

JIANGLING MOTORS CORPORATION, LTD.

**FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

JIANGLING MOTORS CORPORATION, LTD.
CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 30 JUNE 2024

(All amounts in RMB Yuan unless otherwise stated)

Assets	Note	30 June 2024 Consolidated*	31 December 2023 Consolidated	30 June 2024 Company*	31 December 2023 Company
Current assets					
Cash and cash equivalents	4(1)	11,043,905,115	11,830,560,675	8,762,470,742	8,697,182,460
Financial assets held for trading	4(2)	200,583,452	200,604,877	-	-
Derivative financial assets	4(3)	4,510,945	-	4,510,945	-
Notes receivable	4(4)	-	14,621,337	500,000,000	700,000,000
Accounts receivable	4(5)、 13(1)	4,711,811,192	4,401,826,022	5,865,100,512	4,594,376,160
Financing receivables	4(6)	274,777,232	123,170,062	12,598,753	17,979,578
Advances to suppliers	4(7)	115,585,832	204,358,759	115,585,832	204,358,759
Other receivables	4(8)、 13(2)	90,616,478	75,319,848	90,027,657	71,813,906
Inventories	4(9)	2,118,012,490	1,560,259,511	2,110,559,732	1,558,685,526
Current portion of non-current assets	4(11)	16,828,704	15,749,806	14,828,932	14,495,736
Other current assets	4(10)	1,307,258,115	951,659,556	1,008,289,892	731,819,005
Total current assets		19,883,889,555	19,378,130,453	18,483,972,997	16,590,711,130
Non-current assets					
Long-term receivables	4(12)	17,082,583	22,775,696	9,224,157	16,699,348
Long-term equity investments	4(13)、 13(3)	227,134,693	233,798,348	779,788,623	786,452,278
Fixed assets	4(14)	5,469,283,281	5,389,645,152	5,145,233,915	5,176,956,698
Construction in progress	4(15)	586,821,753	464,431,412	529,955,912	438,083,465
Right-of-use assets	4(16)	190,820,207	194,836,028	178,136,399	183,725,741
Intangible assets	4(17)	1,736,954,077	1,691,021,121	1,518,077,008	1,469,907,538
Development expenditures	4(18)	224,666,128	283,738,155	224,666,128	283,738,155
Goodwill	4(21)	-	-	-	-
Deferred tax assets	4(19)	1,528,691,458	1,472,003,554	30,100,335	185,190,368
Other non-current assets	4(20)	9,334,153	10,807,967	9,334,153	10,807,967
Total non-current assets		9,990,788,333	9,763,057,433	8,424,516,630	8,551,561,558
TOTAL ASSETS		29,874,677,888	29,141,187,886	26,908,489,627	25,142,272,688

JIANGLING MOTORS CORPORATION, LTD.

CONSOLIDATED AND COMPANY BALANCE SHEETS (CONT'D) AS AT 30 JUNE 2024

(All amounts in RMB Yuan unless otherwise stated)

Liabilities and equity	Note	30 June 2024 Consolidated*	31 December 2023 Consolidated	30 June 2024 Company*	31 December 2023 Company
Current liabilities					
Short-term borrowings	4(22)	500,000,000	1,300,000,000	500,000,000	1,300,000,000
Derivative financial liabilities	4(3)	-	459,306	-	459,306
Accounts payable	4(23)	10,503,654,457	9,476,215,223	10,497,008,493	9,475,904,232
Contract liabilities	4(24)	341,737,019	243,740,992	477,791,775	29,190,915
Employee benefits payable	4(25)	697,285,331	890,051,287	616,877,395	788,409,476
Taxes payable	4(26)	120,374,397	118,399,765	116,006,960	97,718,547
Other payables	4(27)	6,461,271,467	5,944,976,093	2,941,278,412	2,377,082,577
Current portion of non-current liabilities	4(28)	102,500,086	93,383,898	94,089,564	86,713,258
Other current liabilities	4(29)	391,701,548	373,948,630	91,638,568	36,085,601
Total current liabilities		19,118,524,305	18,441,175,194	15,334,691,167	14,191,563,912
Non-current liabilities					
Long-term borrowings	4(30)	1,166,732	1,391,414	1,166,732	1,391,414
Lease liabilities	4(31)	90,195,237	138,005,943	86,063,597	134,081,724
Provisions	4(32)	332,686,679	315,700,263	1,234,439	-
Deferred income	4(33)	65,025,145	67,601,361	65,025,145	67,601,361
Long-term employee benefits payable	4(34)	50,956,050	52,891,000	50,627,050	52,562,000
Deferred tax liabilities	4(19)	18,971,266	19,256,890	-	-
Other non-current liabilities	4(35)	191,053,046	120,293,201	-	-
Total non-current liabilities		750,054,155	715,140,072	204,116,963	255,636,499
Total liabilities		19,868,578,460	19,156,315,266	15,538,808,130	14,447,200,411
Equity					
Share capital	4(36)	863,214,000	863,214,000	863,214,000	863,214,000
Capital surplus	4(37)	839,442,490	839,442,490	839,442,490	839,442,490
Other comprehensive income	4(38)	(20,572,000)	(20,572,000)	(20,979,000)	(20,979,000)
Special reserve		4,601,980	3,821,625	4,601,980	3,821,625
Surplus reserve	4(39)	431,607,000	431,607,000	431,607,000	431,607,000
Retained earnings	4(40)	8,537,674,364	8,232,632,623	9,251,795,027	8,577,966,162
Total equity attributable to shareholders of the Company		10,655,967,834	10,350,145,738	11,369,681,497	10,695,072,277
Minority interests		(649,868,406)	(365,273,118)	-	-
Total equity		10,006,099,428	9,984,872,620	11,369,681,497	10,695,072,277
TOTAL LIABILITIES AND EQUITY		29,874,677,888	29,141,187,886	26,908,489,627	25,142,272,688

note: * Unaudited financial indexes

JIANGLING MOTORS CORPORATION, LTD.

CONSOLIDATED AND COMPANY INCOME STATEMENTS FOR 2024 FIRST HALF-YEAR

(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2024 First Half-year Consolidated*	2023 First Half-year Consolidated*	2024 First Half-year Company*	2023 First Half-year Company*
Revenue	4(41)、13(4)	17,920,065,801	15,429,372,309	17,885,950,058	15,449,037,934
Less: Cost of sales	4(41)、 4(47)、13(4)	(15,489,880,688)	(13,282,569,929)	(15,176,367,555)	(12,870,083,505)
Taxes and surcharges	4(42)	(673,383,353)	(440,363,547)	(651,112,639)	(434,553,879)
Selling and distribution expenses	4(43)、4(47)	(617,075,751)	(529,719,611)	(63,278,732)	(64,683,930)
General and administrative expenses	4(44)、4(47)	(460,505,827)	(520,114,941)	(420,738,982)	(470,830,812)
Research and development expenses	4(18)、 4(45)、4(47)	(617,237,727)	(748,135,775)	(617,237,727)	(748,135,775)
Financial expenses	4(46)	87,655,467	93,306,361	61,810,235	60,804,106
Including: Interest expenses		(13,395,131)	(17,531,522)	(13,169,162)	(17,378,308)
Interest income		116,562,375	116,473,977	90,256,996	83,081,729
Add: Other income	4(50)	379,965,220	358,643,954	379,781,774	356,955,122
Investment income	4(51)、13(5)	6,108,391	(13,413,788)	3,455,680	(12,981,958)
Including: Share of profit of associates and joint ventures		(2,527,255)	(3,893,639)	(2,527,255)	(3,893,639)
Gains on changes in fair value	4(52)	4,948,826	4,250,063	4,970,251	4,114,063
Credit impairment losses	4(49)	2,387,703	(2,335,878)	(184,716)	(2,164,265)
Asset impairment losses	4(48)	4,296,473	-	4,296,473	-
Gains on disposal of assets	4(53)	10,657,596	(293,630)	10,372,755	(236,732)
Operating profit		558,002,131	348,625,588	1,421,716,875	1,267,240,369
Add: Non-operating income	4(54)	1,134,539	7,042,517	205,746	6,143,130
Less: Non-operating expenses	4(55)	(5,221,095)	(585,439)	(2,565,347)	(536,187)
Total profit		553,915,575	355,082,666	1,419,357,274	1,272,847,312
Less: Income tax expenses	4(56)	56,969,254	91,534,142	(155,090,033)	(125,395,973)
Net profit		610,884,829	446,616,808	1,264,267,241	1,147,451,339
Classified by continuity of operations					
Net profit from continuing operations		610,884,829	446,616,808	1,264,267,241	1,147,451,339
Net profit from discontinued operations		-	-	-	-
Classified by ownership of the equity					
Minority interests		(284,595,288)	(282,770,749)	-	-
Attributable to shareholders of the Company		895,480,117	729,387,557	1,264,267,241	1,147,451,339
Other comprehensive income, net of tax		-	-	-	-
Attributable to shareholders of the Company					
Other comprehensive income items which will not be reclassified to profit or loss					
Changes arising from remeasurement of defined benefit plan	4(36)	-	-	-	-
Attributable to minority interests		-	-	-	-
Total comprehensive income		610,884,829	446,616,808	1,264,267,241	1,147,451,339
Attributable to shareholders of the Company		895,480,117	729,387,557	1,264,267,241	1,147,451,339
Attributable to minority		(284,595,288)	(282,770,749)	-	-

interests					
Earnings per share					
Basic earnings per share (RMB Yuan)	4(57)	1.04	0.84	—	—
Diluted earnings per share (RMB Yuan)	4(57)	1.04	0.84	—	—

note: * Unaudited financial indexes

JIANGLING MOTORS CORPORATION, LTD.

