation costs are included in current profits and losses or relevant asset costs.

28. Provisions

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

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

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

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

29. Share-based payment

(1) Types of share-based payment

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

(2) Determination methods for fair value of equity instruments

The Company recognizes the fair value of equity instruments such as granted options with an active market according to the quotation of the active market. The Company recognizes the fair value of equity instruments such as granted options without active market by using the option pricing model.

The following factors are considered in the selected option pricing model: A. exercise price of options; B. validity period of options; C. current price of underlying shares; D. expected fluctuation ratio of stock price; E. expected dividends of shares; F. risk-free interest rate within the validity period of options.

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

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

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

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

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

based on the optimal estimation of the vesting right, included in costs or expenses and corresponding liabilities at the fair value of the liabilities assumed by the Company. On each balance sheet date and the settlement date prior to the settlement of the relevant liabilities, the fair value of the liabilities shall be re-measured, with its changes included in the current profits and losses.

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

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

(5) Restricted shares

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

on the granting date, and determine the treasury shares and other payables in terms of the repurchase obligation.

30. Income

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

(1) General principles

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

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

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

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

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

be compensated, the incomes shall be recognized according to the amount of costs incurred until the performance progress can be reasonably confirmed.

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

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

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 factors other than the passage of time) is taken as a contractual asset, and the provision for impairment of the contractual assets are based on the expected credit losses (please refer to 11 "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 methods

When the complete vehicles and their accessories and other goods are transported to the agreed delivery location under the terms of the contract, the customer has accepted the goods and obtained the right to control over them, and the Company recognizes the income.

31 Government subsidies

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

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

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

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

Asset-related government subsidies are recognized as deferred income and included in profits or losses by stages with a reasonable and systematic method within the service life of related assets. For the income-related government subsidies, they shall be included in the current profit and loss or write down related costs if used to compensate for the incurred related costs or losses; if used to

compensate for the related costs or losses during future periods, they shall be included in the deferred income, and included in the current profit and loss during the period when the related costs or losses are recognized. Government subsidies measured at the nominal amount are directly included in the current profit and loss. The Company adopts the same treatment for those transactions of similar government subsidies.

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

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

32 Deferred income tax assets and deferred income tax liabilities

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

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

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

(1) The initial recognition of goodwill or the initial recognition of assets or liabilities incurred in a transaction that is neither a business combination nor affects the accounting profit or taxable income at the time of the transaction (except for individual transactions where the assets and liabilities initially recognized result in equal amounts of taxable temporary differences and deductible temporary differences);

(2) Concerning the taxable temporary difference related to the investment of subsidiaries, joint ventures and associated enterprises, the time of reversal of the temporary difference can be controlled and the temporary difference is unlikely to be reversed in the foreseeable future.

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

(1) The transaction is neither a business combination nor affects the accounting profit or taxable income at the time of the transaction (except for individual transactions where the assets and liabilities initially recognized result in equal amounts of taxable temporary differences and deductible temporary differences);

(2) Corresponding deferred income tax assets are recognized if the deductible temporary difference associated with investments in subsidiaries, associated enterprises and joint ventures meets all of the following conditions: The temporary difference is likely to be reversed in the foreseeable future, and the taxable income which is used to deduct the deductible temporary difference is likely to be obtained in the future.

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

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

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

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

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

33. Lease

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

Identification of lease

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

The Company acting as the lessee

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

For the accounting policies of the right-of-use assets, see 35 "Others" 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 the lease according to the unpaid lease payment on the commencement date of the lease term. If the interest rate implicit in lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payment includes: fixed payment and substantial fixed payment. If there is a lease incentive, the amount related to the lease incentive shall be deducted; variable lease payments depending on index or ratio; the exercise price of the purchase option, provided that the lessee reasonably determines that the option will be exercised; payments for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to

terminate the lease; and the amount expected to be paid according to the guaranteed residual value provided by the lessee. The interest expenses of the lease liabilities within each lease term shall be calculated subsequently according to the fixed periodic rate, and included in the current profits and losses. Variable lease payments not included in the measurement of lease liabilities are included in the current profits and losses when they actually occur.

Short-term lease

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

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

For short-term 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 takes the lease change as a separate lease for the accounting treatment: ① The lease change expands the lease scope by increasing the right to use one or more leased assets; and ② the increased consideration is equivalent to the amount by adjusting the separate price of the expanded lease scope according to the contract.

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

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

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

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

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

Finance lease

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

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

Operating lease

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

Lease change

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

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

If the change of finance lease is not taken as a separate lease for accounting treatment, the Company 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 Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments on modifying or renegotiating the contract.

34. Changes in significant accounting policies and accounting estimates

(1) Change in significant accounting policies

Applicable Not applicable

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").

Interpretation No.16 stipulates that for a single transaction that is not a business combination and does not affect accounting profits or taxable income (or deductible losses) at the time of the transaction and that the initial recognition of assets and liabilities results in equal amounts of taxable temporary differences and deductible temporary differences, such taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities shall be recognized at the time the transaction occurred as the corresponding deferred income tax liabilities and deferred income tax assets in accordance with relevant provisions such as the Accounting Standards for Business Enterprises No. 18 - Income Tax. The Company shall apply these provisions to transactions that occurred from the beginning of the earliest period of the financial statements for which the provisions are first applied until the Implementation Date of the Interpretation. The cumulative impact of these adjustments shall be used to adjust the opening retained earnings and other related financial statement items for the earliest period in the presentation of financial statements. The above provisions on the accounting treatment have come into effect since January 1, 2023.

The Company shall also adjust the taxable temporary difference and deductible temporary difference for lease liabilities and right-of-use assets recognized for the lease business in accordance with the provisions of Interpretation No. 16.

The enforcement of the above accounting policies has the following impact on the consolidated:

Unit: CNY

Items of consolidated balance sheet	Amounts affected
(December 31, 2023)	
Deferred Income Tax Assets	12,975,866.73
Deferred income tax liabilities	12,560,241.88
Undistributed profit at the end of the year	415,624.85

Items of consolidated income statement	Amounts affected
Income tax expenses	-443,956.60

The enforcement of the above accounting policies has the following impact on the consolidated balance sheet on December 31, 2023 and the 2023 consolidated income statement:

Unit: CNY

Items of consolidated balance sheet (December 31, 2022)	Before adjustment	Amount adjusted	After adjustment
Deferred Income Tax Assets	2,131,349,905.21	19,643,880.89	2,150,993,786.10
Deferred income tax liabilities	430,369,867.93	19,672,212.64	450,042,080.57
Undistributed profit at the end of the year	5,460,939,601.36	-28,331.75	5,460,911,269.61

Items of consolidated income statement (Year 2022)	Before adjustment	Amount adjusted	After adjustment
Income tax expenses	-185,173,776.38	301,331.78	-184,872,444.60

The enforcement of the above accounting policies has the following impact on the consolidated balance sheet on January 1, 2022.

Unit: CNY

Items of consolidated balance sheet (January 01, 2022)	Before adjustment	Amount adjusted	After adjustment
Deferred Income Tax Assets	1,650,296,511.26	26,243,041.30	1,676,539,552.56
Deferred income tax liabilities	374,185,114.15	25,970,041.27	400,155,155.42

Items of consolidated balance sheet (January 01, 2022)	Before adjustment	Amount adjusted	After adjustment
Undistributed profit at the end of the year	8,434,403,352.08	273,000.03	8,434,676,352.11

Cumulative impact of changes in accounting policies during the current period Unit: CNY

Affected items	Current Period	Previous Period
Net assets at the beginning of the period	-28,331.75	273,000.03
Including: Retained earnings	-28,331.75	273,000.03
Net Profit	443,956.60	-301,331.78
Capital Reserves		
Other Comprehensive Incomes		
Special Reserves		
Net assets at the end of the period	415,624.85	-28,331.75
Including: Retained earnings	415,624.85	-28,331.75

(2) Change in significant accounting estimates

Applicable Not applicable

(3) Adjustment of relevant items in the financial statements at the beginning of the year after the first implementation of the new accounting standards since 2023

Applicable Not applicable

35. Others

(1) Fair value measurement

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

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

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

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

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

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

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

(2) Contract cost

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

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

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

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

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

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

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

The contract performance cost recognized as an asset shall be listed in the "inventory" item if its amortization period does not exceed one year or a normal operating cycle at initial recognition, and shall be listed in the "other non-current assets" item if its amortization period exceeds one year or a normal operating cycle at initial recognition.

The contract acquisition cost recognized as an asset shall be listed in the item "Other current assets" if the amortization period at the time of initial recognition is not more than one year or one normal operating cycle, and listed in the item "Other non-current assets" if the amortization period at the time of initial recognition is more than one year or one normal operating 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, pipeline transportation, dangerous goods transportation and other special freight businesses. Work safety cost and maintenance & renovation cost are included in the cost of relevant products or the current profit and loss when withdrawn, and are also included in the "special reserve" account.

For the withdrawn work safety cost and maintenance & renovation cost used within the specified scope, those belong to expense expenditures are directly offset by specific reserves; those cost incurred via collection under the item of "construction in progress" is recognized when the safety project completes and is ready for intended use. At the same time, the Company will offset the specific reserves according to the cost that formed fixed assets and determine the accumulated

depreciation of the same amount. The fixed assets will no longer be depreciated in subsequent periods.

(4) Repurchase of shares

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

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

(5) Significant accounting judgment and estimate

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

Classification of financial assets

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

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

When evaluating whether the contractual cash flow of financial assets is consistent with the basic loan arrangement, the Company has the following main judgments: May the principal change in the time distribution or amount in the duration due to prepayment and other reasons? Does the interest include only the time value of money, credit risk, other basic borrowing risks, and consideration for costs and profits? For example, does the amount of prepayment only reflect the unpaid principal and interest based on the outstanding principal, as well as reasonable compensation paid due to early termination of the contract?

Measurement of expected credit losses on accounts receivable

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

Development expenditures

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

Deferred Income Tax Assets

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

Estimated liabilities

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

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

(6) Right-of-use assets

① Recognition conditions of right-of-use assets

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

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

② Depreciation method of right-of-use assets

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

the depreciation shall be drawn within the lease term or the remaining service life of leasing assets, whichever is shorter.

③ For the impairment test methods and impairment provision methods of right-of-use assets, please refer to 35 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

(7) Asset impairment

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

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

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

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

For the impairment test of goodwill, the book value of goodwill resulting from business merger is amortized to relevant asset groups with reasonable methods from the acquisition date, or amortized

to relevant asset group portfolio if it is difficult to amortize it to relevant asset groups. Relevant asset groups or portfolios of asset groups are those that can benefit from the synergies of business merger and are not greater than the reporting segment determined by the Company.

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

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

VI. Taxes

1. Main taxes and tax rates

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

Disclosure of different corporate income tax rates for taxable entities

Name of Taxpayer	Income Tax Rate
------------------	-----------------

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 Jiefang Austria R&D Co., Ltd.	24%
FAW Jiefang New Energy Automotive Sales Co., Ltd.	25%
FAW Jiefang Uni-D (Tianjin) Technology Industry Co., Ltd.	25%

2. Tax preference

(1) Income tax

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

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

(2) VAT

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

VII. Notes to Items in Consolidated Financial Statements

1. Monetary capital

Unit: CNY

Item	Ending Balance	Opening Balance
Bank deposit	8,849,319,921.20	7,186,490,922.75
Other monetary capital	24,815,735.14	22,048,239.01
Deposit in finance companies	14,046,575,246.78	13,832,934,255.95
Total	22,920,710,903.12	21,041,473,417.71
Including: total amount deposited abroad	11,941,864.29	13,903,726.95

Other notes: Details of restricted monetary capital are as follows:

Unit: CNY

Item	Ending Balance	Ending Balance of the previous year
Security deposit for three types of personnel	27,839,503.40	27,077,797.58
Housing maintenance fund	22,103,193.44	22,048,239.01
Court freezing	725,230.81	1,541,946.79
Total	50,667,927.65	50,667,983.38

2 Notes receivable

(1) Classified presentation of notes receivable

Unit: CNY

Item	Ending Balance	Opening Balance
Commercial acceptance notes	44,626,048.13	186,748,716.22
Total	44,626,048.13	186,748,716.22

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

Unit: CNY

Category	Ending Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Including :										
Notes receivable with provision for bad debts by portfolio	44,841,286.30	100.00%	215,238.17	0.48%	44,626,048.13	187,550,142.00	100.00%	801,425.78	0.43%	186,748,716.22
Including :										
Commercial acceptance bill	44,841,286.30	100.00%	215,238.17	0.48%	44,626,048.13	187,550,142.00	100.00%	801,425.78	0.43%	186,748,716.22
Total	44,841,286.30	100.00%	215,238.17	0.48%	44,626,048.13	187,550,142.00	100.00%	801,425.78	0.43%	186,748,716.22

Provision for bad debts by portfolio: commercial acceptance bill

Unit: CNY

Name	Ending Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	44,841,286.30	215,238.17	0.48%
Total	44,841,286.30	215,238.17	

Description of the basis for determining this portfolio:

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

Applicable Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 01, 2023	801,425.78			801,425.78
Balance on January 1, 2023 in the current period				
Provision in the Current Period	-586,187.61			-586,187.61
Balance as at December 31, 2023	215,238.17			215,238.17

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

Provision for bad debts in the current period:

Unit: CNY

Category	Opening Balance	Change in the Current Period				Ending Balance
		Provision	Recovery or Reversal	Write-off	Others	
Commercial acceptance bill	801,425.78	-586,187.61				215,238.17
Total	801,425.78	-586,187.61				215,238.17

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

Applicable Not applicable

3 Accounts receivable**(1) Disclosure by aging**

Unit: CNY

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year (including 1 year)	1,841,405,361.88	786,514,528.13
Including: 0-6 months	1,761,474,596.90	702,938,136.01
7-12 months	79,930,764.98	83,576,392.12
1-2 years	61,551,354.54	61,407,181.73
2-3 years	121,453,806.43	71,238,950.11
Over 3 years	137,477,637.42	93,337,325.53
3-4 years	44,736,900.00	767,457.17
4-5 years	454,999.94	58,697,500.75
Over 5 years	92,285,737.48	33,872,367.61
Total	2,161,888,160.27	1,012,497,985.50

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

Unit: CNY

Category	Ending Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Accounts receivable with provision for bad debts on an individual basis	89,811,549.22	4.15%	89,811,549.22	100.00%						
Including:										
Accounts receivable with provision	2,072,076,611.05	95.85%	82,690,441.28	3.99%	1,989,386,169.77	930,458,334.81	91.90%	63,367,996.39	6.81%	867,090,338.42

n for bad debts by portfolio										
Including:										
Total	2,161,888,160.27	100.00%	172,501,990.50	7.98%	1,989,386,169.77	1,012,497,985.50	100.00%	145,407,647.08	14.36%	867,090,338.42

Provision for bad debts on an individual basis

Unit: CNY

Name	Opening Balance		Ending Balance			
	Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts	Provision Proportion	Reasons for Provision
Jiangsu Xinrui New Energy Vehicle Technology Co., Ltd.	37,612,001.70	37,612,001.70	37,612,001.70	37,612,001.70	100.00%	It is highly probable that the amounts will not be recovered
Zhejiang Hanglun Ligang Trading Co., Ltd.	8,581,536.83	8,581,536.83	8,581,536.83	8,581,536.83	100.00%	It is highly probable that the amounts will not be recovered
Putian New Energy Automotive (Shandong) Co., Ltd.			8,156,900.00	8,156,900.00	100.00%	It is highly probable that the amounts will not be recovered
Dalian Qingfeng Bus Co., Ltd.	8,043,264.87	8,043,264.87	8,043,264.87	8,043,264.87	100.00%	It is highly probable that the amounts will not be recovered
Beijing Hotan Automobile Modification Co., Ltd.	7,436,520.00	7,436,520.00	7,436,520.00	7,436,520.00	100.00%	It is highly probable that the amounts

						will not be recovered
Changchun Xiongtu New Energy Vehicle Co., Ltd.	6,230,500.00	6,230,500.00	6,230,500.00	6,230,500.00	100.00%	It is highly probable that the amounts will not be recovered
Zhonghe Shunyang Supply Chain Management (Jilin) Co., Ltd.	5,643,600.00	5,643,600.00	5,643,600.00	5,643,600.00	100.00%	It is highly probable that the amounts will not be recovered
Shuozhou Jinsheng Automobile Trading Co., Ltd.	1,822,961.43	1,822,961.43	1,822,961.43	1,822,961.43	100.00%	It is highly probable that the amounts will not be recovered
FAW Jingye Engine Co., Ltd.	1,820,957.23	1,820,957.23	1,820,957.23	1,820,957.23	100.00%	It is highly probable that the amounts will not be recovered
Xinjiang Jingyang Optoelectronic Co., Ltd.	1,179,590.41	1,179,590.41	1,179,590.41	1,179,590.41	100.00%	It is highly probable that the amounts will not be recovered
Yulin Jiayu	971,012.59	971,012.59	971,012.59	971,012.59	100.00%	It is

Jiefang Automobile Sales Co., Ltd.						highly probable that the amounts will not be recovered
Shenyang Jinbei Vehicle Manufacturing Co., Ltd.	889,279.05	889,279.05	889,279.05	889,279.05	100.00%	It is highly probable that the amounts will not be recovered
Dalian Baofeng Automobile Sales Co., Ltd.	496,200.00	496,200.00	496,200.00	496,200.00	100.00%	It is highly probable that the amounts will not be recovered
Jilin Zhuzhan Automobile Trading Co., Ltd.	848,566.00	848,566.00	484,400.00	484,400.00	100.00%	It is highly probable that the amounts will not be recovered
Liangshan Huatai Trading Co., Ltd.	349,190.00	349,190.00	349,190.00	349,190.00	100.00%	It is highly probable that the amounts will not be recovered
Zhejiang Baoding Automobile Sales Co., Ltd.	80,035.12	80,035.12	80,035.12	80,035.12	100.00%	It is highly probable that the amounts will not

						be recovered
Yancheng Zhongwei Bus Co., Ltd.	13,599.99	13,599.99	13,599.99	13,599.99	100.00%	It is highly probable that the amounts will not be recovered
Qingdao Chengyun Yangguang Automobile Sales Services Co., Ltd.	20,835.47	20,835.47				
Total	82,039,650.6 9	82,039,650.6 9	89,811,549.2 2	89,811,549.2 2		

Bad debt provision made as per portfolio:

Unit: CNY

Name	Ending Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	1,841,405,361.88	5,230,492.48	0.28%
1-2 years	61,551,354.54	6,481,451.04	10.53%
2-3 years	121,453,806.43	34,286,409.56	28.23%
3-4 years	36,580,000.00	25,606,000.00	70.00%
Over 4 years	11,086,088.20	11,086,088.20	100.00%
Total	2,072,076,611.05	82,690,441.28	

Description of the basis for determining this portfolio:

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

Applicable Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 01, 2023	1,677,403.73	61,690,592.66	82,039,650.69	145,407,647.08
Balance on January 1, 2023 in the current period				
Provision in the Current Period	3,576,437.06	15,769,356.14	8,156,900.00	27,502,693.20
Reversal in the Current Period			385,001.47	385,001.47
Other changes	23,348.31			23,348.31
Balance as at December 31, 2023	5,230,492.48	77,459,948.80	89,811,549.22	172,501,990.50

The basis of stage division and the proportion of provision for bad debts are as follows: Provision for bad debts is made by aging in the first and second stages, with a proportion of 0.28% for less than 1 year, 10.53% for 1 to 2 years, 28.23% for 2 to 3 years, 70.00% for 3 to 4 years, and 100% for more than 4 years, and the proportion of provision in the third stage is 100%.