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS FOR 2024 FIRST HALF-YEAR

(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2024 First Half-year Consolidated*	2023 First Half-year Consolidated*	2024 First Half-year Company*	2023 First Half-year Company*
Cash flows generated from operating activities					
Cash received from sales of goods or rendering of services		18,941,092,268	17,406,530,446	18,741,276,443	16,222,462,727
Refunds of taxes		164,581,363	304,302,316	164,581,363	304,302,316
Cash received relating to other operating activities	4(58)	118,884,525	405,291,238	95,504,577	387,595,895
Sub-total of cash inflows		19,224,558,156	18,116,124,000	19,001,362,383	16,914,360,938
Cash paid for goods and services		(14,491,870,430)	(12,996,163,395)	(13,973,193,906)	(12,477,732,638)
Cash paid to and on behalf of employees		(1,478,169,089)	(1,214,500,391)	(1,350,502,965)	(1,096,589,996)
Payments of taxes and surcharges		(1,462,969,310)	(1,103,139,617)	(1,420,869,779)	(1,073,581,827)
Cash paid relating to other operating activities	4(58)	(1,058,219,650)	(1,145,172,260)	(642,894,199)	(744,011,957)
Sub-total of cash outflows		(18,491,228,479)	(16,458,975,663)	(17,387,460,849)	(15,391,916,418)
Net cash flows generated from operating activities	4(59)	733,329,677	1,657,148,337	1,613,901,534	1,522,444,520
Cash flows used in investing activities					
Cash received from disposal of investments	4(58)	400,000,000	-	-	-
Cash received from returns on investments		6,789,112	-	4,136,400	-
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		9,005,122	795,730	7,544,579	1,676,649
Cash received from disposal of subsidiaries and other business units		-	36,000,000	-	36,000,000
Cash received relating to other investing activities	4(58)	128,144,704	103,235,093	103,696,833	76,225,119
Sub-total of cash inflows		543,938,938	140,030,823	115,377,812	113,901,768
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(832,578,865)	(698,245,427)	(835,883,605)	(696,001,267)
Cash paid to acquire investments	4(58)	(400,000,000)	(100,000,000)	-	(53,167,203)
Cash paid relating to other investing activities		(116,333)	(88,707)	(116,333)	(88,707)
Sub-total of cash outflows		(1,232,695,198)	(798,334,134)	(835,999,938)	(749,257,177)
Net cash flows used in investing activities		(688,756,260)	(658,303,311)	(720,622,126)	(635,355,409)
Cash flows used in financing activities					
Cash received from absorbing investments		-	49,000,000	-	-
Including: cash received by the subsidiary from absorbing minority shareholders' investment		-	49,000,000	-	-
Cash received from borrowings		995,542,778	2,586,819,167	995,542,778	2,091,194,167
Cash received from other financing activities		661,625	-	-	-
Sub-total of cash inflows		996,204,403	2,635,819,167	995,542,778	2,091,194,167
Cash repayments of borrowings		(1,802,237,020)	(2,406,409,044)	(1,802,237,020)	(2,406,409,044)
Cash payments for distribution of dividends, profits or interest expenses		(4,455,249)	(3,335,711)	(4,455,249)	(3,335,711)

Cash paid relating to other financing activities	4(58)	(12,923,965)	(509,449,108)	(8,831,429)	(5,865,317)
Sub-total of cash outflows		(1,819,616,234)	(2,919,193,863)	(1,815,523,698)	(2,415,610,072)
Net cash flows used in financing activities		(823,411,831)	(283,374,696)	(819,980,920)	(324,415,905)
Effect of foreign exchange rate changes on cash and cash equivalents		-	-	-	-
Net (decrease)/increase in cash and cash equivalents	4(59)	(778,838,414)	715,470,330	73,298,488	562,673,206
Add: Cash and cash equivalents at beginning of year	4(59)	11,746,518,615	8,543,193,654	8,648,791,242	6,863,577,337
Cash and cash equivalents at end of period	4(59)	10,967,680,201	9,258,663,984	8,722,089,730	7,426,250,543

note: * Unaudited financial indexes

JIANGLING MOTORS CORPORATION, LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024
(All amounts in RMB Yuan unless otherwise stated)

First half of 2024

Item	Note	Attributable to shareholders of the parent company						Minority interests	Total equity
		Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings		
Balance at 1 January 2024		863,214,000	839,442,490	(20,572,000)	3,821,625	431,607,000	8,232,632,623	(365,273,118)	9,984,872,620
Movements for the six months ended 30 June 2024*		-	-	-	780,355	-	305,041,741	(284,595,288)	21,226,808
Total comprehensive income									
Net profit/(loss)		-	-	-	-	-	895,480,117	(284,595,288)	610,884,829
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	895,480,117	(284,595,288)	610,884,829
Capital contributed by owners and capital decreases									
Capital invested by shareholders		-	-	-	-	-	-	-	-
Profit distribution									
Distribution to shareholders	4(40)	-	-	-	-	-	(590,438,376)	-	(590,438,376)
Special reserves									
Provided		-	-	-	12,307,442	-	-	-	12,307,442
Utilized		-	-	-	(11,527,087)	-	-	-	(11,527,086)
Balance at 30 June 2024*		863,214,000	839,442,490	(20,572,000)	4,601,980	431,607,000	8,537,674,364	(649,868,406)	10,006,099,428

JIANGLING MOTORS CORPORATION, LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)
 (All amounts in RMB Yuan unless otherwise stated)

First half of 2023

Item	Note	Attributable to shareholders of the parent company						Minority interests	Total equity
		Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings		
Balance at 1 January 2023		863,214,000	839,442,490	(13,484,250.00)	-	431,607,000	7,123,038,093	(3,170,549)	9,240,646,784
Movements for the six months ended 30 June 2023*		-	-	-	9,394,050	-	363,384,821	(233,770,749)	139,008,122
Total comprehensive income									
Net profit/(loss)		-	-	-	-	-	729,387,557	(282,770,749)	446,616,808
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	729,387,557	(282,770,749)	446,616,808
Capital contributed by owners and capital decreases									
Capital invested by shareholders		-	-	-	-	-	-	49,000,000	49,000,000
Profit distribution									
Distribution to shareholders	4(40)	-	-	-	-	-	(366,002,736)	-	(366,002,736)
Special reserves									
Provided		-	-	-	12,877,704	-	-	-	12,877,704
Utilized		-	-	-	(3,483,654)	-	-	-	(3,483,654)
Balance at 30 June 2023*		863,214,000	839,442,490	(13,484,250)	9,394,050	431,607,000	7,486,422,914	(236,941,298)	9,379,654,906

note: * Unaudited financial indexes

JIANGLING MOTORS CORPORATION, LTD.
COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB Yuan unless otherwise stated)

First half of 2024

Item	Note	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Total equity
Balance at 1 January 2024		863,214,000	839,442,490	(20,979,000)	3,821,625	431,607,000	8,577,966,162	10,695,072,277
Movements for the six months ended 30 June 2024*		-	-	-	780,355	-	673,828,865	674,609,220
Total comprehensive income								
Net profit		-	-	-	-	-	1,264,267,241	1,264,267,241
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	1,264,267,241	1,264,267,241
Profit distribution								
Distribution to shareholders	4(40)	-	-	-	-	-	(590,438,376)	(590,438,376)
Special reserves								
Provided		-	-	-	12,307,442	-	-	12,307,442
Utilized		-	-	-	(11,527,087)	-	-	(11,527,086)
Balance at 30 June 2024*		863,214,000	839,442,490	(20,979,000)	4,601,980	431,607,000	9,251,795,027	11,369,681,497

JIANGLING MOTORS CORPORATION, LTD.
COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

(All amounts in RMB Yuan unless otherwise stated)

First half of 2023

Item	Note	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Total equity
Balance at 1 January 2023		863,214,000	839,442,490	(13,844,250)	-	431,607,000	7,025,176,443	9,145,595,683
Movements for the six months ended 30 June 2023*		-	-	-	9,394,050	-	781,448,603	790,842,653
Total comprehensive income								
Net profit		-	-	-	-	-	1,147,451,339	1,147,451,339
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	1,147,451,339	1,147,451,339
Profit distribution								
Distribution to shareholders	4(40)	-	-	-	-	-	(366,002,736)	(366,002,736)
Special reserves								
Provided		-	-	-	12,877,704	-	-	12,877,704
Utilized		-	-	-	(3,483,654)	-	-	(3,483,654)
Balance at 30 June 2023*		863,214,000	839,442,490	(13,844,250)	9,394,050	431,607,000	7,806,625,046	9,936,438,336

note: * Unaudited financial indexes

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

1 General information

Jiangling Motors Corporation, Ltd. (hereinafter “the Company”) is a Sino-foreign joint stock enterprise established under the approval of Hong ban (1992) No. 005 of Nanchang Revolution and Authorisation Group of Company’s Joint Stock on the basis of Jiangxi Motors Manufacturing Factory on 16 June 1992. The registration number of the enterprise business license is No. 913600006124469438. The registered address of the Company and the address of its headquarters are both Nanchang City, Jiangxi Province of the People’s Republic of China (“the PRC”).

On 23 July 1993, with the approval of the China Securities Regulatory Commission (hereinafter “CSRC”) (Zheng Jian Fa Shen Zi [1993] No. 22) and (Zheng Jian Han Zi [1993] No. 86), the Company was listed on the Stock Exchange of Shenzhen on 1 December 1993, issuing 494,000,000 shares in total. On 8 April 1994, a total of 25,214,000 shares were distributed for the 1993 dividend distribution programme with the approval of the shareholders’ meeting and Jiangxi Securities Management Leading Group (Gan Securities [1994] No. 02). In 1995, with the approval of CSRC (Zheng Jian Fa Zi [1995] No. 144) and the Shenzhen Securities Management Office (Shenzhen Office Fu [1995] No. 92), the Company issued 174,000,000 ordinary shares (“B shares”). In 1998, with the approval of CSRC (Zheng Jian Fa Zi [1998] No. 19), the Company issued additional 170,000,000 B shares.

According to the resolution of the shareholders’ meeting regarding the split share structure reform on 11 January 2006, the Company implemented the *Scheme on Split Share Structure Reform* on 13 February 2006. After the implementation, the Company’s total paid-in capital remains the same. Related details are disclosed in Note 4(36).

As at 30 June 2024, the Company’s paid-in capital totalled RMB863,214,000, with par value of RMB1 per share.

The actual principal business scope of the Company and its subsidiaries (hereinafter “the Group”) includes production and sales of automobile assemblies such as automobiles, special (modified) vehicles, engines and chassis and other automobile parts, and provision of related after-sales services; retail and wholesale of imported FORD E series automobiles of Ford Motor (China) Co., Ltd. as the dealer; import and export of automobiles and parts; dealership of used cars; provision of enterprise management and consulting services related to production and sales of automobiles.

Subsidiaries included in the consolidation scope for the current period are detailed in Note 5.

These financial statements were authorised for issue by the Company’s Board of Directors on 28 August 2024.

2 Summary of significant accounting policies and accounting estimates

The Group determines specific accounting policies and estimates based on the features of its production and operation, which mainly comprise the measurement of expected credit losses (“ECL”) on receivables (Note 2(8)), valuation of inventories (Note 2(9)), depreciation of fixed assets and amortisation of intangible assets and right-of-use assets (Note 2(11), (14), (22)), criteria for capitalisation of development expenditures (Note 2(14)), impairment of long-term assets (Note2(15)), recognition and measurement of revenue (Note 2(19)), government subsidies (Note2(20)), etc.

Key judgements and critical accounting estimates and key assumptions applied by the Group on the determination of significant accounting policies are set out in Note 2(25).

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(1) Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, specific accounting standards and relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereinafter collectively referred to as “the Accounting Standards for Business Enterprises” or “CASs”) and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 - General Rules on Financial Reporting* issued by CSRC.

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

(2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for for the Six Months Ended 30 June 2024 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and company’s financial position of the Company as at 30 June 2024 and their financial performance, cash flows and other information for the period then ended.

(3) Fiscal year

The Company’s fiscal year starts on 1 January and ends on 30 June.

(4) Recording currency

The recording currency of the Company and its subsidiaries is Renminbi (“RMB”). The financial statements are presented in RMB.

(5) Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(5) Preparation of consolidated financial statements (Cont'd)

In preparing the consolidated financial statements, where the accounting policies or the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' shareholders' equity and the portion of subsidiaries' net profits and losses and comprehensive income for the period not attributable to the Company are recognised as minority interests, net profit attributed to minority interests and total comprehensive income attributed to minority interests and presented separately in the consolidated financial statements under shareholders' equity, net profits and total comprehensive income respectively. If the subsidiaries' loss for the current period attributed to the minority shareholders exceeds their share in the opening shareholder's equity, the excess will be deducted against the minority interests. Unrealised profits and losses resulting from the sales of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to owners of the parent. Unrealised profits and losses resulting from the sales of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to owners of the parent and net profit attributed to minority interests in accordance with the allocation proportion of the parent in the subsidiary. Unrealised profits and losses resulting from the sales of assets by one subsidiary to another are eliminated and allocated between net profit attributable to owners of the parent and net profit attributed to minority interests in accordance with the allocation proportion of the parent in the subsidiary.

If the accounting treatment of a transaction is inconsistent in the financial statements at the Group level and at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

The Group remeasure the remaining investment held at its fair value in the consolidated statement of financial position when the control is lost because of the partially disposal of the equity or other reasons. The difference between the consideration of the disposal as well as the fair value of the remaining investment and the share of net assets of the former subsidiary calculated based on the original share since the acquisition date as well as the good will is recognised in investment income in the period of control lost. In addition, the other comprehensive income and other changes in owner's equity related to the investment of the former subsidiary, are reclassified to profit or loss when the control is lost, except for the changes arising from remeasurement of net liabilities or net assets of defined benefit, the accumulated changes in fair value from the equity instruments not held for trading and designated as financial assets at fair value through other comprehensive income by the investee.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(7) Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into recording currency using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into recording currency using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(8) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

The financial assets are measured at fair value at initial recognition. Related transaction costs that are attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are recognised directly in profit or loss for the current period. Accounts receivable or notes receivable arising from sales of products or rendering of services (excluding or without regard to significant financing components) are initially recognised at the consideration that is entitled to be charged by the Group as expected.

Debt instruments

The debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following three ways:

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and measurement (Cont'd)

Measured at amortised cost:

The objective of the Group's business model is to hold the financial assets to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of such financial assets is recognised using the effective interest method. Such financial assets mainly include cash at bank and on hand, notes receivable, accounts receivable, other receivables and long-term receivables, etc. The Group presents long-term receivables that are due within one year from the balance sheet date (including one year) as non-current assets due within one year.

Measured at fair value through other comprehensive income:

The objective of the Group's business model is to hold the financial assets to both collect the contractual cash flows and sell such financial assets, and the contractual cash flow characteristics are consistent with a basic lending arrangement. Such financial assets are measured at fair value through other comprehensive income, except for the impairment gains or losses, foreign exchange gains and losses, and interest income calculated using the effective interest method which are recognised in profit or loss for the current period. Such financial assets mainly include financing receivables, etc.

Measured at fair value through profit or loss:

Debt instruments held by the Group that are not divided into those at amortised cost, or those measured at fair value through other comprehensive income, are measured at fair value through profit or loss. At initial recognition, the Group does not designate a portion of financial assets as at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. Financial assets that are due in more than one year as from the balance sheet date and are expected to be held for over one year are included in other non-current financial assets, and the others are included in financial assets held for trading.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment

Loss provision for financial assets at amortised cost and receivables financing at fair value through other comprehensive income is recognised on the basis of ECL.

Giving consideration to reasonable and supportable information that is related to past events, current conditions and forecasts of future economic conditions and is available without undue cost or effort at the balance sheet date, as well as the default risk weight, the Group recognises the ECL as the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to collect.

For notes receivable, accounts receivable and financing receivables arising from sales of goods and rendering of services in the ordinary course of operating activities, the Group recognises the lifetime ECL regardless of whether there exists a significant financing component.

Except for the above-mentioned notes receivable, accounts receivable and financing receivables, as at each balance sheet date, the ECL of financial instruments at different stages are measured respectively. 12-month ECL provision is recognised for financial instruments in Stage 1 that have not had a significant increase in credit risk since initial recognition; lifetime ECL provision is recognised for financial instruments in Stage 2 that have had a significant increase in credit risk yet without credit impairment since initial recognition; and lifetime ECL provision is recognised for financial instruments in Stage 3 that have had credit impairment since initial recognition.

For the financial instruments with low credit risk on the balance sheet date, the Group assumes there is no significant increase in credit risk and identifies it in Stage 1 since initial recognition and recognises the 12-month ECL provision.

For the financial instruments in Stage 1 and Stage 2, the Group calculates the interest income by applying the effective interest rate to the gross carrying amount (before deduction of the impairment provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (after deduction of the impairment provision from the gross carrying amount).