Description of significant changes in the book balance of accounts receivable with changes in provision for loss in the current period: None

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

Provision for bad debts in the current period:

Unit: CNY

Category	Opening Balance	Change in the Current Period				Ending Balance
		Provision	Recovery or Reversal	Write-off	Others	
Accounts receivable	145,407,647.08	27,502,693.20	385,001.47		23,348.31	172,501,990.50

e						
Total	145,407,647.08	27,502,693.20	385,001.47		23,348.31	172,501,990.50

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

Unit: CNY

Name of Unit	Amount Recovered or Reversed	Reason for reversal	Recovery Method	Basis of determining the proportion of provision for original bad debts and its rationality
Jilin Zhuzhan Automobile Trading Co., Ltd.	364,166.00	Recovery of amounts due	Bank transfer	Provision by individual item
Qingdao Chengyun Yangguang Automobile Sales Services Co., Ltd.	20,835.47	Recovery of amounts due	Bank transfer	Provision by individual item
Total	385,001.47			

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

Unit: CNY

Name of Unit	Ending Balance of Accounts Receivable	Ending balance of contractual assets	Ending balance of accounts receivable and contractual assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt provision for accounts receivable and impairment provision for contractual assets
China FAW Group Import & Export Co.,	565,045,453.53		565,045,453.53	25.92%	1,438,890.29

Ltd.					
FAW Harbin Light Automobile Co., Ltd.	260,081,914.30		260,081,914.30	11.93%	261,998.72
Customer 1	240,552,000.00		240,552,000.00	11.03%	2,294,741.70
Jiefang Times New Energy Technology Co., Ltd.	193,088,998.31		193,088,998.31	8.86%	743,368.60
Customer 2	98,784,238.18		98,784,238.18	4.53%	474,164.34
Total	1,357,552,604.32		1,357,552,604.32	62.27%	5,213,163.65

4 Contract assets

(1) Contractual assets

Unit: CNY

Item	Ending Balance			Opening Balance		
	Book Balance	Provision for Bad Debts	Book Value	Book Balance	Provision for Bad Debts	Book Value
Contract Assets	18,023,563.08	440,706.26	17,582,856.82	11,341,422.54	211,797.79	11,129,624.75
Total	18,023,563.08	440,706.26	17,582,856.82	11,341,422.54	211,797.79	11,129,624.75

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

Unit: CNY

Category	Ending Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Including :										
Provision for bad debts made by portfolio	18,023,563.08	100.00%	440,706.26	2.45%	17,582,856.82	11,341,422.54	100.00%	211,797.79	1.87%	11,129,624.75
Total	18,023,563.08	100.00%	440,706.26	2.45%	17,582,856.82	11,341,422.54	100.00%	211,797.79	1.87%	11,129,624.75

Bad debt provision made as per portfolio:

Unit: CNY

Name	Ending Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	15,703,636.08	60,935.81	0.39%
1-2 years	1,939,927.00	250,988.45	12.94%
2-3 years	380,000.00	128,782.00	33.89%
Total	18,023,563.08	440,706.26	

Description of the basis for determining this portfolio:

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

Applicable Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 01, 2023	34,255.92	177,541.87		211,797.79
Balance on January 1, 2023 in the current period				
Provision in the Current Period	26,679.89	202,228.58		228,908.47
Balance as at December 31, 2023	60,935.81	379,770.45		440,706.26

The basis of stage division and the proportion of provision for bad debts are as follows: Provision for bad debts is made by aging in the first and second stages, with a proportion of 0.39% for less than 1 year, 12.94% for 1 to 2 years, and 33.89% for 2 to 3 years.

Description of significant changes in the book balance of contractual assets with changes in provision for loss in the current period: None

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

Unit: CNY

Item	Provision in the Current Period	Recovery or reversal in the current period	Charge-off/Write-off in the Current Period	Reason
Impairment provision for contractual assets	228,908.47			Risks in payment collection
Total	228,908.47			—

5 Receivables financing

(1) Presentation of receivables financing by category

Unit: CNY

Item	Ending Balance	Opening Balance
Bank acceptance bill	4,878,126,972.73	3,461,653,473.66
Total	4,878,126,972.73	3,461,653,473.66

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

Unit: CNY

Item	Derecognized Amount at the	Amount not Derecognized at
------	----------------------------	----------------------------

	End of the Period	the End of the Period
Bank acceptance bill	24,010,032,428.34	
Total	24,010,032,428.34	

(3) Other notes

The Company classifies bank acceptance bills as financial assets measured at fair value and whose changes are included in other comprehensive income and presents them as receivables financing according to the needs of daily fund management.

The Company has no bank acceptance bills with the impairment provision by individual item. As of December 31, 2023, the Company believes that the bank acceptance bills held have no material credit risk and do not bring material losses as a result of a bank default.

The bank acceptance bills for discounting have a small risk of credit and deferred payment, and the risk of the interest rate related to the bills has been transferred to the bank, so it can be judged that the main risks and rewards of the bill ownership have been transferred, and the recognition is ended.

6 Other receivables

Unit: CNY

Item	Ending Balance	Opening Balance
Dividends receivable		2,608,000.00
Other receivables	1,309,376,221.57	1,065,846,162.91
Total	1,309,376,221.57	1,068,454,162.91

(1) Dividends receivable

1) Classification of dividends receivable

Unit: CNY

Item (or Investee)	Ending Balance	Opening Balance
FAW Changchun Ansteel Steel		2,608,000.00

Processing and Distribution Co., Ltd.		
Total		2,608,000.00

(2) Other receivables

1) Classification of other receivables by nature

Unit: CNY

Nature	Ending Book Balance	Beginning Book Balance
Current account	1,191,301,022.21	915,540,688.63
Claim payment	192,151,504.78	197,953,339.79
Margin, deposit	41,422,562.20	38,966,301.99
Reserve fund	621,409.08	10,164,463.79
Total	1,425,496,498.27	1,162,624,794.20

2) Disclosure by aging

Unit: CNY

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year (including 1 year)	571,985,195.12	1,063,615,196.21
Including: 0-6 months	556,407,667.28	1,062,285,764.54
7-12 months	15,577,527.84	1,329,431.67
1-2 years	764,590,667.17	1,441,092.04
2-3 years	1,331,719.31	4,041,713.73
Over 3 years	87,588,916.67	93,526,792.22
3-4 years	3,713,565.73	8,377,324.28
4-5 years	149,607.62	39,525,093.62
Over 5 years	83,725,743.32	45,624,374.32
Total	1,425,496,498.27	1,162,624,794.20

3) Disclosure by the method of provision for bad debts

Applicable Not applicable

Unit: CNY

Category	Ending Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Provision for bad debts made by individual item	59,879,639.41	4.20%	59,879,639.41	100.00%		68,723,091.34	5.91%	68,723,091.34	100.00%	
Including:										
Provision for bad debts made by portfolio	1,365,616,858.86	95.80%	56,240,637.29	4.12%	1,309,376,221.57	1,093,901,702.86	94.09%	28,055,539.95	2.56%	1,065,846,162.91
Including:										
Total	1,425,496,498.27	100.00%	116,120,276.70	8.15%	1,309,376,221.57	1,162,624,794.20	100.00%	96,778,631.29	8.32%	1,065,846,162.91

Provision for bad debts on an individual basis

Unit: CNY

Name	Opening Balance		Ending Balance			
	Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts	Provision Proportion	Reasons for Provision
Changchun Finance Bureau	38,378,100.00	38,378,100.00	37,820,100.00	37,820,100.00	100.00%	It is highly probable that the amounts will not be recovered
The People's Government of Dalian Municipality	20,500,000.00	20,500,000.00	20,500,000.00	20,500,000.00	100.00%	It is highly probable that the amounts will not be recovered
Qingdao Automotive Research Institute of China FAW Co., Ltd	8,227,110.28	8,227,110.28			100.00%	
Wuxi Large Cargo Port Lifting and Transportation Co., Ltd.	542,293.00	542,293.00	542,293.00	542,293.00	100.00%	It is highly probable that the amounts will not be recovered
FAW Jingye Automobile Co., Ltd.	199,194.30	199,194.30	199,194.30	199,194.30	100.00%	It is highly probable that the amounts will not be recovered

						d
Beijing Torchstar Automation Technology Co., Ltd.	198,000.00	198,000.00	198,000.00	198,000.00	100.00%	It is highly probable that the amounts will not be recovered
Chongqing Jinhua Automobile Brake Corporation	154,539.47	154,539.47	154,539.47	154,539.47	100.00%	It is highly probable that the amounts will not be recovered
Nanjing Xinpu Electromechanical Equipment Manufacturing Co., Ltd.	135,000.00	135,000.00	135,000.00	135,000.00	100.00%	It is highly probable that the amounts will not be recovered
Hunan Changji Technology Development Co., Ltd.	119,600.00	119,600.00	119,600.00	119,600.00	100.00%	It is highly probable that the amounts will not be recovered
Others	269,254.29	269,254.29	210,912.64	210,912.64	100.00%	It is highly probable that the amounts will not be recovered
Total	68,723,091.34	68,723,091.34	59,879,639.41	59,879,639.41		

Bad debt provision made as per portfolio:

Unit: CNY

Name	Ending Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Aging portfolio	1,365,616,858.86	56,240,637.29	4.12%
Total	1,365,616,858.86	56,240,637.29	

Description of the basis for determining this portfolio:

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

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses over the Entire Duration (no Credit Impairment)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 01, 2023	3,002,964.74	25,052,575.21	68,723,091.34	96,778,631.29
Balance on January 1, 2023 in the current period				
-- Transfer to stage II	-1,352,495.38	1,352,495.38		
Provision in the Current Period	11,290,818.64	16,894,278.70		28,185,097.34
Reversal in the Current Period			8,820,921.93	8,820,921.93
Write-off in the current period			22,530.00	22,530.00
Balance as at December 31, 2023	12,941,288.00	43,299,349.29	59,879,639.41	116,120,276.70

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

Applicable Not applicable

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

Provision for bad debts in the current period:

Unit: CNY

Category	Opening Balance	Change in the Current Period				Ending Balance
		Provision	Recovery or Reversal	Charge-off or write-off	Others	
Other receivables	96,778,631.29	28,185,097.34	8,820,921.93	22,530.00		116,120,276.70
Total	96,778,631.29	28,185,097.34	8,820,921.93	22,530.00		116,120,276.70

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

Unit: CNY

Name of Unit	Amount Recovered or Reversed	Reason for reversal	Recovery Method	Basis of determining the proportion of provision for original bad debts and its rationality
Qingdao Automotive Research Institute of China FAW Co., Ltd	8,227,110.28	Recovered	Bank deposit	It is highly probable that the amounts will not be recovered
Changchun Finance Bureau	558,000.00	Recovered	Bank deposit	It is highly probable that the amounts will not be recovered

Triangle Tyre Co., Ltd.	24,131.00	Recovered	Bank deposit	It is highly probable that the amounts will not be recovered
Yangzhou Lianxin Machinery Manufacturing Co., Ltd.	11,680.65	Recovered	Offset against the Company's payables	It is highly probable that the amounts will not be recovered
Total	8,820,921.93			

(5) Other receivables written off in the current period

Unit: CNY

Item	Amount Written off
Other receivables actually written off	22,530.00

Write-off of other important receivables:

Unit: CNY

Name of Unit	Nature of Other receivables	Amount Written off	Reason for Write-off	Write-off Procedures Performed	Whether the Payment Arises from Related transactions
Huai'an Yongfeng Tire Co., Ltd.	Payment for goods	22,530.00	The counterparty declared bankruptcy without executable property	General manager's meeting for decisions	No
Total		22,530.00			

Notes on write-off of other receivables:

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

Unit: CNY

Name of Unit	Nature of Payment	Ending Balance	Aging	Proportion in Total Ending Balance of Other Receivables	Ending Balance of Provision for Bad Debts
Customer 1	Funds for land purchase and reserve	660,862,800.00	1-2 years	46.36%	660,862.80
Customer 2	New energy vehicle sales subsidies	160,683,500.00	Less than 1 year or more than 5 years	11.27%	50,850,396.20
Customer 3	Funds for land purchase and reserve	146,634,578.00	Within 1 year	10.29%	4,472,354.63
Customer 4	New energy vehicle sales subsidies	49,557,522.13	1-2 years	3.48%	12,543,008.85
Customer 5	New energy subsidy	48,318,584.07	0-6 months	3.39%	1,473,716.81
Total		1,066,056,984.20		74.79%	70,000,339.29

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

Unit: CNY

Aging	Ending Balance		Opening Balance	
	Amount	Scale	Amount	Scale
Within 1 year	438,665,956.06	63.60%	683,392,293.37	76.12%
1-2 years	155,704,502.78	22.58%	179,765,899.07	20.02%

2-3 years	75,007,663.59	10.88%	17,802,947.31	1.98%
Over 3 years	20,242,975.23	2.94%	16,873,724.33	1.88%
Total	689,621,097.66		897,834,864.08	

Reasons for delay in settlement of advance payment with important amounts and aging over 1 year:

Name of Debtor	Book balance (CNY)	Proportion in Total Advance Payment (%)	Reason for non- settlement
China FAW Group Import & Export Co., Ltd.	140,342,314.89	20.35	Undue settlement period
RiseSun MGL	44,887,053.39	6.51	Undue settlement period
FAW Mold Manufacturing Co., Ltd.	9,872,745.36	1.43	Undue settlement period
Zhongqi Jiaojian Group Co., Ltd.	9,100,600.00	1.32	Undue settlement period
Dalian Haosen Intelligent Manufacturing Co., Ltd.	5,200,000.00	0.75	Undue settlement period
Total	209,402,713.64	30.36	—

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

The advance payments with the top five ending balances classified by the prepaid parties in the current period are CNY 411,005,632.12, accounting for 59.60% of the total ending balance of advance payments.

8. Inventories

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

(1) Classification of inventories

Unit: CNY

Item	Ending balance			Opening Balance		
	Book Balance	Impairment Provision of Inventories or Contract Performance Costs	Book Value	Book Balance	Impairment Provision of Inventories or Contract Performance Costs	Book Value
Raw material	346,085,168.1 5	33,387,013.6 6	312,698,154.4 9	351,801,254.3 8	34,595,186.5 3	317,206,067.8 5
Goods in process	449,087,779.3 8	14,783,370.8 6	434,304,408.5 2	564,240,295.0 8	3,741,307.32	560,498,987.7 6
Goods in stock	6,221,152,433. 69	178,277,353. 30	6,042,875,080. 39	3,281,304,875. 32	183,152,615. 52	3,098,152,259. 80
Revolving material	96,527,196.36	1,940,234.71	94,586,961.65	92,939,661.90	2,463,306.64	90,476,355.26
Others	2,488,739,701. 04	162,232,949. 94	2,326,506,751. 10	2,509,560,166. 91	193,153,939. 75	2,316,406,227. 16
Total	9,601,592,278. 62	390,620,922. 47	9,210,971,356. 15	6,799,846,253. 59	417,106,355. 76	6,382,739,897. 83

(2) Impairment provision of inventories and contract performance costs

Unit: CNY

Item	Opening Balance	Increase in the Current Period		Decrease in the Current Period		Ending Balance
		Provision	Others	Reverse Charge-off	or Others	
Raw material	34,595,186.53	371,972.55		1,580,145.42		33,387,013.66
Goods in process	3,741,307.32	12,506,479.15		1,464,415.61		14,783,370.86
Goods in stock	183,152,615.52	159,362,064.05		164,237,326.27		178,277,353.30
Revolving material	2,463,306.64			523,071.93		1,940,234.71
Others	193,153,939.75	23,028,781.84		53,949,771.65		162,232,949.94
Total	417,106,355.76	195,269,297.59		221,754,730.88		390,620,922.47

9. Long-term receivables due within 1 year

Unit: CNY

Item	Ending Balance	Opening Balance
Long-term receivables due within 1 year	222,664,624.89	191,262,030.30
Total	222,664,624.89	191,262,030.30

(1) Debt investments due within one year

Applicable Not applicable

(2) Other debt investments due within one year

Applicable Not applicable

10. Other current assets

Unit: CNY

Item	Ending balance	Opening Balance
Input VAT	398,062,687.06	510,325,627.83
Input VAT to be certified	625,978,432.77	384,601,871.76
Prepaid income tax	8,048,695.40	
Total	1,032,089,815.23	894,927,499.59

Other description: none

11 Investment in other equity instruments

Unit: CNY

Project Name	Ending Balance	Opening Balance	Gains included in other comprehensive incomes in the current period	Losses included in other comprehensive incomes in the current period	Cumulative gains included in other comprehensive incomes at the end of the current period	Cumulative losses included in other comprehensive incomes at the end of the current period	Dividend income recognized in the current period	Reason for being designated as being measured at fair value and changes included in other comprehensive incomes
REFIRE	480,780,000.00	480,780,000.00						
Total	480,780,000.00	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.