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment (Cont'd)

The credit risk characteristics of various financial assets where the ECL is calculated individually are significantly different from those of other financial assets in this category. In case the ECL of an individually assessed financial asset cannot be evaluated with reasonable cost, the Group divides the receivables into certain groupings based on credit risk characteristics and calculates the ECL for the groupings. Basis for determining groupings and related provision methods are as follows:

Grouping - Bank acceptance notes	State-owned banks and joint stock banks Customers purchasing using trade acceptance notes
Grouping - Trade acceptance notes	notes
Grouping - Domestic sales of general automobiles	Domestic customers of general automobiles, with the aging calculated from the overdue date
Grouping - Export sales of general automobiles	Overseas customers of export general automobiles, with the aging calculated from the overdue date
Grouping - Sales of new energy automobiles	Customers of new energy automobiles, with the aging calculated from the overdue date
Grouping - Sales of automobile parts	Customers of automobile parts, with the aging calculated from the overdue date
Grouping - Other receivables	Other receivables with the same nature

For accounts receivable classified as a portfolio and notes receivable and financing receivables resulting from daily operating activities such as sale of goods and provision of services, the Group calculates the ECL with reference to historical credit losses experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the lifetime ECL rate. For other notes receivable, financing receivables and other receivables classified into groupings, the Group calculates the ECL with reference to the historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the 12-month or lifetime ECL rate.

The Group recognises the loss provision made or reversed into profit or loss for the current period. For debt instruments held at fair value through other comprehensive income, the Group adjusts other comprehensive income while the impairment loss or gain is recognised in profit or loss for the current period.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(iii) Derecognition

A financial asset is derecognised when: (i) the contractual rights to the cash flows from the financial asset expire, (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When a financial asset is derecognised, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that are previously recognised directly in other comprehensive income is recognised in profit or loss for the current period.

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities of the Group mainly comprise financial liabilities at amortised cost, including notes payable, accounts payable, other payables, borrowings, etc. Such financial liabilities are initially recognised at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognised or partly derecognised when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognised part of the financial liability and the consideration paid is recognised in profit or loss for the current period.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In valuation, the Group adopts valuation techniques applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

(9) Inventories

(a) Classification

Inventories include raw materials, work-in-process, finished goods, low-value consumables, materials in transit and materials on consignment, etc., and are measured at the lower of cost or net realizable value.

(b) Costing of inventories

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labour and systematically allocated production overhead based on the normal production capacity.

(c) Basis for determining net realisable value of inventories and method for making provision for inventories

Provision for inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion, estimated contract fulfilment costs and estimated costs necessary to make the sale and related taxes. The provision for decline in the value of inventories relating to inventories that are produced and sold in the same region and with the same or similar end uses or purposes, is determined on an aggregate basis. The Group makes provision for decline in the value of inventories based on factors including sales.

(d) The Group adopts the perpetual inventory system.

(e) Amortisation method of low value consumables

Low value consumables are amortised into expenses in full when issued for use.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(10) Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its associates.

Subsidiaries are the investees over which the Company is able to exercise control. Associates are the investees that the Group has a significant influence on their financial and operating decisions.

Investments in subsidiaries are presented using the cost method in the Company's financial statements, and adjusted to the equity method when preparing the consolidated financial statements. Investments in associates are accounted for using the equity method.

(a) Determination of investment cost

For long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at the combination date; for long-term equity investments acquired through a business combination not involving enterprises under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination, such as long-term equity investments acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(b) Subsequent measurement and recognition of profit or loss

Long-term equity investments accounted for using the cost method are measured at the initial investment cost. Cash dividend or profit distribution declared by an investee is recognised as investment income into profit or loss for the current period.

For long-term equity investments accounted for using the equity method, where the initial investment cost exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the investment is initially measured at that cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is included in profit or loss for the current period and the cost of the long-term equity investment is adjusted upwards accordingly.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(10) Long-term equity investments (Cont'd)

(b) Subsequent measurement and recognition of profit or loss (Cont'd)

For long-term equity investments accounted for using the equity method, the Group recognises the investment income or losses according to its share of net profit or loss of the investee. The Group does not recognise further losses when the carrying amounts of the long-term equity investment together with any long-term interests that, in substance, form part of the Group's net investment in investees are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions are satisfied, the Group continues recognising the investment losses and the provisions at the amount it expects to undertake. The Group's share of the changes in investee's owner's equity other than those arising from the net profit or loss, other comprehensive income and profit distribution is recognised in capital surplus with a corresponding adjustment to the carrying amounts of the long-term equity investment. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by the investees.

Unrealised gains or losses on transactions between the Group and its investees are eliminated to the extent of the Group's equity interest in the investees, based on which the investment income or losses in the Company's financial statements are recognised. When preparing consolidated financial statements, for the portion of unrealised gains and losses of internal transaction attributable to the Group arising from downstream transactions in which the Group invests in or sells assets to the investees, the Group shall, on the basis of offsetting the Company's financial statements, offset the portion of unrealised revenue and costs or asset disposal gains and losses attributable to the Group, and adjust investment income accordingly; for the unrealised gains and losses of internal transaction attributable to the Group arising from the upstream transactions in which the investees invest in or sell assets to the Group, the Group shall, on the basis of offsetting the Company's financial statements, offset the portion of unrealised gains and losses of internal transaction included in the carrying amount of the relevant assets, and adjust the carrying amount of long-term equity investments accordingly. Any losses resulting from transactions between the Group and its investees, which are attributable to asset impairment losses are not eliminated.

(c) Basis for determining existence of control and significant influence over investees

Control is the power over investees that can bring variable returns through involvement in related activities of investees and the ability to influence the returns by using such power over investees.

Significant influence is the power to participate in making decisions on financial and operating policies of the investee but is not control or joint control over making those policies.

(d) Impairment of long-term equity investments

The carrying amounts of long-term equity investments in subsidiaries and associates is reduced to the recoverable amounts when the recoverable amounts are below their carrying amount (Note 2(15)).

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(11) Fixed assets

(a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, machinery and equipment, vehicles, moulds, and electronic and other equipment.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the time of acquisition. The fixed assets contributed by the state-owned shareholders upon the restructuring of the Company are recorded at the valued amount determined by the state-owned asset administration department.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

(b) Depreciation methods of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated net residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	35 to 40 years	4%	2.4% to 2.7%
Machinery and equipment	10 to 15 years	4%	6.4% to 9.6%
Vehicles	2 to 10 years	4% - 20%	9.6% to 42.2%
Moulds	5 years	-	20%
Electronic and other equipment	5 to 7 years	4%	13.7% to 19.2%

The estimated useful life and the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed and adjusted as appropriate at each year-end.

(c) The carrying amount of a fixed asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2(15)).

(d) Disposal of fixed assets

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(12) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the construction in progress ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation is charged starting from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2(15)).

(13) Borrowing costs

The borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

The capitalised amount of specific borrowings intended to be used for the acquisition and construction of qualifying assets is determined by the interest expenses incurred in the current period less interest income of the unused borrowings deposited at banks or investment income from temporary investments.

The capitalised amount of general borrowings intended to be used for the acquisition or construction of qualifying assets is determined by the weighted average of the excess of accumulated capital expenditure over capital expenditure of the special borrowings multiplied by the weighted average effective interest rate of the utilised general borrowings. The effective interest rate is the rate at which the future cash flows of the borrowings over the expected lifetime or a shorter applicable period are discounted into the initial recognised amount of the borrowings.

(14) Intangible assets

Intangible assets include land use rights, software use fees, non-patent technologies and after-sales service management mode, are measured at cost.

(a) Land use rights

Land use rights are amortised on the straight-line basis over their approved use period of 50 years. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(14) Intangible assets (Cont'd)

(b) Software use fees

Software use fees are amortised on a straight-line basis over the estimated useful life of 5 years.

(c) Non-patent technologies

Non-patent technologies are amortised on the straight-line basis over the estimated useful life of 5 to 7 years.

(d) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made appropriately.

(e) Research and development

The expenditure on research and development of the Group mainly include materials consumed for research and development activities, employee benefits of research and development departments, depreciation and amortisation of assets such as equipment and software used for research and development, research and development design fees and research and development testing expenses.

Expenditure on the research phase related to planned survey, evaluation and selection for research on manufacturing technique of automobile products is recognised in profit or loss in the period in which it is incurred. Prior to mass production, expenditure on the development phase related to the design and testing phase in regard to the final application of manufacturing technique of automobile products is capitalised only if all of the following conditions are satisfied:

- the development of manufacturing technique of automobile products has been fully demonstrated by technical team;
- management intends to complete the development of manufacturing technique of automobile products, and use or sell it;
- the research and analysis of preliminary market survey indicate that products manufactured with manufacturing technique of automobile products are marketable;
- adequate technical and financial supports are available for development of manufacturing techniques of automobile products and subsequent mass production; and
- expenditure on development of manufacturing techniques of automobile products can be reliably collected.

Other expenditures on the development phase that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development expenditures previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development expenditures in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(14) Intangible assets (Cont'd)

(f) Impairment of intangible assets

The carrying amounts of intangible assets are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(15)).

(15) Impairment of long-term assets

Fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives and long-term equity investments in subsidiaries and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date; intangible assets that are not yet available for their intended use are tested for impairment at least once a year, irrespective of whether there is any indication of impairment. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an asset impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least once a year for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying amount of goodwill is allocated to the related asset group or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or a group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset group or group of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

(16) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship, which include short-term employee benefits, post-employment benefits, termination benefits, etc.

(a) Short-term employee benefits

Short-term employee benefits include wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance, housing funds, union running costs and employee education costs, short-term paid absences, etc. The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(16) Employee benefits (Cont'd)

(b) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, premiums or contributions on basic pensions and unemployment insurance paid for employees belong to defined contribution plans; supplementary retirement benefits for employees are defined benefit plans.

(i) Defined contribution plans

Basic pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resources and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(ii) Defined benefit plans

The Group also provides employees with supplementary retirement benefits in addition to the insurance system prescribed by the State. Such supplementary retirement benefits belong to defined benefit plans. The defined benefit liabilities recognised on the balance sheet represent the present value of defined benefit obligations less the fair value of the plan assets. The defined benefit obligations are calculated annually by an independent actuary using projected unit credit method at the interest rate of treasury bonds with similar obligation term and currency. Service costs related to supplementary retirement benefits (including current service costs, historical service costs and settled gains or losses) and net interest are recognised in profit or loss for the current period or the cost of related assets, and changes arising from rereasurement of net liabilities or net assets of defined benefit plans are recognised in other comprehensive income.

(c) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; 2) when the Group recognises costs or expenses for a restructuring that involves the payment of termination benefits.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(16) Employee benefits (Cont'd)

(c) Termination benefits (Cont'd)

Early retirement benefits

The Group offers early retirement benefits to those employees who accept early retirement arrangements. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the normal retirement date prescribed by the State, as approved by the management. The Group pays early retirement benefits to those early retired employees from the early retirement date until the normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognised as liabilities with a corresponding charge to the profit or loss for the current period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognised in profit or loss in the period in which they occur.

The termination benefits expected to be settled within one year since the balance sheet date are classified as employee benefits payable.

(17) Dividend distribution

Cash dividends are recognised as liabilities in the period in which the dividends are approved at the shareholders' meeting.

(18) Provisions

Provisions for product warranties, compensation to suppliers, etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors on a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(19) Revenue

The Group sells automobiles and automobile parts to distributors or end customers. In addition, the Group also provides customers with auto maintenance and additional quality warranty services. The Group recognises revenue at the amount of the consideration that is entitled to be charged by the Group as expected when the customer obtains control over relevant goods or services.

Where two or more obligations are included in a contract between the Group and the customers, at the beginning date of the contract, the Group allocates the transaction price to individual obligation in the relative proportion to the individual selling prices of products or services committed in each individual obligation. When the individual selling price is unobservable, the Group makes reasonable estimates on the individual selling price with comprehensive consideration to all available information, and by using market adjustment method, cost plus method, etc.

(a) Sale of automobiles and automobile parts to distributors and end customers

The Group sells automobiles and automobile parts to distributors and end customers. According to the contract, the delivery is completed after the products are delivered at the contracted delivery location and acceptance by both parties. The Group recognises the revenue at the timing of delivery completion.

The credit periods granted by the Group to distributors and end customers are generally within one year, which is consistent with the industry practice, and there is no significant financing component. The Group provides product warranties for automobiles and automobile parts as required by laws and regulations and recognises the corresponding provisions (Note 2(18)).

The Group provides distributors and end customers with sales discounts based on sales volume, and related revenue is recognised at contract consideration net of the discount amount estimated based on historical experience and using the expected value method.

(b) Rendering of services

The Group provides customers with automobile transportation, automobile maintenance and additional quality warranty services, and the revenue is recognised based on the progress of service provision within a certain period. According to the nature of the service provided, the performance progress is determined in accordance with the value of the labour provided to the customer.

When the Group recognises revenue based on the stage of completion, the amount with unconditional collection right obtained by the Group is recognised as accounts receivable, and the rest is recognised as contract assets. Meanwhile, loss provision for accounts receivable and contract assets are recognised on the basis of ECL (Note 2(8)). If the contract price received or receivable exceeds the amount for the completed service, the excess portion will be recognised as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(20) Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government at no consideration, including support funds for enterprise development, financial subsidies, etc.

Government grants are recognised when the grants can be received, and the Group can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to government grants which are obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets. Government grants related to income refer to the government grants other than those related to assets.

Government grants related to assets are recorded as deferred income and recognised in profit or loss on a reasonable and systemic basis over the useful lives of the assets. Government grants related to income that compensate future costs, expenses or losses are recorded as deferred income and recognised in profit or loss in reporting the related expenses; government grants related to income that compensate incurred costs, expenses or losses are recognised in profit or loss directly in the current period.

The Group applies the presentation method consistently to the similar government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit, otherwise, they are recorded in non-operating income.

The Group recorded at the actual amount of borrowings when received the loans at policy-based preferential interest rates received and the related borrowing costs are calculated on the basis of the principal amount borrowed and the preferential interest rate under the policy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(21) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for a temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination where the initial recognition of assets or liabilities does not result in equal taxable temporary differences and deductible temporary differences, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the timing of reversal of such temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. When it is probable that the deductible temporary differences arising from investments in subsidiaries and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the deductible temporary differences can be utilised, the corresponding deferred tax assets are recognised.

Deferred tax assets and deferred tax liabilities are offset when:

- the deferred tax assets and deferred tax liabilities are related to the same taxpayer within the Group and the same taxation authority; and
- that taxpayer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

(22) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(22) Leases (Cont'd)

The Group as the lessee

At the commencement date, the Group shall recognise the right-of-use asset and measure the lease liabilities at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease if the lessee exercises an option to terminate the lease. Variable lease payments in proportion to sales are excluded from lease payments and recognised in profit or loss as incurred. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current liabilities.

The Group's right-of-use assets represent leased buildings. Right-of-use assets are measured initially at cost which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initially direct costs, less any lease incentives received. If it is reasonably probable that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; otherwise, the asset is depreciated over the shorter of the lease term and its remaining useful life. The carrying amounts of the right-of-use assets are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(15)).

For short-term leases with a term of 12 months or less and leases of an individual asset (when new) of low value, the Group may, instead of recognising right-of-use assets and lease liabilities, recognise the lease payments in the cost of the underlying assets or in profit or loss for the current period on a straight-line basis over the lease term.

The Group shall account for a lease modification as a separate lease if both: (1) the modification extends the scope of the lease by adding the right to use one or more underlying assets; (2) the increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

For a lease modification that is not accounted for as a separate lease, the Group shall redetermine the lease term at the effective date of the lease modification and remeasure the lease liability by discounting the revised lease payments using a revised discount rate, except for the contract changes that may apply the simplified method as specified by the Ministry of Finance. For a lease modification which narrows the scope of the lease or shortens the lease term, the Group decreases the carrying amount of the right-of-use asset and recognises in profit or loss any gain or loss relating to the partial or full termination of the lease. For other changes which lead to the remeasurement of lease liabilities, the Group correspondingly adjusts the carrying amount of the right-of-use asset.

For the qualified rental waivers on existing lease contracts, the Group applies the simplified method, records the undiscounted waivers in profit or loss and adjusts lease liability when the agreement is reached to dismiss the original payment obligation.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(22) Leases (Cont'd)

The Group as the lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. An operating lease is a lease other than a finance lease.

(a) Operating lease

The Group leases out self-owned buildings and vehicles under operating leases, rental income is recognised on a straight-line basis over the lease term.

(b) Finance lease

At the commencement date of the lease term, the Group recognizes finance lease receivables and derecognizes the related assets for finance lease. The Group presents finance lease receivables as long-term receivables and finance lease receivables collected within one year (including one year) from the balance sheet date as non-current assets due within one year.

(23) Specific reserve

According to the decision of the *State Council on Further Strengthening the work of production safety* (Guo Fa [2004] No. 2), the *Circular of the State Council on Further Strengthening the Work of Enterprise Production Safety* (Guo Fa [2010] No. 23) and the *Measures for the Administration of the Extraction and Use of Enterprise Production Safety Expenses* (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Response in December 2022, the Group extracted safety production costs at a certain percentage of its operating revenue in the previous year, which is specifically used for safety costs.

The Group's production safety expenses, which are extracted in accordance with the aforementioned national regulations, are included in the cost of relevant products or current profit or loss and are also included in special reserves.

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. On utilisation of the safety fund for fixed assets, the specific reserve is reduced as the fixed assets are recognised, which is the time when the related assets are ready for their intended use; in such cases, an amount that corresponds to the reduction in the specific reserve is recognised in accumulated depreciation with respect to the related fixed assets. As a consequence, such fixed assets are not depreciated in subsequent periods.

(24) Segment information

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(24) Segment information (Cont'd)

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. Two or more operating segments that have similar economic characteristics and satisfy certain conditions can be aggregated into one single operating segment.

(25) Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the accounting policies

(i) Classification of financial assets

Significant judgements made by the Group in the classification of financial assets include business models and analysis on contractual cash flow characteristics.