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

Unit: CNY

Item	Ending Balance			Opening Balance			Discount Rate Range
	Book Balance	Provision for Bad Debts	Book Value	Book Balance	Provision for Bad Debts	Book Value	
Sales of goods by installment	365,224,533.59	10,528,655.43	354,695,878.16	315,738,954.37	2,870,336.64	312,868,617.73	
Long-term receivables due within 1 year	- 232,504,099.49	-9,839,474.60	- 222,664,624.89	- 193,577,418.87	-2,315,388.57	- 191,262,030.30	
Total	132,720,434.10	689,180.83	132,031,253.27	122,161,535.50	554,948.07	121,606,587.43	

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

Unit: CNY

Category	Ending Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Including :										

Provision for bad debts made by portfolio	365,224,533.59	100.00%	10,528,655.43	2.88%	354,695,878.16	315,738,954.37	100.00%	2,870,336.64	0.91%	312,868,617.73
Including :										
Total	365,224,533.59	100.00%	10,528,655.43	2.88%	354,695,878.16	315,738,954.37	100.00%	2,870,336.64	0.91%	312,868,617.73

Bad debt provision made as per portfolio:

Unit: CNY

Name	Ending Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Long-term receivables	365,224,533.59	10,528,655.43	2.88%
Total	365,224,533.59	10,528,655.43	

Description of the basis for determining this portfolio:

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

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 01, 2023	2,870,336.64			
Balance on January 1, 2023 in the current period				
Provision in the Current Period	7,658,318.79			
Balance as at December 31, 2023	10,528,655.43			

Basis for stage division and proportion of bad debt provision

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

Unit: CNY

Category	Opening Balance	Change in the Current Period				Ending Balance
		Provision	Recovery or Reversal	Charge-off or write-off	Others	
Long-term receivables	2,870,336.64	7,658,318.79				10,528,655.43
Total	2,870,336.64	7,658,318.79				10,528,655.43

13. Long-term equity investment

Unit: CNY

Investee	Opening Balance (Book Value)	Opening balance of impairment provision	Increase/Decrease in the Current Period								Ending Balance (Book Value)	Ending Balance of Impairment Provision	
			Additional Investment	Reduced Investment	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													
Jiefang Times New Energy Technology Co., Ltd.			45,000,000.00		- 3,471,017.33							41,528,982.67	
Subtotal			45,000,000.00		- 3,471,017.33							41,528,982.67	
II. Associated enterprises													
First Automobile Finance Co., Ltd.	4,270,037,969.59				350,854,530.91	181,610.33			283,265,352.38			4,337,808,758.45	
Changchun Automotive Test			670,872,897.94		29,796,896.33	-13,167.00						700,656,627.27	

Center Co., Ltd.												
Sanguar Automobile Insurance Co., Ltd.	201,021,162 .24				- 25,552,008 .03	1,162,322. 37		4,835,877. 87			171,795,598 .71	
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	87,066,229. 18				2,939,935. 88	- 423,413 .23		1,640,000. 00			87,942,751. 83	
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	43,856,468. 58				6,500,530. 62			6,892,912. 77			43,464,086. 43	
FAW Jiefang	37,092,567. 41				339,936.08					- 449,647	36,982,856. 24	

Fujie (Tianjin) Technol ogy Industry Co., Ltd.										.25		
Foshan Diyiyua n New Energy Technol ogy Co., Ltd.	36,000,000. 00				- 2,785,254. 92						33,214,745. 08	
Changch un Wabco Automot ive Control System Co., Ltd.	17,288,166. 13				- 1,090,602. 55						16,197,563. 58	
SmartLi nk	286,072.71		9,266,800. 00		- 9,552,872. 71							
Suzhou Zhito Technol ogy Co., Ltd.												
Subtotal	4,692,648,6 35.84		680,139,69 7.94		351,451,09 1.61	1,330,765. 70	- 423,413 .23	296,634,14 3.02		- 449,647 .25	5,428,062,9 87.59	

Total	4,692,648,6 35.84		725,139,69 7.94		347,980,07 4.28	1,330,765. 70	- 423,413 .23	296,634,14 3.02		- 449,647 .25	5,469,591,9 70.26	
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The recoverable amount is the net amount of the fair value after deducting the disposal expenses

Applicable Not applicable

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

Applicable Not applicable

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

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

14 Investment properties

(1) Investment properties measured at cost

Applicable Not applicable

Unit: CNY

Item	Houses and Buildings	Land use right	Project under Construction	Total
I. Original book value				
1. Opening balance	145,745,882.84	7,364,400.94		153,110,283.78
2. Increase in the current period	4,203,714.28	134,362.50		4,338,076.78
(1) Purchase				
(2) Transfer from inventories/fixed assets/construction in progress	4,203,714.28	134,362.50		4,338,076.78
(3) Increase due to business combination				
3. Decrease in the current period	77,134,264.17	24,710.62		77,158,974.79
(1) Disposal	2,927,421.41			2,927,421.41
(2) Other transfer-out				
(3) Reversal of intangible assets		24,710.62		24,710.62
(4) Transferred to fixed assets	74,206,842.76			74,206,842.76
4. Ending balance	72,815,332.95	7,474,052.82		80,289,385.77

II. Accumulated depreciation and accumulated amortization				
1. Opening balance	71,218,610.71	1,244,075.59		72,462,686.30
2. Increase in the current period	8,802,717.85	162,017.35		8,964,735.20
(1) Provision or amortization	5,934,794.67	151,716.09		6,086,510.76
(2) Transfer-in of intangible assets		10,301.26		10,301.26
(3) Transfer-in of fixed assets	2,867,923.18			2,867,923.18
3. Decrease in the current period	48,176,354.66	11,676.60		48,188,031.26
(1) Disposal	1,430,556.04			1,430,556.04
(2) Other transfer-out				
(3) Reversal of intangible assets		11,676.60		11,676.60
(4) Transferred to fixed assets	46,745,798.62			46,745,798.62
4. Ending balance	31,844,973.90	1,394,416.34		33,239,390.24
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	40,970,359.05	6,079,636.48		47,049,995.53
2. Beginning book value	74,527,272.13	6,120,325.35		80,647,597.48

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

Applicable Not applicable

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

Applicable Not applicable

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

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

(2) Investment properties measured at fair value

Applicable Not applicable

15. Fixed assets

Unit: CNY

Item	Ending Balance	Opening Balance
Fixed assets	11,372,570,486.81	9,604,636,127.53
Disposal of fixed assets	7,715,678.77	8,286,682.75
Total	11,380,286,165.58	9,612,922,810.28

(1) Details of fixed assets

Unit: CNY

Item	Houses and Buildings	Machinery Equipment	Transportation Equipment	Electronic Equipment	Office Equipment	Others	Total
I. Original book value							
1. Opening balance	5,725,009,716.16	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
2. Increase in the current period	878,397,801.60	2,589,928,596.28	13,083,054.49	80,085,124.91	7,011,481.27	89,196,790.93	3,657,702,849.48
(1) Purchase	639,968.24	42,247,110.60		15,147,109.35	73,959.09	20,033,135.60	78,141,282.88
(2) Transfer from construction in progress	803,550,990.60	2,547,681,485.68	13,083,054.49	64,609,269.07	6,937,522.18	50,873,773.07	3,486,736,095.09
(3) Increase due to business combination							
(4) Other increases	74,206,842.76			328,746.49		18,289,882.26	92,825,471.51
3. Decrease in the current period	295,635,117.11	337,218,586.32	10,091,707.76	19,935,570.80	4,288,751.73	45,344,683.28	712,514,417.00
(1) Disposal or retirement	149,204,619.96	287,004,494.29	9,783,654.76	19,935,570.80	4,121,995.09	44,738,691.15	514,789,026.05
(2) Other decreases	146,430,497.15	50,214,092.03	308,053.00		166,756.64	605,992.13	197,725,390.95
4. Ending balance	6,307,772,400.65	17,908,866,291.78	166,206,037.96	722,265,738.13	63,384,017.87	1,375,757,179.01	26,544,251,665.40
II. Accumulated depreciation							
1. Opening 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
2. Increase in the current period	333,059,711.11	1,110,379,571.35	17,840,014.96	103,959,743.58	4,335,860.61	117,970,335.75	1,687,545,237.36

(1) Provision	290,886,383.05	1,110,379,571.35	17,840,014.96	103,879,846.72	4,335,860.61	113,397,865.19	1,640,719,541.88
(2) Other increases	42,173,328.06			79,896.86		4,572,470.56	46,825,695.48
3. Decrease in the current period	159,134,951.72	266,215,486.42	9,330,910.01	19,873,121.82	3,905,513.57	46,534,126.01	504,994,109.55
(1) Disposal or retirement	90,186,225.06	238,743,884.62	9,330,910.01	19,873,121.82	3,897,191.27	46,311,563.25	408,342,896.03
(2) Other decreases	68,948,726.66	27,471,601.80			8,322.30	222,562.76	96,651,213.52
4. Ending balance	2,484,933,288.21	10,793,027,418.15	125,224,299.82	567,928,108.63	44,591,287.54	1,130,691,908.67	15,146,396,311.02
III. Impairment provision							
1. Opening balance	12,344.37	28,361,635.01				2,207,942.80	30,581,922.18
2. Increase in the current period		5,270,226.00			43,047.04	815,105.44	6,128,378.48
(1) Provision		5,270,226.00			43,047.04	815,105.44	6,128,378.48
3. Decrease in the current period		11,343,136.93				82,296.16	11,425,433.09
(1) Disposal or retirement		11,343,136.93				82,296.16	11,425,433.09
4. Ending balance	12,344.37	22,288,724.08			43,047.04	2,940,752.08	25,284,867.57
IV. Book value							
1. Ending book value	3,822,826,768.07	7,093,550,149.55	40,981,738.14	154,337,629.50	18,749,683.29	242,124,518.26	11,372,570,486.81
2. Beginning 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) Temporary idle fixed assets

Unit: CNY

Item	Original book value	Accumulated depreciation	Impairment Provision	Book Value	Remarks
Machinery equipment	167,855,198.00	156,621,801.12	2,534,067.63	8,699,329.25	
Transportation equipment	1,114,399.95	1,073,633.27		40,766.68	
Electronic equipment	964,301.14	951,911.86	12,239.28	150.00	
Office equipment	48,321.58	46,871.94	394.96	1,054.68	
Others	16,060.00	15,578.20		481.80	
Total	169,998,280.67	158,709,796.39	2,546,701.87	8,741,782.41	

(3) Fixed assets without property ownership certificates

Unit: CNY

Item	Book Value	Reasons for failure to obtain the certificate
Guanghan base project	378,438,870.12	The property ownership certificate will be applied for after the final account audit upon completion of the project
Project of exiting the city and entering the industrial park	273,843,584.05	It is a new plant, and the information is incomplete and currently being processed.
Equipment and plant project	72,844,318.59	The property ownership certificate has not yet been applied for
Total	725,126,772.76	

Other description: none

(4) Impairment testing of fixed assets

Applicable Not applicable

(5) Disposal of fixed assets

Unit: CNY

Item	Ending Balance	Opening Balance
Houses and Buildings	44,864.97	283,806.99
Machinery equipment	5,776,946.67	7,759,672.33
Means of transport	125,020.45	113,084.68
Electronic equipment	12,316.70	77,126.05
Office equipment	132,249.55	45,702.70
Others	1,624,280.43	7,290.00
Total	7,715,678.77	8,286,682.75

Other description: none

16 Construction in progress

Unit: CNY

Item	Ending Balance	Opening Balance
Project under Construction	816,484,299.18	1,902,143,354.11
Total	816,484,299.18	1,902,143,354.11

(1) Construction in progress

Unit: CNY

Item	Ending Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
New and reconstructed investment project	109,030,761.94	1,945,416.12	107,085,345.82	230,889,214.48	1,945,416.12	228,943,798.36
Technical transformation investment project	709,454,450.55	55,497.19	709,398,953.36	1,673,255,052.94	55,497.19	1,673,199,555.75
Total	818,485,212.49	2,000,913.31	816,484,299.18	1,904,144,267.42	2,000,913.31	1,902,143,354.11

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

Unit: CNY

Project Name	Budget	Opening balance	Increase in the Current	Amount transferred	Other Decrease	Ending balance	Proportion of	Project	Cumulative	Including:	Capitalization rate	Capital
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			Period	to fixed assets in the current period	ses in the Current Period		accumulated investment in constructions to budget	Progress	amount of capitalized interest	Capitalized interest amount during the current period	of interest in current period	source
Technical transformation project of integrated heavy duty AMT gearbox	898,000,000.00	7,939,826.14	227,319,303.89	2,951,908.86		232,307,221.17	26.20%	47.90%				Others
R&D capacity improvement project of FAW Jiefang Qingdao Base	639,844,440.00	49,273,323.85	167,445,979.50			216,719,303.35	33.87%	47.70%				Others
Axle base construction project and heavy replacement axle technology upgrade	989,859,950.93	421,427,528.84	268,808,556.88	575,031,535.48		115,204,550.24	67.22%	67.22%				Others

(phase I)												
FAW Jiefang south new energy base project	413,800,000.00	41,677,157.08	10,264,756.39	3,047,927.57		48,893,985.90	48.35%	48.35%				Others
Project 3	667,780,000.00	102,315,208.39	408,744,263.11	477,229,461.42		33,830,010.08	76.53%	86.30%				Others
Upgrading project of a single first vacuum side stream of Axle Factory of Transmission Division	54,506,567.00		28,941,540.00			28,941,540.00	53.10%	53.10%				Others
New energy product introduction and smart logistics upgrade project	79,820,000.00	20,357,026.83	35,199,589.22	45,234,492.16		10,322,123.89	69.60%	69.60%				Others
Engine power	1,227,430,000.00	302,528,245.34	237,226,067.57	537,223,848.98		2,530,463.93	71.64%	98.59%				Others

enhancement project												
FAW Jiefang commercial vehicle Guanghan base project	999,970,000.00	620,489,096.96	274,701,414.87	893,013,520.68		2,176,991.15	89.52%	89.52%				Others
Thin plate stamping capacity expansion project of Jimo factory	198,000,000.00	85,791,504.96	80,379,715.18	165,493,148.86		678,071.28	83.58%	83.92%				Others
Total	6,169,010,957.93	1,651,798,918.39	1,739,031,186.61	2,699,225,844.01		691,604,260.99						

(3) Impairment testing of projects under construction□Applicable Not applicable**17 Right-of-use assets****(1) Right-of-use assets**

Unit: CNY

Item	Houses and Buildings	Machinery equipment	Land	Total
I. Original book value				
1. Opening balance	203,880,616.59	54,778,761.06	23,719,044.14	282,378,421.79
2. Increase in the current period	1,030,358.64			1,030,358.64
Lease-in	1,030,358.64			1,030,358.64
3. Decrease in the current period	31,063,939.34		6,458,400.85	37,522,340.19
(1) Lease expiration	31,063,939.34			31,063,939.34
(2) Other decreases			6,458,400.85	6,458,400.85
4. Ending balance	173,847,035.89	54,778,761.06	17,260,643.29	245,886,440.24
II. Accumulated depreciation				
1. Opening balance	71,135,818.41		13,022,260.79	84,158,079.20
2. Increase in the current period	44,352,856.31	10,955,752.21	4,284,095.64	59,592,704.16
(1) Provision	44,352,856.31	10,955,752.21	4,284,095.64	59,592,704.16
3. Decrease in the current period	31,063,939.34		5,790,290.48	36,854,229.82
(1) Disposal				
(1) Lease expiration	31,063,939.34			31,063,939.34
(2) Other decreases			5,790,290.48	5,790,290.48
4. Ending balance	84,424,735.38	10,955,752.21	11,516,065.95	106,896,553.54
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				

(1) Disposal				
4. Ending balance				
IV. Book value				
1. Ending book value	89,422,300.51	43,823,008.85	5,744,577.34	138,989,886.70
2. Beginning book value	132,744,798.18	54,778,761.06	10,696,783.35	198,220,342.59

18. Intangible assets

(1) Details of intangible assets

Unit: CNY

Item	Land use right	Patent rights	Non-patented technology	Total
I. Original book value				
1. Opening balance	2,638,198,126.04	607,046,360.09	367,511,725.92	3,612,756,212.05
2. Increase in the current period	24,710.62	100,197,021.70	140,201,607.38	240,423,339.70
(1) Purchase		74,400,773.05		74,400,773.05
(2) Internal R&D		4,738,321.49	8,093,047.87	12,831,369.36
(3) Increase due to business combination				
(4) Other increases	24,710.62	21,057,927.16	132,108,559.51	153,191,197.29
3. Decrease in the current period	43,927,477.44	142,049,300.02		185,976,777.46
(1) Disposal	42,710,875.82	7,179,133.67		49,890,009.49
(2) Invalid and derecognized portion		2,761,606.84		2,761,606.84
(3) Other decreases	1,216,601.62	132,108,559.51		133,325,161.13
4. Ending balance	2,594,295,359.22	565,194,081.77	507,713,333.30	3,667,202,774.29
II. Accumulated amortization				
1. Opening balance	553,533,325.53	206,764,960.99	303,361,007.48	1,063,659,294.00
2. Increase in the current period	56,323,022.78	107,811,934.93	34,639,828.98	198,774,786.69
(1) Provision	56,311,346.18	107,633,120.95	23,889,537.23	187,834,004.36
(2) Other increases	11,676.60	178,813.98	10,750,291.75	10,940,782.33
3. Decrease in the current period	13,072,874.59	20,592,212.46		33,665,087.05
(1) Disposal	11,858,124.00	7,080,313.87		18,938,437.87

(2) Invalid and derecognized portion		2,761,606.84		2,761,606.84
(3) Other decreases	1,214,750.59	10,750,291.75		11,965,042.34
4. Ending balance	596,783,473.72	293,984,683.46	338,000,836.46	1,228,768,993.64
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
4. Ending balance				
IV. Book value				
1. Ending book value	1,997,511,885.50	271,209,398.31	169,712,496.84	2,438,433,780.65
2. Beginning book value	2,084,664,800.51	400,281,399.10	64,150,718.44	2,549,096,918.05

The intangible assets not resulting from internal research and development of the Company accounts for 0.35% of the balance of intangible assets at the end of the current period.