The Group determines the business model for financial assets management on the group basis, and factors to be considered include the methods for evaluating the financial assets performance and reporting such performance to key management personnel, the risks relating to the financial asset's performance and corresponding management methods, the ways in which related business management personnel are remunerated, etc.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, key judgements made by the Group include: the possibility of changes in time schedule or amount of the principal during the lifetime due to reasons such as repayment in advance; whether interest only includes time value of money, credit risks, other basic lending risks and considerations for costs and profits. For example, whether the repayment in advance only reflects the principal outstanding and corresponding interest and reasonable compensation paid for early termination of the contract.

(ii) Judgement on significant increase in credit risk and occurrence of credit impairment

When the Group distinguishes the different stages of financial instruments, its judgement on significant increase in credit risk and occurrence of credit impairment is as follows:

Judgement made by the Group for significant increase in credit risk is mainly based on whether the overdue days exceed 30 days, or whether one or more of the following indicators change significantly: business environment of the debtor, internal and external credit rating, significant changes in actual or expected operating results, significant decrease in value of collateral or credit rate of guarantor, etc.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(a) Critical judgements in applying the accounting policies (Cont'd)

(ii) Judgement on significant increase in credit risk and occurrence of credit impairment (Cont'd)

Judgement made by the Group for the occurrence of credit impairment is mainly based on whether the overdue days exceed 90 days (i.e., a default has occurred), or whether one or more of the following conditions is/are satisfied: the debtor is suffering significant financial difficulties, the debtor is undergoing other debt restructuring, or the debtor probably goes bankrupt, etc.

(iii) Judgement on capitalisation of development expenditures

Development expenditures are capitalised when the criteria in Note 2(14)(e) are fulfilled. The assessments on whether the criteria for capitalisation of development expenditures have been met involve judgements of the Group, including the technical feasibility of the project, the likelihood of the project generating sufficient future economic benefits and the timing to start capitalisation particularly. The Group makes the judgements on the capitalisation of development expenditures and records the process in meeting minutes based on feasibility analysis, regular review on the development project phase, etc.

(iv) Timing of revenue recognition

The Group sells automobiles and automobile parts to distributors or end customers. According to the contract, the delivery is completed after the products are delivered at the contracted delivery location and acceptance by both parties. Thereafter, the distributors or end customers own the products, have the right to set prices independently, and bear the risks from price fluctuation or damage of the products. The distributors or end customers have obtained the control of the products after accepting the products. The Group recognises the revenue at the timing of the delivery completion.

(v) Sales with product warranties

The Group provides statutory warranty for automobiles and automobile parts, and the periods and terms of such warranty comply with the requirements of laws and regulations related to the products. The Group does not provide any significant additional service or additional warranty for this purpose; thus this kind of warranty cannot be identified as a separate performance obligation. In addition, the Group also offers additional warranty other than the requirements of laws and regulations, which is identified as a separate performance obligation. The Group recognises the revenue of the additional warranty over time during the period when services are rendered.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are outlined below:

(i) Measurement of ECL

The Group calculates ECL through default risk exposure and ECL rate and determines the ECL rate based on default probability and default loss rate or aging matrix. In determining the ECL rate, the Group uses data such as internal historical credit loss experience, etc., and adjusts historical data based on current conditions and forward-looking information.

When considering forward-looking information, the Group takes different macroeconomic scenarios into consideration. For the six months ended 30 June 2024, the weights of “base”, “bad” and “good” are 68%, 16% and 16% (2023: 68%, 16% and 16%) under three economic scenarios respectively for the consideration of forward-looking information. The Group regularly monitors, and reviews important macroeconomic assumptions and parameters related to the calculation of ECL rate, including the risks of economic downturn, external market environment, changes of technological environment and customer, gross domestic product, consumer price index, broad money supply and nominal interest rate. For the six months ended 30 June 2024, the Group has considered the uncertainty under different macroeconomic scenarios and updated relevant assumptions and parameters accordingly. The key macroeconomic parameters used in each scenario are listed as follows:

	Scenarios		
	Base	Bad	Good
Broad money supply	8.58%	8.06%	9.11%
Consumer price index	5.08%	2.83%	7.34%
Nominal interest rate	0.11%	0.23%	-0.01%

In the first half of 2024, the key macroeconomic parameters used in each scenario are listed below:

	Scenarios		
	Base	Bad	Good
Gross domestic product	4.56%	2.02%	7.11%
Consumer price index	3.45%	-33.12%	40.02%

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

- (25) Critical accounting estimates and judgements (Cont'd)
- (b) Critical accounting estimates and key assumptions (Cont'd)
- (ii) Accounting estimate on provision for impairment of long-term assets

When the Group performs impairment tests for long-term assets if there is any indication that the long-term assets may be impaired, if the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an asset impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less the cost of disposal and the present value of the future cash flows expected to be derived from the asset. These calculations require the use of estimates (Note 4(13), Note 4(14), Note 4(17) and Note 13(3)).

When the Group uses the present value of estimated future cash flows to determine the recoverable amount, as there are uncertainties about the development of economic environment in which the relevant region is situated, the revenue growth rate, the gross profit margin rate and the pre-tax discount rate used in calculating the present value of estimated future cash flows are also subject to uncertainties. If management revises the growth rate, the gross margin rate and the pre-tax discount rate that is used in the calculation of the future cash flows of related asset groups, and the revised rate is lower than the current rate, the Group would need to recognise further impairment against related assets. If the actual growth rate, the gross profit margin rate are higher than management's estimates or the actual pre-tax discount rate is lower than management's estimates, the impairment loss of related assets previously recognised is not allowed to be reversed by the Group.

When the Group uses the fair value less disposal costs to determine the recoverable amount, the recoverable amount is determined by the price of a sale agreement in an arm's length transaction, less the costs that are directly attributable to the disposal of the asset. Where there is no sales agreement but there is an active market of assets, the amount is determined by the market price less the costs that are directly attributable to the disposal of the asset. The market price of assets is determined by the considerations provided by the buyer. Where there is no sales agreement or active market of assets, the amount of an asset's fair value less disposal costs was determined based on the best information available.

Disposal costs include legal cost, taxes and handling fee related to asset disposal, and direct costs incurred to bring the assets to a saleable state.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and key assumptions (Cont'd)

(iii) Income tax and deferred income tax (Cont'd)

The Group is subject to enterprise income tax in multiple regions. There are some transactions and events for which the ultimate tax treatment is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these regions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

As stated in Note 3(2), the Company is a high-tech enterprise. The “High-Tech Enterprise Certificate” is effective for three years. Upon expiration, application for high-tech enterprise assessment should be submitted again to the relevant government authorities. Based on the past experience of reassessment for high-tech enterprise upon expiration and its actual conditions, the Company considers that it is able to obtain the qualification for high-tech enterprises in the next three years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax. If the Company cannot obtain the qualification for high-tech enterprise upon expiration, then the Company is subject to a statutory tax rate of 25% for the calculation of income tax, which further influences the recognised deferred tax assets, deferred tax liabilities and income tax expenses.

Deferred tax assets are recognised for the deductible tax losses that can be carried forward to subsequent years to the extent that it is probable that taxable profit will be available in the future against which the deductible tax losses can be utilised. Taxable profit that will be available in the future includes the taxable profit that will be realised through ordinary course of business and the taxable profit that will be increased upon the future reversal of taxable temporary differences incurred in prior periods. Judgements and estimates are required to determine the time and amounts of taxable profit in the future. Any difference between the reality and the estimate may result in adjustment to the carrying amount of deferred tax assets.

(iv) Provisions

The Group undertakes after-sales repair or replacement obligations for automobiles sold based on the after-sales service agreement. Management estimates related provisions based on historical after-sales service data, including the repair and replacement provided as well as current trends.

Factors that may impact the estimation of warranty costs include improvement of the Group's productivity and production quality, as well as changes in related parts and labour costs. Any increase or decrease in provisions will have impact on profit or loss of the Group in the future.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and key assumptions (Cont'd)

(v) Provision for decline in the value of inventories

The Group's inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is the amount of the estimated selling price in the ordinary course of business, less the estimated costs to completion, estimated contract performance costs, estimated costs necessary to make the sales and related taxes.

If the management revises the estimated selling price of the inventory, the estimated costs to be incurred by the time of completion, and the estimated selling and distribution expenses and related taxes, the revised estimated selling price is lower than the currently adopted estimated selling price, or the revised until The estimated costs, estimated contract performance costs, sales expenses, and related taxes and fees at the completion of the project are higher than the currently adopted estimates, the Group needs to make provision for decline in the value of inventory.

If the actual selling prices, costs to completion, estimated contract performance costs, selling and distribution expenses and related taxes are higher or lower than management's estimates, the Group shall recognise the relevant differences in the consolidated income statement during the corresponding accounting period.