(2) Impairment testing of intangible assets

Applicable Not applicable

19 Long-term deferred expenses

Unit: CNY

Item	Opening balance	Increase in the Current Period	Amortization amount in the current period	Other decreases	Ending balance
Maintenance, fire protection transformation and supporting expenses	130,439.66		130,439.66		

Total	130,439.66		130,439.66		
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Other description: none

20 Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets not offset

Unit: CNY

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Impairment provision of assets	677,552,365.56	118,050,995.83	633,651,664.00	111,898,550.65
Unrealized profits of internal transactions	173,759,629.21	43,439,907.30	11,827,733.38	2,956,933.35
Deductible losses	8,023,847,062.56	1,401,699,212.71	5,145,166,718.01	927,446,279.03
Estimated liabilities	643,639,504.01	105,676,319.80	794,067,908.68	132,797,620.71
Employee compensation payable	89,862,914.88	15,035,569.66	118,991,183.21	20,016,363.56
Accrued expenses	2,823,814,796.43	668,864,711.49	3,175,125,774.27	742,710,859.21
Deferred income	498,058,268.35	105,908,875.92	538,046,593.82	108,889,119.49
Contract liabilities	477,559,638.17	73,059,220.04	539,407,507.24	84,634,179.21
Lease liabilities	59,027,119.45	12,975,866.73	92,700,901.72	19,643,880.89
Total	13,467,121,298.62	2,544,710,679.48	11,048,985,984.33	2,150,993,786.10

(2) Deferred income tax liabilities not offset

Unit: CNY

Item	Ending balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Depreciation of fixed assets with amortization period longer than tax preference period	1,905,769,976.37	344,383,021.84	2,206,140,811.13	386,257,051.99
Accrued interest income	386,198,421.88	58,128,494.37	293,135,708.15	44,112,815.94
Right-of-use assets	57,431,098.06	12,560,241.88	93,026,784.76	19,672,212.64
Total	2,349,399,496.31	415,071,758.09	2,592,303,304.04	450,042,080.57

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

Unit: CNY

Item	Ending Mutual Offset Amount of Deferred Tax Assets and Liabilities	Ending balance of deferred tax assets or liabilities after offset	Opening mutual offset amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offset
Deferred income tax assets		2,544,710,679.48		2,150,993,786.10
Deferred income tax liabilities		415,071,758.09		450,042,080.57

(4) Details of unrecognized deferred tax assets

Unit: CNY

Item	Ending balance	Opening balance
Deductible temporary difference	577,137,993.79	619,818,965.27
Deductible losses	433,079,936.50	429,045,708.22
Total	1,010,217,930.29	1,048,864,673.49

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

Unit: CNY

Year	Ending amount	Beginning balance	Remarks
2026	1,441,940.00	1,441,940.00	
2027	3,524,136.57	3,524,136.57	
2028	201,247,514.48	197,213,286.20	
2029	28,041,132.70	28,041,132.70	
2032	198,825,212.75	198,825,212.75	
Total	433,079,936.50	429,045,708.22	

Other description: none

21 Assets with restricted ownership or use right

Unit: CNY

Item	Ending				Beginning			
	Book balance	Book Value	Restriction type	Restriction	Book balance	Book Value	Restriction type	Restriction
Monetary capital	50,667,927.65	50,667,927.65			50,667,983.38	50,667,983.38		Housing maintenance

								nce fund, security deposit for three types of personne l and frozen funds
Total	50,667,927.65	50,667,927.6 5			50,667,983.38	50,667,983.3 8		

Other description: none

22 Notes payable

Unit: CNY

Category	Ending balance	Opening balance
Bank acceptance bill	11,769,864,678.11	9,198,593,038.03
Total	11,769,864,678.11	9,198,593,038.03

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

23. Accounts payable

(1) Presentation of accounts payable

Unit: CNY

Item	Ending balance	Opening balance
Payment for goods	15,746,874,454.72	9,297,168,020.86
Project and equipment payment	71,355,989.71	11,953,792.66
Expenses and others	677,340,998.02	724,486,854.54

Total	16,495,571,442.45	10,033,608,668.06
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(2) Significant accounts payable with aging over one year or overdue

Unit: CNY

Item	Ending balance	Reasons for not being repaid or carried over
Beijing SinoHytec Co., Ltd.	73,244,235.95	Undue settlement period
Tangshan Qianchen New Energy Development Co., Ltd.	28,659,999.04	Undue settlement period
Jiangsu Tianmu Construction Group Co., Ltd.	3,041,335.60	No acceptance
Jiangsu Liance Electromechanical Technology Co., Ltd.	2,699,000.00	No acceptance
Jilin Shihao Logistics Co., Ltd.	2,169,554.34	At the legal adjudication stage, accounts are frozen and payments are stopped
Total	109,814,124.93	

Other description: none

24. Other payables

Unit: CNY

Item	Ending balance	Opening balance
Dividends payable	171,500.02	171,500.02
Other payables	5,304,885,545.16	6,095,281,248.15
Total	5,305,057,045.18	6,095,452,748.17

(1) Dividends payable

Unit: CNY

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

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

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

Unit: CNY

Item	Ending balance	Opening balance
Expenses payable	3,421,359,290.16	3,371,722,694.19
Margin, deposit	310,785,014.96	311,219,645.69
Project funds payable	1,296,325,132.82	1,524,956,021.50
Repurchase obligations of restricted shares	86,131,497.27	267,837,184.11
Current accounts payable and others	190,284,609.95	619,545,702.66
Total	5,304,885,545.16	6,095,281,248.15

2) Other significant payables with aging over 1 year or overdue

Unit: CNY

Item	Ending balance	Reasons for not being repaid or carried over
Eisenmann (Shanghai) Co., Ltd.	15,722,294.45	Project not completed
Chongqing Sino-German Smart	6,934,929.70	Project not completed

Factory Solutions Co., Ltd.		
Anhui HangDa Intelligent Technology Co., Ltd.	6,686,939.00	Project not completed
Hefei Metalforming Intelligent Manufacturing Co., Ltd.	5,584,000.00	Project not completed
SCIVIC Engineering Corporation	5,263,200.00	Project not completed
Total	40,191,363.15	

3) Other payables of top five counterparties classified based on the ending balance

The other payables with the top five ending balances classified by the other payable parties in the current period are CNY 418,658,290.40, accounting for 7.89% of the total ending balance of other payables.

25. Advance receipts

(1) Presentation of advance receipts

Unit: CNY

Item	Ending balance	Opening balance
Rental fee	641,221.46	1,861,865.37
Total	641,221.46	1,861,865.37

26. Contract liabilities

Unit: CNY

Item	Ending balance	Opening balance
Payment for goods	1,863,445,370.73	1,155,321,169.46
Others	555,703,269.04	607,787,793.96
Contract liabilities included in other current liabilities	-214,456,037.00	-133,584,259.07
Total	2,204,692,602.77	1,629,524,704.35

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

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
I. Short-term compensation	273,674,313.00	4,636,492,681.51	4,613,442,548.51	296,724,446.00
II. Post-employment benefits - defined contribution plan	62,829,341.18	593,969,874.87	640,514,666.65	16,284,549.40
III. Dismissal welfare	46,184,524.58	53,920,936.95	61,684,571.73	38,420,889.80
IV. Other benefits due within one year	53,960,000.00	57,482,173.91	60,832,173.92	50,609,999.99
Total	436,648,178.76	5,341,865,667.24	5,376,473,960.81	402,039,885.19

(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		3,316,146,420.15	3,316,146,420.15	
2. Employee welfare expenses		216,947,971.17	216,947,971.17	

3. Social insurance premiums	5,214,934.60	334,953,880.49	336,241,502.56	3,927,312.53
Including: medical insurance premiums	3,961,154.86	313,535,630.04	313,569,472.37	3,927,312.53
Work-related injury insurance premiums	1,253,779.74	16,558,475.67	17,812,255.41	
Maternity insurance premium		4,859,774.78	4,859,774.78	
4. Housing provident fund	884.00	464,408,428.48	464,409,312.48	
5. Labor union funds and employee education funds	268,458,494.40	117,526,901.11	93,188,262.04	292,797,133.47
6. Other short-term compensated absence		186,509,080.11	186,509,080.11	
Total	273,674,313.00	4,636,492,681.51	4,613,442,548.51	296,724,446.00

(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	49,474,178.04	416,800,791.86	452,365,357.71	13,909,612.19
2. Unemployment insurance premiums	3,838,010.94	17,184,129.89	18,647,203.62	2,374,937.21

3. Payment of enterprise annuity	9,517,152.20	159,984,953.12	169,502,105.32	
Total	62,829,341.18	593,969,874.87	640,514,666.65	16,284,549.40

Other description: none

28. Taxes payable

Unit: CNY

Item	Ending balance	Opening balance
VAT	33,868,153.98	142,544,438.56
Corporate income tax	12,652,169.68	73,697,911.27
Individual income tax	44,332,949.39	45,190,640.96
Urban maintenance and construction tax	1,563,765.87	8,789,299.91
Property tax	12,070,417.66	7,910,979.72
Land use tax	4,302,440.45	4,512,474.49
Education surcharges	3,588,461.26	8,830,240.70
Other taxes	16,844,015.03	9,735,859.90
Total	129,222,373.32	301,211,845.51

Other description: none

29. Non-current liabilities due within one year

Unit: CNY

Item	Ending balance	Opening balance
Lease liabilities due within one year	27,171,195.40	32,998,374.87
Total	27,171,195.40	32,998,374.87

Other description: none

30. Other current liabilities

Unit: CNY

Item	Ending balance	Opening balance
Taxes to be written off	214,456,037.00	133,584,259.07
Total	214,456,037.00	133,584,259.07

31. Lease liabilities

Unit: CNY

Item	Ending balance	Opening balance
Lease payment	61,122,271.61	94,353,447.57
Unrecognized financing charges	-3,457,062.08	-6,540,469.64
Lease liabilities due within one year	-27,171,195.40	-32,998,374.87
Total	30,494,014.13	54,814,603.06

Other notes: The interest of lease liabilities accrued in 2023 is CNY 3,063,600.

32. Long-term employee compensation payable**(1) Long-term employee compensation payable**

Unit: CNY

Item	Ending balance	Opening balance
I. Post-employment welfare - net liabilities of defined benefit plan	667,280,000.00	694,320,000.00
II. Dismissal welfare	94,708,523.04	112,469,743.86
Long-term employee compensation payable due within one year	-89,030,889.79	-99,478,853.43

Total	672,957,633.25	707,310,890.43
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33. Estimated liabilities

Unit: CNY

Item	Ending balance	Opening balance	Reason
Pending litigation	7,321,618.04	32,195,157.32	Product quality disputes
Product quality assurance	711,161,690.70	826,046,651.49	Expenses for return, replacement and repair
Others	17,226,995.29	17,226,995.29	Labor social security
Total	735,710,304.03	875,468,804.10	

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

34. Deferred income

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance	Reason
Government subsidies	3,121,985,685.93	173,629,410.22	311,936,728.62	2,983,678,367.53	
Total	3,121,985,685.93	173,629,410.22	311,936,728.62	2,983,678,367.53	--

Other description: none

35. Share capital

Unit: CNY

	Opening balance	Increase/Decrease (+/-)	Ending balance
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		Issue of New Shares	Bonus shares	Share Transferred from Accumulation Fund	Others	Subtotal	
Total shares	4,651,965,655.00				-15,479,987.00	-15,479,987.00	4,636,485,668.00

Other notes: The share capital is decreased by CNY 15,479,987.00 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.

36. Capital reserves

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Capital premium (stock premium)	9,373,398,263.61	50,594,181.86	82,470,046.45	9,341,522,399.02
Other capital reserves	1,077,689,973.13		75,793,420.42	1,001,896,552.71
Total	10,451,088,236.74	50,594,181.86	158,263,466.87	10,343,418,951.73

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

- (1) The capital reserve (share premium) is increased by CNY 50,594,181.86 in the current period, which is caused by the unlocking of restricted shares in the Company's equity incentive plan.
- (2) The capital reserve (share premium) is decreased by CNY 82,470,046.45 in the current period, which is caused by the repurchase and cancellation of the Company's equity incentive plan.

(3) The capital reserve (other capital reserves) is decreased by CNY 75,793,420.42. The decrease of CNY 50,594,181.86 is caused by the unlocking of restricted shares in the Company's equity incentive plan, the decrease of CNY 24,775,825.33 by the repurchase of restricted shares due to the non-achievement of performance appraisal objectives set for the second restriction releasing period firstly granted and the first restriction releasing period reserved in the phase I restricted share incentive plan, and the decrease of CNY 423,413.23 by the 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.

37 Treasury shares

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Treasury shares	267,837,184.11		181,705,686.84	86,131,497.27
Total	267,837,184.11		181,705,686.84	86,131,497.27

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

(1) The treasury share is decreased by CNY 97,950,033.45 in the current period, which is caused by the repurchase and cancellation recognized by the Company in the equity incentive plan.

(2) The treasury share is decreased by CNY 83,755,653.39 in the current period, which is caused by the repurchase of restricted shares due to the non-achievement of performance appraisal objectives set for the second restriction releasing period firstly granted and the first restriction releasing period reserved in the phase I restricted share incentive plan.

38 Other comprehensive incomes

Unit: CNY

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

		income tax in the current period	Other Comprehensive Income Recorded in the Previous Period	Other Comprehensive Income Recorded in the Previous Period			ders	
I. Other comprehensive incomes that cannot be reclassified into profits or losses	- 4,024,777.80					- 4,710,588.55		- 8,735,366.35
Including: changes arising from re-measurement of the defined benefit plan	- 4,040,000.00					- 5,170,000.00		- 9,210,000.00
Other comprehensive incomes that cannot be reclassified into profit or loss under the equity method	15,222.20					459,411.45		474,633.65
II. Other comprehensive incomes that will be reclassified into profits or losses	- 1,374,343.01					1,595,599.26		221,256.25

Including: other comprehen sive incomes that can be reclassifie d into profits or losses under the equity method	- 496,016. 97					871,354. 25		375,337. 28
Trans lation difference in foreign currency financial statements	- 878,326. 04					724,245. 01		- 154,081. 03
Total other comprehen sive incomes	- 5,399,12 0.81					- 3,114,98 9.29		- 8,514,11 0.10

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

39 Special reserves

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Work safety cost	370,420,291.86	37,672,287.45	88,778,051.46	319,314,527.85
Total	370,420,291.86	37,672,287.45	88,778,051.46	319,314,527.85

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

40 Surplus reserves

Unit: CNY

Item	Opening balance	Increase in the	Decrease in the	Ending balance
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		Current Period	Current Period	
Statutory surplus reserve	2,760,723,110.73	32,158,714.43		2,792,881,825.16
Discretionary surplus reserves	297,526,491.71			297,526,491.71
Total	3,058,249,602.44	32,158,714.43		3,090,408,316.87

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.

41 Undistributed profits

Unit: CNY

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	5,460,939,601.36	8,434,403,352.08
Total amount of opening undistributed profit adjusted ("+" for increase, "-" for decrease)	-28,331.75	273,000.03
Undistributed profits at the beginning of the current period after adjustment	5,460,911,269.61	8,434,676,352.11
Add: net profit attributable to owners of parent company in the current period	763,024,957.14	367,444,113.56
Less: withdrawal of statutory surplus reserve	32,158,714.43	316,034,697.61
Common stock dividends payable		3,025,174,498.45
Undistributed profits at the end of the period	6,191,777,512.32	5,460,911,269.61

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

1) The retroactive adjustment of the Accounting Standards for Business Enterprises and its relevant

new regulations impacts the opening undistributed profit by CNY 0.00.

2) The changes in accounting policies impact the opening undistributed profit by CNY -28,331.75.

3) The correction of major accounting errors impacts the opening undistributed profit by CNY 0.00.

4) The change in combination scope caused by the same control impacts the opening undistributed profit by CNY 0.00.

5) Other adjustments affect the opening undistributed profit by CNY 0.00 in total.

42 Operating income and operating cost

Unit: CNY

Item	Amount Incurred in Current Period		Amount Incurred in the Previous Period	
	Income	Cost	Income	Cost
Main business	61,967,850,165.95	57,133,830,184.15	36,242,318,100.83	33,608,683,181.19
Other business	1,936,682,311.08	1,495,805,527.40	2,089,428,983.05	1,643,487,705.34
Total	63,904,532,477.03	58,629,635,711.55	38,331,747,083.88	35,252,170,886.53

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	63,904,532,477.03	Sales revenue of complete vehicles, parts and components, materials, and purchased semi-finished products, etc.	38,331,747,083.88	Sales revenue of complete vehicles, parts and components, materials, and purchased semi-finished products, etc.
Total amount of	11,310,091.46	Rental income	30,729,859.27	Rental income

operating income deduction items		for the current period, rental income and entrusted operating income for the previous period		and entrusted operating income
Proportion of total amount of operating income deduction items in operating income	0.02%		0.08%	
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.	11,310,091.46	Rental income	30,729,859.27	Rental income and entrusted operating income
Subtotal of business income irrelevant to main business	11,310,091.46	Rental income	30,729,859.27	Rental income and entrusted operating income
II. Income without commercial substance				
Subtotal of income without commercial substance	0.00	N/A	0.00	N/A
III. Other incomes irrelevant to main business or without	0.00	N/A	0.00	N/A

commercial substance				
Amount of operating income after deduction	63,893,222,385.57	Deducting the rental income	38,301,017,224.61	Deduct the rental income and entrusted operating income

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 555,703,269.04, of which CNY 555,703,269.04 is expected to be recognized in 2024.

43 Taxes and surcharges

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Urban maintenance and construction tax	55,161,168.21	47,145,522.88
Education surcharges	36,481,730.95	33,829,961.36
Property tax	70,287,308.66	46,965,136.96
Land use tax	35,743,310.23	36,781,212.64
Vehicle and vessel use tax	153,731.13	142,115.38
Stamp duty	62,802,256.11	40,861,476.54
Environmental protection tax	284,890.41	624,447.37
Others	1,254,700.00	1,448,295.47
Total	262,169,095.70	207,798,168.60

Other description: none

44 Administrative expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
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Employee compensation	1,157,311,260.41	1,301,448,789.79
Repair cost of fixed assets	224,243,903.80	211,593,916.90
Depreciation cost	134,769,137.70	121,826,644.98
Amortization of intangible assets	89,058,627.23	89,587,242.31
Information system service fee	44,974,632.15	57,041,277.43
Labor outsourcing fee	43,425,300.04	59,607,050.45
Kinetic energy and workshop heating cost	30,230,843.03	27,302,410.38
Rental fee	29,006,964.88	18,459,511.78
Travel expense	24,573,092.55	9,765,368.99
Sewage charge	24,116,561.43	19,168,854.12
Test and inspection fee	16,225,280.86	15,517,955.33
Publicity fee	14,480,896.95	17,836,870.27
Environmental improvement fee	13,230,455.08	11,838,305.85
Amortization of low value consumables	9,810,114.81	25,465,015.78
Security deposit for the disabled	7,933,560.44	8,575,779.84
Office expenses	7,141,007.61	7,352,183.57
Property insurance	6,167,238.74	6,560,789.79
Authentication fee	4,222,384.21	6,494,147.27
Others	50,358,215.72	24,897,239.79
Total	1,931,279,477.64	2,040,339,354.62

Other description: none

45 Sales expenses

Unit: CNY

Item	Amount Incurred in Current	Amount Incurred in the
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	Period	Previous Period
Employee compensation	538,874,991.03	484,204,274.83
Product quality assurance fee	572,738,063.59	317,822,200.89
Storage fee	121,382,744.57	115,093,555.63
Packing cost	98,493,329.64	72,593,424.84
Travel expense	91,651,756.85	74,320,500.71
Rental fee	41,481,137.84	50,722,637.92
Business publicity fee	33,684,506.07	44,003,511.80
Sales service fee	24,268,028.17	35,005,162.00
Advertising expenses	19,189,345.23	19,878,977.32
Promotion fee	9,754,960.71	19,429,048.84
Consultation expenses	6,454,232.79	5,241,472.53
Exhibition fees	5,510,100.63	542,242.96
Depreciation cost	5,187,005.62	5,710,292.12
Customer training fee	2,255,558.39	1,938,138.40
Insurance premium	2,067,679.11	4,668,488.93
Office expenses	1,920,969.19	1,886,628.35
Business entertainment expenses	1,196,812.68	1,442,401.26
Others	29,384,011.87	1,379,262.31
Total	1,605,495,233.98	1,255,882,221.64

Other description: none

46 R&D expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Labor cost	1,636,551,834.14	1,583,140,010.50
Material cost	466,540,598.59	398,861,686.79
Test fee	316,626,655.94	306,593,980.19

Depreciation amortization expense	254,417,232.35	229,336,754.97
Water, electricity and gas charges	84,675,033.97	54,383,428.21
Technical development cost	58,499,726.43	144,758,268.44
Others	164,946,797.74	178,580,968.63
Total	2,982,257,879.16	2,895,655,097.73

Other description: none

47 Financial expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Interest expense	3,801,492.51	5,602,156.49
Interest income	-768,570,466.66	-949,854,588.85
Exchange gain or loss	7,140.40	-245,058.21
Cash discount	-173,364,601.86	-131,070,726.61
Net actuarial interest	22,534,650.42	22,530,846.13
Fees and other charges	201,922.62	436,557.88
Total	-915,389,862.57	-1,052,600,813.17

Other description: none

48 Other income

Unit: CNY

Sources of other income	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Government subsidies	546,340,041.28	1,635,846,930.83
Service charges of individual income tax withholding	2,021,584.31	2,213,208.37

Additional tax credit of VAT	64,529,919.18	
Total	612,891,544.77	1,638,060,139.20

49. Investment income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Income from long-term equity investments accounted for using the equity method	347,980,074.28	346,588,767.31
Others	-65,651,226.20	-109,670,548.80
Total	282,328,848.08	236,918,218.51

Other description: none

50 Credit impairment loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bad debt losses of notes receivable	586,187.61	-729,878.89
Bad debt losses of accounts receivable	-27,117,691.73	4,879,276.36
Bad debt losses of other receivables	-19,364,175.41	-1,635,328.06
Bad debt losses of long-term receivables	-7,658,318.79	-1,594,912.32
Total	-53,553,998.32	919,157.09

Other description: none

51 Asset impairment loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
I. Inventory falling price loss and contract performance cost impairment loss	-195,269,297.59	-418,448,406.89
II. Loss from fixed assets impairment	-6,128,378.48	-10,230,753.57
III. Loss from contractual asset impairment	-228,908.47	4,390,582.21
Total	-201,626,584.54	-424,288,578.25

Other description: none

52 Income from assets disposal

Unit: CNY

Sources of income from assets disposal	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Gains from disposal of fixed assets	8,227,813.84	118,681,219.23
Gains from disposal of intangible assets	184,441,684.84	752,349,888.83
Total	192,669,498.68	871,031,108.06

53. Non-operating income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount included in current non-recurring profits and
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			losses
Unpayable amount recognized	110,679,101.87	135,470,008.26	110,679,101.87
Income from compensation, liquidated damages and penalties	25,287,277.01	14,867,839.76	25,287,277.01
Gains from damage and retirement of non-current assets	891,307.00	1,172,055.53	891,307.00
Others	60,980,082.35	2,487,290.88	60,980,082.35
Total	197,837,768.23	153,997,194.43	197,837,768.23

Other description: none

54. Non-operating expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount included in current non-recurring profits and losses
Donation	12,050,000.00	19,050,000.00	12,050,000.00
Losses from damage and retirement of non-current assets	4,685,419.26	3,340,608.37	4,685,419.26
Expenditure of liquidated damages and penalties	7,432,783.52	4,057,445.84	7,432,783.52
Others	295,117.99	119,683.80	295,117.99
Total	24,463,320.77	26,567,738.01	24,463,320.77

Other description: none

55 Income tax expenses**(1) Statement of income tax expenses**

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Current income tax expenses	80,830,956.42	239,694,863.79
Deferred income tax expense	-428,687,215.86	-424,567,308.39
Total	-347,856,259.44	-184,872,444.60

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

Unit: CNY

Item	Amount Incurred in Current Period
Total profits	415,168,697.70
Income tax expense calculated at statutory/applicable tax rate	103,792,174.43
Effect of different tax rates applied to subsidiaries	-9,358,155.34
Effect of adjustment to income tax of previous periods	-9,037,550.37
Effect of non-taxable income	-613,904.59
Effect of non-deductible costs, expenses and losses	25,193,214.47
Profit or loss of joint ventures and associated enterprises calculated by equity method	-83,798,418.78
Tax effect of R&D expenses plus deduction (to be listed with "-")	-379,834,777.17
Tax effect of unrecognized deductible losses and deductible temporary difference	7,413,887.82
Others	-1,612,729.91

Income tax expenses	-347,856,259.44
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Other description: none

56 Other comprehensive incomes

See 38 in Note VII.

57 Items of cash flow statement

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bank interest	661,686,448.23	
Collection and payment	591,395,448.15	399,036,119.74
Government subsidies received	494,635,558.37	1,869,848,621.04
Deposits received	25,639,855.20	1,912,903.41
Rental fee received	20,310,385.96	36,296,614.49
Fines and indemnities received	6,771,123.26	7,810,168.36
Recovery of reserve funds	3,864,873.02	2,240,229.10
Refund of handling fees	788,831.31	1,523,773.84
Other current accounts	64,048,829.44	35,681,869.82
Total	1,869,141,352.94	2,354,350,299.80

Description of other cash received related to operating activities: None

Other cash paid related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
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Out-of-pocket expenses	1,286,692,773.25	992,021,968.62
Current account	414,443,028.61	483,929,928.94
Donations	12,050,000.00	18,750,000.00
Total	1,713,185,801.86	1,494,701,897.56

Description of other cash paid related to operating activities: None

(2) Cash related to investing activities

Other cash received related to investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Interest received		798,551,894.65
Total		798,551,894.65

Description of other cash received related to investing activities: None

Other cash paid related to investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Cash attached to the invested business	17,676,304.33	
Total	17,676,304.33	

Description of other cash paid related to investing activities: None

(3) Cash related to financing activities

Other cash paid related to financing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
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Amount paid to repay lease liabilities	22,968,693.24	55,183,852.56
Total	22,968,693.24	55,183,852.56

Description of other cash paid related to financing activities: None

Changes in liabilities arising from financing activities

Applicable Not applicable

58 Supplementary information to cash flow statement

(1) Supplementary information to cash flow statement

Unit: CNY

Supplementary information	Amount in the Current Period	Amount of the Previous Period
1. Reconciliation of net profit to cash flows from operating activities		
Net Profit	763,024,957.14	367,444,113.56
Add: impairment provision of assets	255,180,582.86	423,369,421.16
Depreciation of fixed assets, depletion of oil and gas assets and productive biological assets	1,646,806,052.64	1,529,451,202.97
Depreciation of right-of-use asset	59,592,704.16	52,841,739.81
Amortization of intangible assets	187,834,004.36	172,902,609.68
Amortization of long-term deferred expenses	130,439.66	204,158.64
Losses from disposal of fixed assets, intangible assets and other long-term assets (incomes to be listed with "-")	-192,669,498.68	-871,031,108.06
Loss from retirement of fixed assets (incomes to be listed with "-")	4,685,419.26	2,168,552.84
Loss from changes in fair value (incomes		

to be listed with “-”)		
Financial expenses (incomes to be listed with “-”)	-383,675,996.41	-944,252,432.36
Investment losses (incomes to be listed with “-”)	-448,976,452.61	-346,588,767.31
Decrease of deferred income tax assets (increase to be listed with “-”)	-393,716,893.38	-474,454,233.54
Increases of deferred income tax liabilities (decrease to be listed with “-”)	-34,970,322.48	49,886,925.15
Decrease in inventories (increase to be listed with “-”)	-3,023,500,755.91	2,466,932,226.53
Decrease in operating receivables (increase to be listed with “-”)	-1,777,558,924.80	2,956,699,661.76
Increase in operating items payable (decrease to be listed with “-”)	7,728,945,488.12	-11,224,753,054.89
Others	-189,413,082.41	703,935,014.71
Net cash flows from operating activities	4,201,717,721.52	-5,135,243,969.35
2. Major investment and financing activities not related to cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible corporate bonds within one year		
Fixed assets acquired under financial lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	22,483,844,553.59	20,697,669,726.18
Less: opening balance of cash	20,697,669,726.18	30,542,676,891.89
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		

Net increase in cash and cash equivalents	1,786,174,827.41	-9,845,007,165.71
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(2) Composition of cash and cash equivalents

Unit: CNY

Item	Ending balance	Opening balance
I. Cash	22,483,844,553.59	20,697,669,726.18
Bank deposits readily available for payment	22,483,844,553.59	20,697,669,726.18
II. Ending balance of cash and cash equivalents	22,483,844,553.59	20,697,669,726.18

59 Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: CNY

Item	Foreign Currency Balance at the End of the Period	Exchange rate	Ending Balance Converted into CNY
Monetary capital			
Including: USD			
EUR	1,519,475.81	7.8592	11,941,864.29
HKD			
Accounts receivable			
Including: USD			
EUR			
HKD			
Long-term loans			
Including: USD			

EUR			
HKD			

Other description: none

(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

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.

60. Lease

(1) The Company acting as the lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

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

Applicable Not applicable

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 Current Period
Short-term lease expense	25,207,735.42
Low-value asset lease expense	

Item	Amount Incurred in Current Period
Variable lease payments not included in the measurement of lease liabilities	
Total	25,207,735.42

Circumstances involving sale and leaseback transactions

(2) The Company acting as the lessor

Operating lease with the Company acting as the lessor

Applicable Not applicable

Financing lease with the Company acting as the lessor

Applicable Not applicable

Yearly undiscounted lease receipts for the next five years

Applicable Not applicable

VIII. R&D Expenditures

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Including: Expensed R&D expenditure	2,982,257,879.16	2,895,655,097.73
Capitalized R&D expenditure	122,705,199.95	

1. R&D projects eligible for capitalization

Unit: CNY

Item	Opening balance	Increase in the Current Period		Decrease in the Current Period		Ending balance
		Internal	Oth	Recognized as	Transf	

		development expenditures	ers	intangible assets	erred to current profits and losses	
A2205		5,393,345.15				5,393,345.15
A2206		12,831,369.36		12,831,369.36		-
A2207		9,870,532.29				9,870,532.29
A2208		12,756,268.51				12,756,268.51
A2209		26,396,041.18				26,396,041.18
A2305		12,547,492.73				12,547,492.73
A2306		16,094,984.19				16,094,984.19
A2307		2,723,108.10				2,723,108.10
A2308		12,945,847.92				12,945,847.92
T2208		8,944,559.08				8,944,559.08
T2209		2,201,651.44				2,201,651.44
Total		122,705,199.95		12,831,369.36		109,873,830.59

Significant capitalized R&D projects

Item	R&D progress	Expected completion time	Expected generation method of economic benefits	Time point of capitalization starting	Specific basis for capitalization starting
A2207	A round of reliability validation/production approval for launching/TR4A stage	June 30, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2208	A round of reliability validation/production approval for launching/TR4A stage	June 30, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the

					project review meeting
A2205	A round of reliability validation/production approval for launching/TR4A stage	June 30, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2206	Completed	June 30, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2209	Completion of bench validation, and the launch of complete vehicle validation and trial production	May 31, 2024	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2308	A-prototype development stage	March 31, 2026	Production and sales	March 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2306	A-prototype development stage	December 31, 2024	Production and sales	March 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2307	A-prototype development stage	February 28, 2026	Production and sales	March 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2305	A-prototype development stage	February 28, 2026	Production and sales	March 31, 2023	Being adopted by consideration and decision-making at the project review meeting
T2208	Closing of design scheme completed, trial production of A-prototype under the way	March 31, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting

T2209	B-axle review completed, B-axle development under the way	December 31, 2024	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
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IX. Changes in Consolidation Scope

1. Changes in consolidation scope for other reasons

A change in consolidation scope for other reasons (establishment of new subsidiaries, liquidation of subsidiaries, etc.) and its related information are detailed below: A new subsidiary, FAW Jiefang Younida (Tianjin) Technology Co., Ltd., was added within the consolidation scope in the current period, which was incorporated and wholly owned by the Company on April 14, 2023, with the registered capital of CNY 90 million, registered address: Room 202, Office Section of Inspection Warehouse, No. 6262 Aozhou Road, Tianjin Free Trade Pilot Zone (Dongjiang Comprehensive Bonded Port Area) (Tianjin Dongjiang Business Secretary Service Co., Ltd. Free Trade Zone Branch, Trusteeship No. 8279), and unified social credit code: 91120118MACFM74D3H.

X. Equity in Other Entities

1. Equity in subsidiaries

(1) Composition of the enterprise group

Unit: CNY

Name of subsidiary	Registered Capital	Principal business place	Registered address	Nature of business	Share proportion		Way of acquisition
					Direct	Indirect	
Jiefang Limited	10,803,012,510.01	Changchun	Changchun	Vehicle manufacturing	100.00%		Business merger under common control
FAW Jiefang (Qingdao) Automoti	802,000,000.00	Qingdao	Qingdao	Vehicle manufacturing and sales	100.00%		Business merger under common control

ve Co., Ltd.							
FAW Jiefang Dalian Diesel Engine Co., Ltd.	1,400,000,000.00	Dalian	Dalian	Automotive engine manufacturing	100.00%		Business merger under common control
Wuxi Dahao Power Co., Ltd.	38,094,059.61	Wuxi	Wuxi	Manufacturing of automotive components and accessories	100.00%		Business merger under common control
FAW Jiefang Austria R&D Co., Ltd.	15,765,000.00	Austria	Austria	Technology research and development	100.00%		Business merger under common control
FAW Jiefang New Energy Automotive Sales Co., Ltd.	200,000,000	Changchun	Changchun	Vehicle sales	100.00%		Establishment by investment
FAW Jiefang Uni-D (Tianjin) Technology Industry Co., Ltd.	90,000,000.00	Tianjin	Tianjin	Technical services and other services	100.00%		Establishment by investment

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

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

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

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

Other description: none

2. Equities in joint ventures or associated enterprise

(1) Important joint ventures or associated enterprises

Name of Joint Ventures or Associated Enterprises	Principal business place	Registered address	Nature of business	Share proportion		Accounting Treatment Method for Investment in Joint Ventures or Associated Enterprises
				Direct	Indirect	
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 Jiefang Steel Processing and Distribution Co., Ltd.	Changchun	Changchun	Industrial manufacturing	21.81%		Equity method
Changchun Wabco Automotive Control System Co., Ltd.	Changchun	Changchun	Manufacturing of automotive components and accessories	40.00%		Equity method
Suzhou Zhito Technology Co., Ltd.	Suzhou	Suzhou	Research and experimental development	25.68%		Equity method
FAW Jiefang Fujie (Tianjin) Technology Industry Co.,	Tianjin	Tianjin	Software and information technology services	10.00%		Equity method

Ltd.						
SmartLink	Nanjing	Nanjing	Software and information technology services	35.00%		Equity method
Foshan Diyi Yuan New Energy Technology Co., Ltd.	Foshan	Foshan	Manufacturing and technical services	45.00%		Equity method
Changchun Automotive Test Center Co., Ltd.	Changchun	Changchun	Technical services	14.63%		Equity method
Jiefang Times New Energy Technology Co., Ltd.	Shijiazhuang	Shijiazhuang	Technical services and other services	50.00%		Equity method
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	Wuxi	Wuxi	Engineering and technology research and experiment development	49.00%		Equity method

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

Basis for holding less than 20% of voting rights but with significant influence, or holding 20% or more of voting rights but without significant influence: The Company holds 17.50% of the shares of Sanguard Automobile Insurance Co., Ltd., but it sends one director to the latter according to the Articles of Association of the latter, so the Company can exert significant influence on Sanguard Automobile Insurance Co., Ltd. The Company holds 10.00% of the shares of Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., but it sends three directors to the latter according to the Articles of Association of the latter, so the Company can exert significant influence on Jiefang Fujie (Tianjin) Technology Industry Co., Ltd. The Company holds 14.63% of the shares of Changchun Automotive Test Center Co., Ltd., but it sends one director to the latter according to the Articles of Association of the latter, so the Company can exert significant influence on Changchun Automotive Test Center Co., Ltd.