(26) Significant changes in accounting policies

The Ministry of Finance organized the compilation of the "Compilation of Application Guidelines for Enterprise Accounting Standards 2024" (hereinafter referred to as the "Compilation of Guidelines") in 2024. The Group and the Company have adopted the guidelines to compile and prepare the financial statements for the first half of 2024. The impact on the financial statements of the Group and the Company is listed as follows:

The content and reasons for changes in accounting policies	Affected report project names	Impact amount	
		Six months ended 30 June, 2023 the Group	the Company
The Group and the Company reclassified the expected liabilities arising from quality assurance into cost of sales from selling and distribution expenses.	Selling and distribution expenses	(126,130,480)	(7,777,286)
	Cost of sales	126,130,480	7,777,286

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

3 Taxation

- (1) The main categories and rates of taxes applicable to the Group are set out below:

Category	Taxation basis	Tax rate
Enterprise income tax (a)	Taxable income	15% and 25%
Value-added tax ("VAT") (b)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of the current period)	13%, 9% and 6%
Consumption tax (c)	Taxable sales amount	3%, 5% and 9%
City maintenance and construction tax (d)	The payment amount of VAT and consumption tax	5% and 7%

- (a) Pursuant to the *Circular on Enterprise Income Tax Policy Concerning Deductions for Equipment and Appliances* (Cai Shui [2018] No. 54) and the *Announcement on Extending the Implementation Period of Certain Preferential Tax Policies* (Cai Shui [2021] No. 6) issued by the State Taxation Administration and relevant regulations, during the period from 1 January 2018 to 30 June 2024, the cost of newly purchased equipment with the original cost less than RMB5 million can be fully deducted against taxable profit in the next month after the asset is put into use, instead of being depreciated annually for tax filing.
- (b) Pursuant to the *Announcement on Relevant Policies for Deepening Value-Added Tax Reform* (Announcement [2019] No. 39) and relevant regulations jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, the Group's taxable products sales revenue is subject to the VAT at the rate of 13%. The Group's real estate leasing business is subject to the VAT at the rate of 9% and revenue from provision of technical service to external parties is subject to VAT at the rate of 6%.
- (c) Pursuant to the *Interim Regulations of the People's Republic of China on Consumption Tax promulgated by the State Council* (Order No. 539 of the State Council of the People's Republic of China) and the *Notice of Ministry of Finance and State Taxation Administration on Adjusting Consumption Tax Policies for Passenger Cars* (Cai Shui [2008] No. 105), the consumption tax rates of the Group's taxable products are 3%, 5% and 9%.
- (d) Pursuant to the *Circular of the State Council on Unifying the Collection of City Maintenance and Construction Tax and Educational Surcharge on Domestic and Foreign-Owned Enterprises and Individuals* (Guo Fa [2010] No. 35) issued by the State Council, the Group is subject to city maintenance and construction tax at the rates of 5% and 7%.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

3 Taxation (Cont'd)

(2) Tax preference

- (a) Pursuant to the *Circular on the Announcement of the First Batch of High-Tech Enterprises of Jiangxi Province for the year 2021* (Gan Gao Qi Ren Ban [2021] No. 8), the Company is certified as a high-tech enterprise, and the valid term is three years. During the period from 1 January 2021 to 31 December 2023, the Company was subject to enterprise income tax at the rate of 15%. At present, the company is re-identified as a high-tech enterprise.

In the first half year of 2024, except for the Company, the Company's wholly-owned companies, including JMC Heavy Duty Vehicle Co., Ltd. ("JMCH"), Jiangling Motor Sales Co., Ltd. ("JMCS"), Shenzhen Fujiang New Energy Automobile Sales Co., Ltd. ("SZFJ"), Guangzhou Fujiang New Energy Automobile Sales Co., Ltd. ("GZFJ"), and Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. ("Jiangling Ford (Shanghai)") were subject to the enterprise income tax at the rate of 25% (2023: 25%).

- (b) Pursuant to the *Announcement on Clarifying the Additional Value-added Tax Credit Policy for the Advanced Manufacturing Enterprises* (Cai Shui [2023] No. 43) jointly issued by the Ministry of Finance and the State Taxation Administration, the Company, as an advanced manufacturing enterprise, is allowed to offset against the VAT payable by the 1.05 times amount of input tax deductible in the current period from 1 January 2023 to 31 December 2027.

JIANGLING MOTORS CORPORATION, LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements**(1) Cash at bank and on hand**

	30 June 2024	31 December 2023
Cash at bank	9,683,853,944	10,653,646,811
Cash at finance company (a) (Note 7(6))	1,283,826,257	1,092,871,804
Other cash and cash equivalents (b)	18,760,506	20,854,424
Interest receivable	57,464,408	63,187,636
	<u>11,043,905,115</u>	<u>11,830,560,675</u>

- (a) As at 30 June 2024, the group's bank deposit with Jiangling Automobile Group Finance Co, Ltd. was RMB1,283,826,257. The Group's bank deposits placed with Jiangling Motor Group Finance Company Limited("JMCF") bear interest at the bank's annual interest rate of 1.35% - 2.25% (31 December 2023: 0.455% - 2.25%) on RMB deposits for the same period.

JMCF, a wholly-owned subsidiary of Jiangling Motors Group Co., Ltd ("JMCG"), is a non-banking financial institution. JMCG holds 50% equity capital of Nanchang Jiangling Investment Co., Ltd. ("JIC"), a main shareholder of the Company.

- (b) Other cash and cash equivalents of RMB18,760,506 (December 31 2023: RMB 20,854,424) were the frozen funds of the Group's litigation.

(2) Financial assets held for trading

	30 June 2024	31 December 2023
Structural deposits	<u>200,583,452</u>	<u>200,604,877</u>

(3) Derivative financial assets and derivative financial liabilities

	30 June 2024	31 December 2023
Derivative financial assets - Forward exchange contracts	<u>4,510,945</u>	<u>-</u>
Derivative financial liabilities - Forward exchange contracts	<u>-</u>	<u>459,306</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(4) Notes receivable

	30 June 2024	31 December 2023
Trade acceptance notes	-	14,638,901
Less: Provision for bad debts	-	(17,564)
	<u>-</u>	<u>14,621,337</u>

(a) As at 30 June 2024, there were no notes receivable pledged.

(b) Provision for bad debts

For notes receivable arising from sales of goods and rendering of services in the ordinary course of operating activities, the Group measures the loss provision based on the lifetime ECL regardless of whether there is a significant financing component.

The provision for bad debts of notes receivable is analysed by category as follows:

	30 June 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the grouping basis (i)	-	-	-	-

	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the grouping basis (i)	14,638,901	100%	(17,564)	0.12%

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(4) Notes receivable (Cont'd)

(b) Provision for bad debts (Cont'd)

(i) The amount of bad debt provision reversed during the period was RMB17,564.

(ii) There was no provision for bad debts actually written off during the period.

(5) Accounts receivable

	30 June 2024	31 December 2023
Accounts receivable	4,837,351,925	4,529,566,682
Less: Provision for bad debts	<u>(125,540,733)</u>	<u>(127,740,660)</u>
	<u>4,711,811,192</u>	<u>4,401,826,022</u>

(a) The aging of accounts receivable was analysed as follows:

	30 June 2024	31 December 2023
Within 1 year	4,696,609,247	4,354,838,862
1 to 2 years	7,293,905	28,667,064
Over 2 years	<u>133,448,773</u>	<u>146,060,756</u>
	<u>4,837,351,925</u>	<u>4,529,566,682</u>

As at 30 June 2024, accounts receivable with individually significant amounts and aged over three years were analyzed as follows:

	Balance	Reasons and risk of collection
Company 1	72,230,000	As the debtor had difficulties in operation and was involved in several lawsuits, the Group considered that the receivable was difficult to be recovered and therefore a provision for bad debts had been made in full.
Company 2	37,924,214	The Group considered that the new energy subsidy amount was difficult to be recovered from relevant subsidy distribution departments over a long period of time and therefore a provision for bad debts had been made in full.
Company 3	17,812,503	Due to the cash flow arrangement of the debtor, the accounts receivable had a long aging, but the debtor has a good historical collection situation and still has normal business dealings with the Group, and the Group considered that the receivables were likely to be recovered, so a provision for bad debts was made in the grouping - sales of general automobiles.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

- (b) As at 30 June 2024, the top five accounts receivable ranked by the balances of the debtors are analysed as follows:

	Balance	Amount of provision for bad debts	% of total balance
The total accounts receivable of the top five balances	<u>3,592,272,912</u>	<u>(79,350,975)</u>	<u>74%</u>

(c) Provision for bad debts

For accounts receivable, the Group measures the loss provision based on the lifetime ECL regardless of whether there is a significant financing component.