(2) Main financial information of important joint ventures

Unit: CNY

	Ending Balance/Amount Incurred in Current Period	Opening Balance/Amount Incurred in Previous Period
	Jiefang Times New Energy Technology Co., Ltd.	
Current assets	106,516,730.29	
Including: Cash and cash equivalents		
Non-current assets	180,155,847.21	
Total assets	286,672,577.50	
Current liabilities	225,396.83	
Non-current liabilities	203,389,215.33	
Total liabilities	203,614,612.16	
Minority equity		
Equity attributable to shareholders of the parent company	83,057,965.34	
Shares of net assets calculated as per the shareholding proportion	41,528,982.67	
Adjustments		
--Goodwill		
--Unrealized profits from internal transactions		
--Others		
Book value of equity investment to joint ventures	41,528,982.67	
The fair value of equity investment in joint ventures with a public offer		
Operating Income	23,610,012.53	
Financial expenses	-786,426.54	
Income tax expenses	283.87	
Net Profit	-6,942,034.66	
Net profit from discontinued operations		
Other comprehensive incomes		
Total comprehensive income	-6,942,034.66	
Dividends received from joint		

ventures in the current year		
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Other notes: None of the ratios of ending balance/amount incurred in the current period in the above table have been audited.

(3) Main financial information on 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 Jiefang Steel Processing and Distribution Co., Ltd.	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	SmartLink	Foshan Diyiuan New Energy Technology Co., Ltd.	Changchun Automotive Test Center Co., Ltd.
Current assets	60,775,261,687.53	1,702,254,232.36	269,973,515.28	34,757,850.89	357,052,308.05	435,005,995.30	2,019,060,250.13	175,926,690.46	74,360,794.55	1,905,889,144.98
Non-current assets	113,266,395,863.62	876,220,650.46	61,635,140.40	24,179,782.51	49,442,981.99	86,241,055.85	845,687,497.81	183,160,633.97	1,980,391.85	1,778,261,365.48
Total	174,041,657,551.15	2,578,474,882.82	331,608,655.68	58,937,633.40	406,495,290.04	521,247,051.15	2,864,747,747.94	359,087,324.43	76,341,186.40	3,684,150,510.46

assets										
Current liabilities	152,572,057, 589.80	409,136,482 .45	111,751,7 76.05	18,443,724. 53	205,065,072 .99	127,443,900 .05	2,188,704,6 66.79	286,751,551 .15	2,530,641.7 8	148,517,574 .12
Non-current liabilities	373,433,560. 68	1,187,649,2 64.86			2,108,533.0 6	905,831,430 .48	301,718,046 .26	90,779,279. 56		123,521,374 .14
Total liabilities	152,945,491, 150.48	1,596,785,7 47.31	111,751,7 76.05	18,443,724. 53	207,173,606 .05	1,033,275,3 30.53	2,490,422,7 13.05	377,530,830 .71	2,530,641.7 8	272,038,948 .26
Net Assets	21,096,166,4 00.67	981,689,135 .51	219,856,8 79.63	40,493,908. 87	199,321,683 .99	- 512,028,279 .38	374,325,034 .89	- 18,443,506. 28	73,810,544. 62	3,412,111,5 62.20
Minority Equity	1,212,589,18 9.69							- 1,056,387.1 8		448,669,357 .62
Equity attributable to shareholders of	19,883,577,2 10.98	981,689,135 .51	219,856,8 79.63	40,493,908. 87	199,321,683 .99	- 512,028,279 .38	374,325,034 .89	- 17,387,119. 10	73,810,544. 62	2,963,442,2 04.58

the parent company										
Shares of net assets calculated as per the shareholding proportion	4,342,434,077.83	171,795,598.71	87,942,751.83	16,197,563.58	43,464,086.43	131,488,862.14	37,432,503.49	6,085,491.68	33,214,745.08	433,551,594.53
Adjustments	-4,625,319.38					131,488,862.14	-449,647.25	6,085,491.68		267,105,032.74
-- Goodwill										
-- Unrealized profits							-449,647.25			

from internal transacti ons										
--Others	-4,625,319.38					131,488,862 .14		6,085,491.6 8		267,105,032 .74
Book value of equity investme nt in associate d enterpris es	4,337,808,75 8.45	171,795,598 .71	87,942,75 1.83	16,197,563. 58	43,464,086. 43		36,982,856. 24		33,214,745. 08	700,656,627 .27
Fair value of equity investme nt in										

associate d enterpris es with public offer										
Operatin g Income	6,654,359,85 8.29	847,730,093 .47	628,235,8 51.66	58,341,332. 83	1,648,271,0 59.88	146,454,823 .25	3,084,484,5 99.82	419,681,174 .18		669,737,782 .82
Net Profit	1,786,293,11 9.83	- 145,922,318 .21	7,349,839. 74	- 2,726,506.3 7	29,810,742. 99	- 237,673,409 .93	23,691,687. 78	1,271,971.8 1	- 6,189,455.3 8	220,843,105 .36
Net profit from discontin ued operation s										
Other	830,716.24	6,641,842.0								-90,000.00

comprehensive incomes		9								
Total comprehensive income	1,787,123,836.07	-139,280,476.12	7,349,839.74	-2,726,506.37	29,810,742.99	-237,673,409.93	23,691,687.78	1,271,971.81	-6,189,455.38	220,753,105.36
Dividends received from associated enterprises in the current year	283,265,352.38	4,835,877.7	1,640,000.00		6,892,912.77					

Other notes: None of the ratios of ending balance/amount incurred in the current period in the above table have been audited.

	Opening Balance/Amount Incurred in Previous Period							
	SmartLink	FAW Jiefang	Suzhou Zhito	FAW	Changchun	FAW	Sanguard	First Automobile

		Fujie (Tianjin) Technology Industry Co., Ltd.	Technology Co., Ltd.	Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Wabco Automotive Control System Co., Ltd.	Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Automobile Insurance Co., Ltd.	Finance Co., Ltd.
Current assets	157,591,221.86	931,332,176.60	638,977,641.34	427,768,781.91	19,053,367.45	231,520,871.50	2,172,822,754.87	34,615,907,095.53
Non-current assets	7,744,508.63	293,708,044.88	64,737,895.14	62,831,909.92	27,097,843.55	66,900,185.87	732,633,048.50	107,957,446,335.83
Total assets	165,335,730.49	1,225,040,221.48	703,715,536.48	490,600,691.83	46,151,211.00	298,421,057.37	2,905,455,803.37	142,573,353,431.36
Current liabilities	164,518,379.90	672,380,337.39	346,619,144.05	286,304,062.71	2,930,795.76	80,755,484.41	510,326,378.57	120,256,125,824.02
Non-current liabilities		181,734,209.97	633,398,618.35	3,175,522.27			1,246,437,069.12	1,561,324,948.51
Total liabilities	164,518,379.90	854,114,547.36	980,017,762.40	289,479,584.98	2,930,795.76	80,755,484.41	1,756,763,447.69	121,817,450,772.53
Net Assets	817,350.59	370,925,674.12	-276,302,225.92	201,121,106.85	43,220,415.24	217,665,572.96	1,148,692,355.68	20,755,902,658.83
Minority equity								1,182,641,203.70
Equity attributable to shareholders of the parent company	817,350.59	370,925,674.12	-276,302,225.92	201,121,106.85	43,220,415.24	217,665,572.96	1,148,692,355.68	19,573,261,455.13
Shares of net assets	286,072.71	37,092,567.41	-74,380,559.22	43,856,468.58	17,288,166.13	87,066,229.18	201,021,162.24	4,274,663,288.97

calculated as per the shareholding proportion								
Adjustments			74,380,559.22					-4,625,319.38
--Goodwill								
--Unrealized profits from internal transactions								
--Others			74,380,559.22					-4,625,319.38
Book value of equity investment in associated enterprises	286,072.71	37,092,567.41		43,856,468.58	17,288,166.13	87,066,229.18	201,021,162.24	4,270,037,969.59
Fair value of equity investment in associated enterprises with public offer								
Operating Income	183,253,178.35	1,272,122,747.15	110,953,140.73	1,393,101,224.13	2,799,151.03	386,986,775.78	705,195,878.73	6,570,745,844.89
Net Profit	80,823,617.88	11,260,966.79	233,424,185.08	32,174,554.00	7,532,897.41	9,105,377.20	34,541,984.81	1,806,213,013.58
Net profit from								

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

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

Unit: CNY

Name of Joint Ventures or Associated Enterprises	Unrecognized Losses Accumulated in Prior Periods	Unrecognized Losses in the Current Period (or Net Profit Shared in the Current Period)	Accumulated Unrecognized Losses at the End of the Current Period
Suzhou Zhito Technology Co., Ltd.	89,276,907.14	42,211,955.00	131,488,862.14
SmartLink		6,085,491.68	6,085,491.68

Other description: none

XI. Government subsidies**1. Government subsidies recognized at the receivable amount at the end of the reporting period**Applicable Not applicable

Reasons for failing to receive the expected amount of government subsidies at the expected time point

Applicable Not applicable**2. Liability items with government subsidies**Applicable Not applicable**3. Government subsidies included in the current profit or loss**Applicable Not applicable

Unit: CNY

Account item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
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Government subsidies	610,869,960.46	1,704,587,805.78
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Other description: none

XII. Risks Related to Financial Instruments

1. Various risks arising from financial instruments

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

(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).

- Credit risk

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

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

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

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

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

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

For the accounts receivable of the Company, the accounts receivable of the top five clients account for 62.80% of the Company's total accounts receivable (63.06% in 2022); for other accounts receivable of the Company, the amounts owed by the five biggest debtors account for 74.79% of the total other accounts receivable (72.86% in 2022).

- Liquidity risk

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

The Company maintains and monitors cash and cash equivalents deemed adequate by the management during liquidity risk management to meet the Company's operating needs and reduce

the impact of fluctuations in cash flows. The management of the Company monitors the use of bank loans and ensures compliance with the loan agreements. Meanwhile, the Company obtains commitments from major financial institutions to provide sufficient reserve funds to meet short-term and long-term funding needs.

The sources of the Company's working capital include funds generated from operating activities, bank loans and other loans. As of December 31, 2023, the unused bank credit line of the Company was CNY 17.203 billion (CNY 20.75 billion at the end of the previous year).

- 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, 2023.

Exchange rate risk

Exchange rate risk refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to change in foreign exchange rate. Exchange rate risk may come from financial instruments denominated in a foreign currency other than the recording currency.

The 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 EUR. The balance of Company's assets and liabilities were all in CNY as of December 31,

2023, except a small amount of monetary capitals including the balance in EUR. Therefore, the Company does not believe that the exchange rate risk faced is significant.

(2) Capital management

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

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

The Company monitors the capital structure based on the asset-liability ratio (i.e. total liabilities divided by total assets). As at December 31, 2023, the asset-liability ratio of the Company is 62.83% (58.23% at the end of the previous year).

2. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

(2) Financial assets derecognized due to transfer

Applicable Not applicable

(3) Financial assets with continuous involvement in asset transfer

Applicable Not applicable

XIII. Disclosure of Fair Value

1. Basis for determination of market prices for continuous and non-continuous level I measurement items at 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).

2. Valuation techniques and qualitative and quantitative information about key parameters of items subject to continuous and non-continuous level II fair value measurement

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).

3. Valuation techniques and qualitative and quantitative information about key parameters of items subject to continuous and non-continuous level III fair value measurement

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.

XIV. Related Parties and Related Party Transactions

1. Parent company of the Company

Name of Parent Company	Registered address	Nature of business	Registered Capital (CNY 10,000)	Shareholding Proportion of the Parent Company in the Company	Proportion of Voting Rights of the Parent Company in the Company

FAW	Changchun	Production and sales of automobiles and parts	7,800,000.00	66.00%	66.00%
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Description of the parent company of the Company: The ultimate controlling party of the Company is FAW Group.

Other description: The registered capital of the parent company has not changed during the reporting period.

2. Subsidiaries of the Company

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

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

For details of joint ventures or associated enterprises of the Company, please refer to Article 2 in X "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
Changchun Automotive Test Center 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	Associated enterprise of the Company

Co., Ltd.	
Suzhou Zhito Technology Co., Ltd.	Associated enterprise of the Company
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Associated enterprise of the Company
SmartLink	Associated enterprise of the Company
Foshan Diyyuan New Energy Technology Co., Ltd.	Associated enterprise of the Company
Jiefang Times New Energy Technology Co., Ltd.	Associated enterprise of the Company

Other description:

4. Information on other related parties

Names Of Other Related Parties	Relationship between Other Related Parties and the Company
FAW Bestune Car Co., Ltd.	The same ultimate controlling party
FAW Harbin Light Automobile Co., Ltd.	The same ultimate controlling party
Sanguard Automobile Insurance 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 (Foshan) 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 Foundry Co., Ltd.	The same ultimate controlling party
FAW Forging (Jilin) Co., Ltd.	The same ultimate controlling party
FAW Mold Manufacturing Co., Ltd.	The same ultimate controlling party
China FAW Group Import & Export 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
Jilin Qiming Anxin Information Security Technology Co., Ltd.	The same ultimate controlling party
FAW Asset Management Co., Ltd.	The same ultimate controlling party
Changchun FAW International Tendering Co., Ltd.	The same ultimate controlling party
FAW Zhixing Technology (Nanjing) 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
Wuxi Sawane Spring Co., Ltd.	The same ultimate controlling party
FAW New Energy Vehicle Sales (Shenzhen) Co., Ltd.	The same ultimate controlling party
Changchun Automotive Test Center Co., Ltd.	The same ultimate controlling party
Hainan Tropical Automobile Test Co., Ltd.	The same ultimate controlling party
FAW-Volkswagen Automotive Co., Ltd.	The same ultimate controlling party
Changchun FAW Automobile Culture Communication Co., Ltd.	The same ultimate controlling party
FAW New Energy Vehicle Sales (Shenzhen) Co., Ltd.	The same ultimate controlling party
Chengdu Qiming Chunrong Information Technology Co., Ltd.	The same ultimate controlling party
Changchun Chengxin Second-hand Vehicles Distribution Co., Ltd.	The same ultimate controlling party
Cinda FAW Commercial Factoring Co., Ltd.	Other related parties
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Other related parties
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Other related parties
FAW Changchun Ansteel Steel Processing and	Other related parties

Distribution Co., Ltd.	
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Other related parties
Changchun Wabco Automotive Control System Co., Ltd.	Other related parties
Suzhou Zhito Technology Co., Ltd.	Other related parties
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Other related parties
SmartLink	Other related parties
Foshan Diyiuan New Energy Technology Co., Ltd.	Other related parties
Jiefang Times New Energy Technology Co., Ltd.	Other related parties
Changchun FAW United Casting Company	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
Changchun FAWSN Group Co., Ltd.	Other related parties
FAW Changchun Communication Technology Co., Ltd.	Other related parties
United Fuel Cell System R&D (Beijing) Co., Ltd.	Other related parties
Changchun FAWAY Automobile Components Co., Ltd.	Other related parties
FAW Jilin Automobile Co., Ltd.	Other related parties
Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	Other related parties
FAW Jingye Engine Co., Ltd.	Other related parties

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
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Other related parties
Changchun FAW Pratt Technology Co., Ltd.	Other related parties
Harbin FAW Transmission Co., Ltd.	Other related parties
Jilin CNPC Hongrun Energy Development Co., Ltd.	Other related parties
Jilin Checheng Garden Hotel Co., Ltd.	Other related parties

Other description:

5. Related transactions

(1) Related transactions of purchasing or selling goods and providing or receiving labor services

Statement of goods purchase/reception of labor services

Unit: CNY

Related Parties	Content of Related Transaction	Amount Incurred in Current Period	Approved Transaction Amount	Is the Transaction Amount Exceeded	Amount Incurred in the Previous Period
Fawer Auto Parts Co., Ltd.	Goods purchase and reception of labor services	1,659,607,907.68	1,684,360,000.00	No	1,040,303,880.14
FAW Foundry Co., Ltd.	Goods purchase and reception of labor services	719,806,260.27	847,650,000.00	No	520,403,729.13
Shandong Pengxiang Automobile Co., Ltd.	Goods purchase and reception of labor services	639,215,809.17	664,900,000.00	No	333,494,286.96
Changchun FAWSN Group Co., Ltd.	Goods purchase and reception of labor services	477,587,989.87	678,380,000.00	No	285,115,158.83
Changchun FAWAY Automobile Components Co., Ltd.	Goods purchase and reception of labor services	468,240,684.46	850,690,000.00	No	320,827,961.46
FAW Forging (Jilin) Co., Ltd.	Goods purchase and reception of labor services	457,919,812.83	509,050,000.00	No	296,850,949.41
FAW Logistics Co., Ltd.	Goods purchase and reception of labor services	382,993,131.18	400,000,000.00	No	242,651,156.76
FAW Changchun Ansteel Steel Processing and	Goods purchase and reception	377,742,520.02	317,090,000.00	Yes	191,014,909.94

Distribution Co., Ltd.	of labor services				
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Goods purchase and reception of labor services	369,253,850.87	356,370,000.00	Yes	118,225,857.01
FAW	Goods purchase and reception of labor services	334,754,422.65	427,900,000.00	No	248,344,825.51
FAW Logistics (Qingdao) Co., Ltd.	Goods purchase and reception of labor services	312,669,087.26	426,000,000.00	No	247,090,559.60
Grammer Vehicle Parts (Harbin) Co., Ltd.	Goods purchase and reception of labor services	229,686,526.22	150,000,000.00	Yes	12,230,604.49
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Goods purchase and reception of labor services	204,289,200.11	348,760,000.00	No	280,744,044.56
SmartLink	Goods purchase and reception of labor services	201,735,640.71	141,240,000.00	Yes	113,917,493.08
Changchun Yidong Clutch Co., Ltd.	Goods purchase and reception of labor services	200,320,876.60	193,030,000.00	Yes	165,424,937.00
Qiming Information	Goods purchase	157,507,467.25	143,800,000.00	Yes	150,551,880.46

Technology Co., Ltd.	and reception of labor services				
Changchun Automotive Test Center Co., Ltd.	Goods purchase and reception of labor services	120,524,077.09	134,240,000.00	No	68,056,015.91
FAW Harbin Light Automobile Co., Ltd.	Goods purchase and reception of labor services	109,010,564.50	120,000,000.00	No	30,836,252.96
FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	Goods purchase and reception of labor services	75,055,638.23	80,000,000.00	No	57,890,606.84
Changchun Wabco Automotive Control System Co., Ltd.	Goods purchase and reception of labor services	50,209,527.83	70,000,000.00	No	2,474,003.64
FAW Changchun Communication Technology Co., Ltd.	Goods purchase and reception of labor services	36,244,311.07	40,000,000.00	No	10,715,872.47
Sanguard Automobile Insurance Co., Ltd.	Goods purchase and reception of labor services	23,753,449.15	30,000,000.00	No	16,947,602.02
FAW (Dalian) International Logistics Co., Ltd.	Goods purchase and reception of labor services	22,123,885.88	30,000,000.00	No	20,212,557.25
China FAW Group Import & Export Co., Ltd.	Goods purchase and reception	25,285,761.48	156,060,000.00	No	175,338,956.45

	of labor services				
FAW Jilin Automobile Co., Ltd.	Goods purchase and reception of labor services	17,773,899.93	195,530,000.00	No	12,574,740.22
FAW Mold Manufacturing Co., Ltd.	Goods purchase and reception of labor services	14,470,053.09	17,000,000.00	No	56,026,450.00
FAW Group	Goods purchase and reception of labor services	13,627,907.80	20,000,000.00	No	1,014,319.61
FAW Changchun Comprehensive Utilization Co., Ltd.	Goods purchase and reception of labor services	6,269,917.66	8,000,000.00	No	8,500,177.30
Wuxi Sawane Spring Co., Ltd.	Goods purchase and reception of labor services	5,795,996.05	7,000,000.00	No	3,885,303.33
FAW Changchun Automobile Trading Service Co., Ltd.	Goods purchase and reception of labor services	9,359,470.16	11,000,000.00	No	4,426,582.97
Hainan Tropical Automobile Test Co., Ltd.	Goods purchase and reception of labor services	4,471,020.41	7,000,000.00	No	9,359,403.67
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Goods purchase and reception of labor services	3,333,481.77	5,000,000.00	No	6,792,968.69

FAW Changchun Industrial Sodus Management Service Co., Ltd.	Goods purchase and reception of labor services	2,981,286.13	5,000,000.00	No	6,643,236.02
Wuxi CRRC New Energy Automobile Co., Ltd.	Goods purchase and reception of labor services	2,951,329.20	5,000,000.00	No	3,652,485.85
Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	Goods purchase and reception of labor services	2,480,191.44	5,000,000.00	No	4,221,956.56
Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	Goods purchase and reception of labor services	1,901,350.79	3,000,000.00	No	504,696.88
Suzhou Zhito Technology Co., Ltd.	Goods purchase and reception of labor services	1,769,496.50	2,000,000.00	No	1,488,321.73
Changchun Faw Service Trade Co., Ltd.	Goods purchase and reception of labor services	1,646,126.01	2,000,000.00	No	5,847,490.52
FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	Goods purchase and reception of labor services	1,575,945.99	2,000,000.00	No	3,997,546.96
Changchun FAW United Casting Company	Goods purchase and reception	1,561,241.13	2,000,000.00	No	2,061,592.32

	of labor services				
FAW Asset Management Co., Ltd.	Goods purchase and reception of labor services	1,350,856.25	2,000,000.00	No	919,804.06
Dalian Qiming Haitong Information Technology Co., Ltd.	Goods purchase and reception of labor services	679,245.27	1,000,000.00	No	986,233.96
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Goods purchase and reception of labor services	530,977.43	1,000,000.00	No	1,407,288.17
Changchun FAW International Tendering Co., Ltd.	Goods purchase and reception of labor services	352,288.66	500,000.00	No	28,766.98
Jilin Qiming Anxin Information Security Technology Co., Ltd.	Goods purchase and reception of labor services	208,000.00	500,000.00	No	
FAW Zhixing Technology (Nanjing) Co., Ltd.	Goods purchase and reception of labor services	157,699.08	500,000.00	No	
China Unicom Intelligent Network Technology Co., Ltd.	Goods purchase and reception of labor services	65,672.64	200,000.00	No	95,449.06
FAW Logistics (Foshan) Co., Ltd.	Goods purchase and reception of labor services	4,050.00	200,000.00	No	

Grammer Vehicle Parts (Qingdao) Co., Ltd.	Goods purchase and reception of labor services			No	53,513,930.54
FAW Changchun Industrial Shuixing Rubber and Plastic Products Co., Ltd.	Goods purchase and reception of labor services			No	552,191.07
Chengdu Qiming Chunrong Information Technology Co., Ltd.	Goods purchase and reception of labor services			No	264,150.96
Changchun FAW Automobile Culture Communication Co., Ltd.	Goods purchase and reception of labor services	82,355.84	200,000.00	No	145,434.85
Jilin CNPC Hongrun Energy Development Co., Ltd.	Goods purchase and reception of labor services			No	58,203.77
Jilin Checheng Garden Hotel Co., Ltd.	Goods purchase and reception of labor services			No	15,300.00

Statement of goods sales/rendering of services

Unit: CNY

Related Parties	Content of Related Transaction	Amount Incurred in Current Period	Amount Incurred in the Previous Period
China FAW Group Import & Export Co., Ltd.	Sales of goods	11,568,030,597.11	5,921,179,357.98
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Sales of goods	2,446,872,744.97	842,004,381.84

Jiefang Times New Energy Technology Co., Ltd.	Sales of goods	298,543,205.58	
FAW Harbin Light Automobile Co., Ltd.	Sales of goods	230,480,872.70	8,285,242.45
FAW Changchun Comprehensive Utilization Co., Ltd.	Sales of goods	205,149,077.38	139,052,616.83
SmartLink	Sales of goods	107,773,406.53	
FAW	Sales of goods	17,191,730.77	223,777,186.60
FAW Changchun Automobile Trading Service Co., Ltd.	Sales of goods	15,048,966.05	12,035,398.26
FAW Asset Management Co., Ltd.	Sales of goods	8,792,475.43	11,266,794.44
Suzhou Zhito Technology Co., Ltd.	Sales of goods	8,676,773.64	47,059,399.63
Changchun Faw Service Trade Co., Ltd.	Sales of goods	17,192,553.61	190,597,521.42
Changchun Yidong Clutch Co., Ltd.	Sales of goods	2,620,014.69	315,024.68
Qiming Information Technology Co., Ltd.	Sales of goods	1,730,374.32	
Shandong Pengxiang Automobile Co., Ltd.	Sales of goods	1,310,470.28	1,179,878.53
Changchun Automotive Test Center Co., Ltd.	Sales of goods	2,443,809.58	5,364,922.47
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Sales of goods	1,056,155.96	
United Fuel Cell System R&D (Beijing) Co., Ltd.	Sales of goods	883,287.65	817,250.62
Fawer Auto Parts Co., Ltd.	Sales of goods	719,960.37	925,014.61
FAW Logistics Co., Ltd.	Sales of goods	218,688.15	492,920.35
Cinda FAW Commercial Factoring Co., Ltd.	Sales of goods	189,390.03	155,115.86
FAW Logistics (Qingdao) Co., Ltd.	Sales of goods	141,854.72	10,787,369.81
Grammer Vehicle Parts (Harbin) Co., Ltd.	Sales of goods	106,470.00	
FAW Changchun Communication Technology Co., Ltd.	Sales of goods	93,577.97	15,596.36
Foshan Diyiuan New Energy Technology Co., Ltd.	Sales of goods	80,254.07	
FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	Sales of goods	63,448.12	868,938.00
FAW Forging (Jilin) Co., Ltd.	Sales of goods	57,933.33	
Wuxi Sawane Spring Co., Ltd.	Sales of goods	14,150.94	10,377.36
FAW Foundry Co., Ltd.	Sales of goods	11,614.68	4,843,899.93
FAW Bestune Car Co., Ltd.	Sales of goods	10,211.32	176,415.09

Changchun FAWAY Automobile Components Co., Ltd.	Sales of goods	7,673.40	
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Sales of goods	7,562.98	39,774.12
Changchun FAWSN Group Co., Ltd.	Sales of goods	6,086.49	
FAW Jilin Automobile Co., Ltd.	Sales of goods	1,938.32	132,278.36
FAW-Volkswagen Automotive Co., Ltd.	Sales of goods		104,603.78
Changchun Chengxin Second-hand Vehicles Distribution Co., Ltd.	Sales of goods		52,256.64
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Sales of goods		19,099,950.39

Description of related transactions of purchasing or selling goods and providing or receiving labor services:

Among related parties from which the Company purchased goods and received services in 2023, the amounts actually incurred from the Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd., Changchun Yidong Clutch Co., Ltd., FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd., Grammer Vehicle Parts (Harbin) Co., Ltd., and SmartLink exceed the expected amounts, but the excess portions do not meet the disclosure standards; the amount incurred by purchasing goods and receiving services from Qiming Information Technology Co., Ltd. exceeds the expected amount, but the actual amount incurred is not beyond the approved total trading limit as this internal institution of FAW is managed as a related party on a unified basis.

(2) Related lease

The Company, as the lessor:

Unit: CNY

Name of Lessee	Type of Leased Assets	Lease Income Recognized in the Current Period	Lease Income Recognized in the Previous Period
Changchun Automotive Test Center Co., Ltd.	Houses, buildings and land	1,288,392.96	5,356,513.01
FAW Changchun Baoyou Jiefang Steel Processing and Distribution	Houses and Buildings	1,056,155.96	1,056,155.96

Co., Ltd.			
FAW	Houses and Buildings	1,017,306.92	3,437,949.10
Shandong Pengxiang Automobile Co., Ltd.	Houses and Buildings	767,705.50	754,700.92
Fawer Auto Parts Co., Ltd.	Houses and Buildings	395,405.52	395,405.52
FAW Changchun Communication Technology Co., Ltd.	Houses, buildings and land	93,577.97	99,999.97
Foshan Diyiuan New Energy Technology Co., Ltd.	Houses and Buildings	75,391.68	
FAW Group	Houses and Buildings		173,884.11

The Company, as the lessee:

Unit: CNY

Name of lessor	Type of Leased Assets	Rental expenses for simplified short-term leases or low-value asset leases		Variable lease payments not included in the measurement of lease liabilities		Rent Paid		Interest Expense on Lease Liabilities Incurred		Increased right-of-use assets	
		Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period
FAW	Houses and Buildings					11,954,237.52	11,426,735.79	623,377.44	1,319,118.67	629,506.67	
Changchun Automotive Test Center Co., Ltd.	Houses and Buildings					2,335,846.88		93,731.36			
FAW Changchun Automobile Trading Service Co., Ltd.	Vehicle						4,509,955.99				
Hongqi Intelligent Mobility	Vehicle						1,122.88				

Technology (Beijing) Co., Ltd.											
FAW Group	Land					3,913,647.70	3,913,647.70	302,739.30	482,040.75		
FAW Asset Management Co., Ltd.	Houses and Buildings						157,096.00				

Description of related leases

(3) Remuneration of key management personnel

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Remuneration of key management personnel	16,025,900.00	23,496,500.00

(4) Other related transactions

Interest income and interest expense

Related Parties	Content of Related Transaction	Amount incurred in the current period (CNY)	Amount incurred in the previous period (CNY)
First Automobile Finance Co., Ltd.	Interest income	96,844,475.31	305,093,442.72

Deposits and interests in finance companies

Project name	Related Parties	Transaction content	Ending balance (CNY)	Ending balance of the previous year (CNY)
Monetary capital	First Automobile Finance Co., Ltd.	Deposits and interests of finance company included in bank deposits	14,046,575,246.78	13,832,934,255.95

Discount business

Related Parties	Correlation	Amount incurred in the current period (CNY)	Amount incurred in the previous period (CNY)
First Automobile Finance Co.,	Discount expense	494,444.40	

Ltd.			
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Equity investment

Item	Amount incurred in the current period (CNY)	Amount Incurred in the Previous Period
Changchun Automotive Test Center Co., Ltd.	670,872,897.94	

6. Receivables and payables of related parties**(1) Receivables**

Unit: CNY

Project Name	Related Parties	Ending balance		Opening balance	
		Book balance	Provision for Bad Debts	Book balance	Provision for Bad Debts
Accounts receivable	China FAW Group Import & Export Co., Ltd.	565,045,453.53	1,438,890.29	320,294,820.43	410,938.55
Accounts receivable	FAW Harbin Light Automobile Co., Ltd.	260,081,914.30	261,998.72	3,787.60	15.91
Accounts receivable	Jiefang Times New Energy Technology Co., Ltd.	193,088,998.31	743,368.60		
Accounts receivable	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	54,814,238.73	11,781,810.57	61,683,343.69	7,544,307.53
Accounts receivable	SmartLink	5,106,986.20	5,106.99		
Accounts receivable	FAW	2,150,000.00	10,320.00	880,188.52	3,696.78
Accounts receivable	FAW Asset Management Co., Ltd.	454,999.94	454,999.94	469,957.39	455,062.76
Accounts receivable	United Fuel Cell System R&D (Beijing) Co., Ltd.	210,717.10	1,011.44	200,233.26	840.98
Accounts receivable	Qiming Information	131,897.06	633.11		

	Technology Co., Ltd.				
Accounts receivable	Grammer Vehicle Parts (Harbin) Co., Ltd.	116,052.30	557.05		
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 Changchun Comprehensive Utilization Co., Ltd.	24,427.35	117.25		
Accounts receivable	Changchun Yidong Clutch Co., Ltd.	15,885.93	76.25		
Accounts receivable	Shandong Pengxiang Automobile Co., Ltd.	13,086.18	62.81		
Accounts receivable	Changchun FAWAY Automobile Components Co., Ltd.	8,670.94	41.62		
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
Accounts receivable	FAW-Volkswagen Automotive Co., Ltd.			110,880.00	465.70
Accounts receivable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.			105,367.99	11,453.28
Prepayments	China FAW Group Import & Export Co., Ltd.	291,602,226.68		287,527,616.69	
Prepayments	Changchun Automotive Test Center Co., Ltd.	26,426,263.51			
Prepayments	FAW Mold Manufacturing Co., Ltd.	12,268,345.36		13,751,495.26	
Prepayments	FAW Jilin Automobile Co., Ltd.	12,256,098.84		646,730.48	

Prepayments	SmartLink	5,473,400.00		2,283,555.30	
Prepayments	Qiming Information Technology Co., Ltd.	2,083,957.10		6,853,106.60	
Prepayments	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	600,000.00		12,786,400.00	
Prepayments	FAW Foundry Co., Ltd.	20,532.03			
Prepayments	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.			20,604,798.36	
Prepayments	FAW			9,862,836.98	
Prepayments	FAW Changchun Communication Technology Co., Ltd.			639,459.98	
Prepayments	FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.			537,315.00	
Other receivables	SmartLink	7,597,737.61	231,731.00		
Other receivables	FAW Asset Management Co., Ltd.	3,124,921.61	93,785.11	135,550.51	787.06
Other receivables	FAW Logistics Co., Ltd.	55,370.79	1,688.81	146,367.32	1,346.58
Other receivables	FAW Forging (Jilin) Co., Ltd.	23,548.67	718.23	55,563.56	511.19
Other receivables	FAW Mold Manufacturing Co., Ltd.	19,983.53	609.50	49,165.85	452.33
Other receivables	FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	1,219.65	37.20	5,086.11	46.79
Other receivables	FAW			8,453,593.02	8,229,193.92

Other receivables	FAW Group			189,533.68	1,743.71
Other receivables	China FAW Group Import & Export Co., Ltd.			50,623.62	172.12
Other receivables	Changchun FAWAY Automobile Components Co., Ltd.			16,388.62	68.83
Other receivables	Changchun Automotive Test Center Co., Ltd.			231.00	0.23

(2) Payables

Unit: CNY

Project name	Related Parties	Ending book balance	Beginning Book Balance
Accounts payable	Fawer Auto Parts Co., Ltd.	321,637,528.00	144,154,473.17
Accounts payable	Changchun FAWAY Automobile Components Co., Ltd.	142,502,192.54	79,486,373.63
Accounts payable	FAW Logistics (Qingdao) Co., Ltd.	104,662,732.36	91,101,620.88
Accounts payable	Shandong Pengxiang Automobile Co., Ltd.	95,007,782.33	34,193,762.56
Accounts payable	FAW Logistics Co., Ltd.	80,290,107.51	32,265,403.36
Accounts payable	FAW Forging (Jilin) Co., Ltd.	76,891,932.23	18,898,210.68
Accounts payable	FAW Harbin Light Automobile Co., Ltd.	65,513,752.89	16,170,855.51
Accounts payable	Changchun Yidong Clutch Co., Ltd.	52,247,878.28	21,092,492.24
Accounts payable	FAW Foundry Co., Ltd.	44,286,964.68	51,984,437.61
Accounts payable	Changchun FAWSN Group Co., Ltd.	33,612,267.32	14,386,006.95
Accounts payable	Qiming Information Technology Co., Ltd.	32,857,375.09	20,174,791.43
Accounts payable	SmartLink	18,624,052.12	14,489,906.15
Accounts payable	FAW	29,476,172.06	34,214,102.32
Accounts payable	Grammer Vehicle Parts (Harbin) Co., Ltd.	10,120,909.07	701,342.31
Accounts payable	FAW Logistics (Changchun Lushun)	8,629,745.71	11,426,277.60

payable	Storage and Transportation Co., Ltd.		
Accounts payable	FAW (Dalian) International Logistics Co., Ltd.	6,942,812.41	3,851,730.60
Accounts payable	Changchun Automotive Test Center Co., Ltd.	6,851,687.59	316,400.00
Accounts payable	Changchun Wabco Automotive Control System Co., Ltd.	5,414,883.93	272,712.00
Accounts payable	Sanguard Automobile Insurance Co., Ltd.	2,822,789.08	1,074,463.94
Accounts payable	China FAW Group Import & Export Co., Ltd.	2,678,724.16	
Accounts payable	FAW Changchun Automobile Trading Service Co., Ltd.	2,609,565.02	1,479,550.69
Accounts payable	FAW Changchun Comprehensive Utilization Co., Ltd.	2,361,868.60	2,905,411.90
Accounts payable	FAW Group	2,212,607.00	14,133.00
Accounts payable	Hainan Tropical Automobile Test Co., Ltd.	1,625,476.03	31,977.00
Accounts payable	FAW Mold Manufacturing Co., Ltd.	1,133,423.20	1,121,206.34
Accounts payable	Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	451,864.50	630,751.44
Accounts payable	Wuxi Sawane Spring Co., Ltd.	377,207.77	233,647.89
Accounts payable	Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	326,523.80	121,039.88
Accounts payable	Dalian Qiming Haitong Information Technology Co., Ltd.	240,000.00	248,852.00
Accounts payable	FAW Asset Management Co., Ltd.	226,180.17	
Accounts payable	FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	178,081.90	8,891.97
Accounts payable	FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	117,304.27	4,937,649.97
Accounts payable	FAW Changchun Communication Technology Co., Ltd.	61,517.85	233,570.95
Accounts payable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	51,837.99	715,521.31
Accounts payable	Changchun FAW United Casting Company	39,972.52	521,726.80
Accounts payable	China Unicom Intelligent Network Technology Co., Ltd.	30,249.00	54,880.00
Accounts payable	Changchun FAW International Tendering Co., Ltd.	26,778.00	
Accounts payable	FAW Zhixing Technology (Nanjing) Co., Ltd.	16,200.00	
Accounts	FAW Changchun Industrial Shuixing	15,197.33	184,682.20

payable	Rubber and Plastic Products Co., Ltd.		
Accounts payable	Suzhou Zhito Technology Co., Ltd.	10,237.07	1,011,118.95
Accounts payable	FAW Logistics (Foshan) Co., Ltd.	4,293.00	
Accounts payable	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.		15,646,652.24
Accounts payable	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.		4,551,929.99
Accounts payable	Grammer Vehicle Parts (Qingdao) Co., Ltd.		3,402,836.35
Accounts payable	FAW Changchun Industrial Sodis Management Service Co., Ltd.		2,149,473.72
Accounts payable	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)		1,751,774.48
Accounts payable	Changchun Faw Service Trade Co., Ltd.		849,829.54
Accounts payable	Wuxi CRRC New Energy Automobile Co., Ltd.		757,023.75
Accounts payable	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.		111,795.54
Accounts payable	Changchun FAW Automobile Culture Communication Co., Ltd.		82,778.99
Accounts payable	Changchun FAW Pratt Technology Co., Ltd.		17,236.96
Accounts payable	FAW Bestune Car Co., Ltd.		5,100.00
Accounts payable	FAW Jilin Automobile Co., Ltd.		13.33
Accounts received in advance	FAW Changchun Comprehensive Utilization Co., Ltd.		38,791.52
Accounts received in advance	Shandong Pengxiang Automobile Co., Ltd.	210,381.00	
Accounts received in advance	Fawer Auto Parts Co., Ltd.	107,748.00	107,748.00
Accounts received in advance	Changchun Automotive Test Center Co., Ltd.		1,530,824.16
Accounts received in advance	FAW Changchun Communication Technology Co., Ltd.		17,431.19
Contract liabilities	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	309,314,130.28	68,040,782.38
Contract liabilities	Changchun Faw Service Trade Co., Ltd.	28,117,018.95	15,663,935.13
Contract	FAW Changchun Comprehensive	2,463,687.98	547,549.31

liabilities	Utilization Co., Ltd.		
Contract liabilities	China FAW Group Import & Export Co., Ltd.	4,057,439.29	2,676,797.47
Contract liabilities	Shandong Pengxiang Automobile Co., Ltd.	492,721.62	436,111.40
Contract liabilities	Suzhou Zhito Technology Co., Ltd.	334,400.00	1,181,411.98
Contract liabilities	FAW Changchun Automobile Trading Service Co., Ltd.	26,830.00	
Contract liabilities	FAW New Energy Vehicle Sales (Shenzhen) Co., Ltd.	8,060.00	7,132.74
Contract liabilities	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.		36,704.04
Contract liabilities	FAW Asset Management Co., Ltd.		20,698.19
Contract liabilities	Harbin FAW Transmission Co., Ltd.		119.16
Contract liabilities	FAW Logistics Co., Ltd.		9.88
Other payables	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	134,832,393.40	831,560.00
Other payables	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	94,265,971.56	170,438,828.71
Other payables	FAW	95,802,940.17	2,792,527.37
Other payables	Changchun Automotive Test Center Co., Ltd.	26,847,716.00	42,616.35
Other payables	Qiming Information Technology Co., Ltd.	21,046,660.22	31,377,721.05
Other payables	FAW Mold Manufacturing Co., Ltd.	17,227,387.87	32,192,507.66
Other payables	Fawer Auto Parts Co., Ltd.	10,095,378.21	429,040.30
Other payables	FAW Harbin Light Automobile Co., Ltd.	8,241,822.24	
Other payables	China FAW Group Import & Export Co., Ltd.	3,485,617.92	2,264,521.88
Other payables	FAW Changchun Communication Technology Co., Ltd.	3,062,361.99	3,483,543.17
Other payables	SmartLink	1,876,477.00	182,000.00
Other payables	Shandong Pengxiang Automobile Co., Ltd.	1,040,000.00	1,040,000.00
Other payables	Changchun Faw Service Trade Co., Ltd.	320,000.00	629,405.00
Other payables	Sanguard Automobile Insurance Co., Ltd.	77,800.00	
Other payables	Suzhou Zhito Technology Co., Ltd.	10,000.00	10,000.00

Other payables	FAW Group		371,435.96
Other payables	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.		20,050,000.00
Other payables	FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.		4,361,315.10
Other payables	Hainan Tropical Automobile Test Co., Ltd.		97,185.18
Other payables	FAW Asset Management Co., Ltd.	3,925.62	3,925.62

XV. Share-based Payment

1. General conditions of share-based payments

Applicable Not applicable

Unit: CNY

Grantee category	Shares granted in the current period		Shares exercised in the current period		Shares unlocked in the current period		Shares invalidated in the current period	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Manager					13,107,301.00	50,594,181.86	15,479,987.00	97,950,033.45
Total					13,107,301.00	50,594,181.86	15,479,987.00	97,950,033.45

Stock options or other equity instruments outstanding at the end of the current period

Applicable Not applicable

Other description:

2. Equity-settled share-based payment

Applicable Not applicable

Unit: CNY

Measures for	Restricted shares are determined according to the closing price on the
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determining the fair value of equity instruments on the grant date	grant date, and stock options are determined according to the B-S option pricing model.
Important parameters of fair value of equity instruments on the grant date	Quoted prices in active markets
Basis for determining the number of exercisable equity instruments	The Company determines the number according to the Proposal on the Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD. (Draft) and Its Summary, the Proposal on the Regulations for the Implementation Assessment of Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD., the Proposal on the Regulations for Restricted Share Incentive of FAW JIEFANG GROUP CO., LTD., and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Share Incentive Plan.
Reasons for significant differences between current estimates and previous estimates	N/A
Aggregate amount of equity-settled share-based payment charged to the capital reserve	53,116,758.44
Total expenses recognized by equity-settled share-based payment in the current period	-24,775,825.33

Other description:

3. Cash-settled share-based payment

Applicable Not applicable

4. Share-based payment expenses in the current period

Applicable Not applicable

Unit: CNY

Grantee category	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Manager	-24,775,825.33	
Total	-24,775,825.33	

Other description:

5. Modification and termination of share-based payment: None

XVI. Commitments and Contingencies**1. Important commitments**

Important commitments existing on the balance sheet date

The Company has no other commitments that should be disclosed as of December 31, 2023.

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
Bai Haitao	FAW Jiefang New Energy Automotive Sales Co., Ltd.	Product liability cases	Dalateqi People's Court of Inner Mongolia	19,899,350.00	First instance of retrial

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Subject Amount	Case Progress
Jilin Branch of Sanguard Automobile Insurance Co., Ltd.	Chengdu Baojinyang Vehicle Parts Co., Ltd., third party: FAW Jiefang New Energy Automotive Sales Co., Ltd.	Other contract dispute cases	Chengdu Intermediate People's Court	18,543,550.66	Second instance
Zheng Siyou, Wang Yanqin	Jiefang Limited, Jilin Huaang Construction Engineering Co., Ltd., and Li Jie	Construction case	Changchun Intermediate People's Court	1,494,402.70	Second instance
Zhang Fei and Bi Shu	Kunshan Haohai Automobile Sales Service Co., Ltd. and China FAW Group Corporation	Product quality disputes	Xianning District People's Court in Xianning, Hubei Province	724,948.00	First instance
Handan Yicheng Automobile Trade Co., Ltd.	Handan Huacheng Automobile Trade Co., Ltd. and China FAW Group Corporation	Product liability cases	Fuxing District People's Court of Handan	390,192.70	First instance
Wang Gensheng	Lianyungang Suxin Automobile Sales Service Co., Ltd. and Jiefang Limited	Product liability cases	Haizhou District People's Court of Lianyungang	150,000.00	First instance

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Subject Amount	Case Progress
Cao Haipeng	FAW Jiefang (Qingdao) Automotive Co., Ltd.	Labor dispute	Jimo District People's Court	110,684.20	First instance

As of December 31, 2023, 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 leases and other modes accounts for more than 10% of the operating income.

Applicable Not applicable

The Company's guarantee to dealer

Applicable Not applicable

XVII. Events after the Balance Sheet Date

1. Profit distribution

Dividends to be distributed per 10 shares (CNY)	1.50
Dividends per 10	1.50

shares declared upon deliberation and approval (CNY)	
Profit distribution scheme	<p>The cash dividends of CNY 1.50 (tax inclusive) will be paid for every 10 shares to all shareholders based on the 4,636,485,668 shares, the cash dividends to be distributed will reach CNY 695,472,850.20 (tax inclusive), and the remaining undistributed profits will be carried forward to the next accounting year. The Company does not convert its capital reserves into share capital.</p> <p>For any change to the total share capital of the Company due to the equity incentive plan before the implementation of the distribution plan, the cash dividend of CNY 1.50 (tax inclusive) will be distributed to all shareholders per 10 shares based on the total share capital registered on the date of record when the profit distribution plan is implemented in the future, and the specific amount will be subject to the actual distribution.</p> <p>This distribution plan is subject to the review and approval of the 2023 annual shareholders' meeting before implementation.</p>

2. Notes on other events after the balance sheet date

The Company had no events after the balance sheet date to be disclosed as of March 28, 2024.

XVIII. Other Significant Matters

1. Annuity plan

The Company decided to participate in the enterprise annuity plan implemented by FAW Group from January 1, 2010, and 5 other companies implemented 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. The Annuity Council, as the trustee of this plan, is responsible for the operation and management of FAW Group's enterprise annuity fund.

(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 them at one time according to their requirements.

XIX. Notes to Major Items of Parent Company's Financial Statements**1 Other receivables**

Unit: CNY

Item	Ending balance	Opening balance
Other receivables	219,864.00	224,132.76
Total	219,864.00	224,132.76

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

Unit: CNY

Nature	Ending book balance	Beginning Book Balance
Current account	459,006.26	459,006.26
Total	459,006.26	459,006.26

2) Disclosure by aging

Unit: CNY

Aging	Ending book balance	Beginning Book Balance
1-2 years		459,006.26
2-3 years	459,006.26	
Total	459,006.26	459,006.26

3) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Including:										
Provision for bad debts made by portfolio	459,006.26	100.00%	239,142.26	52.10%	219,864.00	459,006.26	100.00%	234,873.50	51.17%	224,132.76
Including:										
Aging portfolio	459,006.26	100.00%	239,142.26	52.10%	219,864.00	459,006.26	100.00%	234,873.50	51.17%	224,132.76
Total	459,006.26	100.00%	239,142.26	52.10%	219,864.00	459,006.26	100.00%	234,873.50	51.17%	224,132.76

Bad debt provision made as per portfolio:

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Provision for bad debts made by portfolio	459,006.26	239,142.26	52.10%

Description of the basis for determining this portfolio:

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

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 01, 2023		234,873.50		234,873.50
Balance on January 1, 2023 in the current period				
Provision in the current period		4,268.76		4,268.76
Balance as at December 31, 2023		239,142.26		239,142.26

Basis for stage division and proportion of bad debt provision

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

Applicable Not applicable

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

Provision for bad debts in the current period:

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Current account	234,873.50	4,268.76				239,142.26
Total	234,873.50	4,268.76				239,142.26

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

Unit: CNY

Name of Unit	Nature of Payment	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending Balance of Provision for Bad Debts
Customer 1	Current account	459,006.26	2-3 years	100.00%	239,142.26
Total		459,006.26		100.00%	239,142.26

2. Long-term equity investment

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment Provision	Book Value	Book balance	Impairment Provision	Book Value

Investment in subsidiaries	21,084,445,613.03		21,084,445,613.03	21,109,221,438.36	21,109,221,438.36
Investment in associated enterprises and joint ventures	4,509,604,357.16		4,509,604,357.16	4,471,059,131.83	4,471,059,131.83
Total	25,594,049,970.19		25,594,049,970.19	25,580,280,570.19	25,580,280,570.19

(1) Investment in subsidiaries

Unit: CNY

Investee	Opening balance (book value)	Opening balance of impairment provision	Increase/Decrease in the current period				Ending balance (book Value)	Ending balance of impairment provision
			Additional Investment	Reduced Investment	Impairment Provision	Others		
FAW Jiefang Automotive Co., Ltd.	21,109,221,438.36			24,775,825.33			21,084,445,613.03	
Total	21,109,221,438.36			24,775,825.33			21,084,445,613.03	

(2) Investment in associated enterprises and joint ventures

Unit: CNY

Investee	Opening balance (book value)	Opening balance of impairment provision	Increase/Decrease in the current period								Ending balance (book Value)	Ending balance of impairment provision	
			Additional Investment	Reduced Investment	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.	4,270,037,969.59				350,854,530.91	181,610.33			283,265,352.38			4,337,808,758.45	
Sanguard Automobile Insurance Co., Ltd.	201,021,162.24				25,552,008.03	1,162,322.37			4,835,877.87			171,795,598.71	
Subtotal	4,471,059,131.83				325,302,522.88	1,343,932.70			288,101,230.25			4,509,604,357.16	
Total	4,471,059,131.83				325,302,522.88	1,343,932.70			288,101,230.25			4,509,604,357.16	

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

Applicable Not applicable

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

Applicable Not applicable

3. Investment income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Long-term equity investment income calculated with cost method		2,799,650,000.00
Income from long-term equity investments accounted for using the equity method	325,302,522.88	364,182,151.72
Total	325,302,522.88	3,163,832,151.72

XX. 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	192,669,498.68	It refers to the net gain on disposal of non-current assets.
Government subsidies included in the current profit or loss (except those closely related to the Company's normal operations, conforming to the State policies and regulations and enjoyed in line with the specified standards, and having a continuous impact on the profit or loss of the Company)	546,340,041.28	
Reversal of impairment provision for	9,205,923.40	It mainly refers to

receivables subject to separate impairment test		the reversal of impairment provision for receivables subject to separate impairment test.
Non-operating income and expenses other than the above	173,374,447.46	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	100,996,378.33	Other non-recurring profits and losses
Less: amount affected by income tax	176,245,495.71	
Total	846,340,793.44	--

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 ordinary	3.16%	0.1651	0.1651

shareholders of the Company			
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit and loss	-0.35%	-0.0180	-0.0180

3. Differences in accounting data under domestic and foreign accounting standards

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

Applicable Not applicable

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

Applicable Not applicable

(3) Explanation of the reasons for accounting data differences under domestic and foreign accounting standards shall be given, and where data audited by an overseas audit authority has been adjusted based on the differences, the name of the overseas institution shall be indicated.