The provision for bad debts of accounts receivable was analysed by category as follows:

	30 June 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	110,154,214	2%	(110,154,214)	100.00%
Provision for bad debts on the grouping basis (ii)	4,727,197,711	98%	(15,386,519)	0.33%
	<u>4,837,351,925</u>	<u>100%</u>	<u>(125,540,733)</u>	<u>2.60%</u>
	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	110,154,214	2%	(110,154,214)	100.00%
Provision for bad debts on the grouping basis (ii)	4,419,412,468	98%	(17,586,446)	0.40%
	<u>4,529,566,682</u>	<u>100%</u>	<u>(127,740,660)</u>	<u>2.82%</u>

- (i) Accounts receivable for which the provision for bad debts was provided on the individual basis were analysed follows:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
New energy subsidies receivable	37,924,214	100%	(37,924,214)
Receivables for automobiles	72,230,000	100%	(72,230,000)
	<u>110,154,214</u>		<u>(110,154,214)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(i) Accounts receivable for which the provision for bad debts is provided on the individual basis are analysed follows (Cont'd):

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
New energy subsidies receivable	37,924,214	100%	(37,924,214)
Receivables for automobiles	72,230,000	100%	(72,230,000)
	<u>110,154,214</u>		<u>(110,154,214)</u>

As at 30 June 2024 and 31 December 2023, The Group assessed the expected credit losses on the related accounts receivable, the Group considered the receivables cannot be collected, therefore, full provision was made for those receivables. The related amount was RMB110,154,214.

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows:

Grouping - Domestic sales of general automobiles:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	1,093,439,577	0.11%	(1,197,131)
Overdue for 1 to 30 days	58,707,229	0.11%	(63,080)
Overdue for 31 to 60 days	10,136,087	1.92%	(194,375)
Overdue for 61 to 90 days	12,137,184	3.14%	(381,510)
Overdue over 90 days	53,559,804	4.60%	(2,464,869)
	<u>1,227,979,881</u>		<u>(4,300,965)</u>

Grouping - Export sales of general automobiles:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	<u>3,112,760,619</u>	0.20%	<u>(6,225,521)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows (Cont'd):

Grouping - Sales of general automobiles (Cont'd):

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	1,330,216,018	0.12%	(1,651,582)
Overdue for 1 to 30 days	41,413,325	0.18%	(74,476)
Overdue for 31 to 60 days	24,216,867	2.28%	(553,239)
Overdue for 61 to 90 days	32,435,370	3.34%	(1,083,923)
Overdue over 90 days	76,187,716	5.18%	(3,948,751)
	<u>1,504,469,296</u>		<u>(7,311,971)</u>

Grouping - Export sales of general automobiles:

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	<u>2,647,787,903</u>	0.20%	<u>(5,295,576)</u>

Grouping - Sales of new energy automobiles:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	<u>4,123,260</u>	80.00%	<u>(3,298,608)</u>

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	<u>5,123,260</u>	80.00%	<u>(4,098,608)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows (Cont'd):

Grouping – Automobile parts:

	30 June 2024		
	<u>Book balance</u>	<u>Provision for bad debts</u>	
	Amount	Lifetime ECL (%)	Amount
Not overdue	332,794,702	0.30%	(998,384)
Overdue for 1 to 30 days	32,463,269	0.30%	(97,390)
Overdue for 31 to 60 days	5,578,160	0.50%	(27,891)
Overdue for 61 to 90 days	3,116,610	0.60%	(18,700)
Overdue over 90 days	8,381,210	5.00%	(419,060)
	<u>382,333,951</u>		<u>(1,561,425)</u>
	31 December 2023		
	<u>Book balance</u>	<u>Provision for bad debts</u>	
	Amount	Lifetime ECL (%)	Amount
Not overdue	242,349,099	0.30%	(727,047)
Overdue for 1 to 30 days	16,195,486	0.30%	(48,586)
Overdue for 31 to 60 days	728,660	0.50%	(3,643)
Overdue for 61 to 90 days	839,164	0.60%	(5,035)
Overdue over 90 days	1,919,600	5.00%	(95,980)
	<u>262,032,009</u>		<u>(880,291)</u>

(iii) The amount of provision for bad debts reversed for the period was RMB2,199,927.

(d) There was no provision for bad debts actually written off during the period.

(e) As at 30 June 2024 and 31 December 2023, there were no accounts receivable pledged.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(6) Financing receivables

	30 June 2024	31 December 2023
Bank acceptance notes	<u>274,777,232</u>	<u>123,170,062</u>

The Group endorses the bank acceptance notes as required by daily fund management, which also met the criteria for derecognition, and therefore classified those the bank acceptance notes as financial assets at fair value through other comprehensive income. For the six months ended 30 June 2024, the Group endorsed and discounted bank acceptance notes, and almost all risks and rewards of ownership have been transferred to other parties, accordingly, the carrying amounts of bank acceptance notes that were derecognised by the Group were RMB419,555,238 and RMB511,589,299.

As at 30 June 2024 and 31 December 2023, as the credit risk characteristics of these bank acceptance notes were similar, no provision for impairment was made individually. In addition, the Group considered that its bank acceptance notes were not exposed to significant credit risk and the probability of default of these banks was very low.

As at 30 June 2024 and 31 December 2023, the Group had no pledged bank acceptance notes receivable presented in financing receivables.

As at 30 June 2024, the Group's bank acceptance notes had been endorsed or discounted but not yet matured were RMB663,468,224, which had been derecognised.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(7) Advances to suppliers

(a) The aging of advances to suppliers is analysed as follows:

	30 June 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	<u>115,585,832</u>	<u>100%</u>	<u>204,358,759</u>	<u>100%</u>

(b) As at 30 June 2024, the top five advances to suppliers by the balances of the debtors are analysed as follows:

	Amount	% of total balance
Total prepayments of the top five balances	<u>115,475,759</u>	<u>99.9%</u>

(8) Other receivables

	30 June 2024	31 December 2023
Import working capital	30,000,000	7,000,000
Advance payment of gas expenses	13,850,672	12,769,141
Receivables from disposal of land and above-ground buildings	13,111,456	-
Receivables from refund of social insurance	7,242,084	23,958,000
Guarantees	5,308,676	6,974,616
Others	<u>21,351,271</u>	<u>25,021,075</u>
	<u>90,864,159</u>	<u>75,722,832</u>
Less: Provision for bad debts	<u>(247,681)</u>	<u>(402,984)</u>
	<u>90,616,478</u>	<u>75,319,848</u>

The Group did not have any fund deposited at other parties under the centralised fund management and represented in other receivables.

(a) The aging of other receivables is analysed as follows:

	30 June 2024	31 December 2023
Within 1 year	86,389,541	67,035,160
Over 1 year	<u>4,474,618</u>	<u>8,687,672</u>
	<u>90,864,159</u>	<u>75,722,832</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(8) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements:

The provision for bad debts of other receivables is analysed by category as follows:

	30 June 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	20,353,540	22%	-	-
Provision for bad debts on the grouping basis (i)	70,510,619	78%	(247,681)	0.35%
	<u>90,864,159</u>	<u>100%</u>	<u>(247,681)</u>	<u>0.27%</u>

	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	23,958,000	32%	-	-
Provision for bad debts on the grouping basis (i)	51,764,832	68%	(402,984)	0.78%
	<u>75,722,832</u>	<u>100%</u>	<u>(402,984)</u>	<u>0.53%</u>

	Stage 1				
	12-month ECL (grouping)		12-month ECL (individual)		Total
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision for bad debts
31 December 2023	51,764,832	(402,984)	23,958,000	-	(402,984)
Decrease in the current period	-	—	(3,604,460)	—	—
Increase in the current period	18,745,787	—	-	—	—
Provision for bad debts reversed during the period	—	155,303	—	-	155,303
30 June 2024	<u>70,510,619</u>	<u>(247,681)</u>	<u>20,353,540</u>	<u>-</u>	<u>(247,681)</u>

As at 30 June 2024 and 31 December 2023, the Group had no other receivables at Stage 2 and Stage 3. The analysis of other receivables at Stage 1 was stated below:

- (i) As at 30 June 2024, the Group's other receivables with provision for bad debts were analysed below:

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(8) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements (Cont'd):

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Provision on the individual basis: i)				
Receivables from disposal of land and above-ground buildings	13,111,456	-	-	ECL
Receivables from refund of social insurance	7,242,084	-	-	ECL
Provision on the grouping basis:				
Import working capital	30,000,000	0.35%	(105,380)	ECL
Advance payment of gas expenses	13,850,672	0.35%	(48,653)	ECL
Guarantees	5,308,676	0.35%	(18,648)	ECL
Others	21,351,271	0.35%	(75,000)	ECL
	<u>90,864,159</u>		<u>(247,681)</u>	

(i) As at 31 December 2023, the Group's other receivables with provision for bad debts on the grouping basis are analysed as follows:

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Provision on the individual basis: i)				
Receivables from refund of social insurance	23,958,000	-	-	ECL
Provision on the grouping basis:				
Advance payment of gas expenses	12,769,141	0.78%	(99,406)	ECL
Import working capital	7,000,000	0.78%	(54,494)	ECL
Guarantees	6,974,616	0.78%	(54,297)	ECL
Receivables from platform utilization	4,757,270	0.78%	(37,035)	ECL
Receivables from disposal of assets	4,604,745	0.78%	(35,847)	ECL
Others	15,659,060	0.78%	(121,905)	ECL
	<u>75,722,832</u>		<u>(402,984)</u>	

i) The Group assessed the receivables from refund of social insurance and receivables from disposal of land and above-ground buildings individually and based on the judgment of credit risk, the receivables were not subject to significant credit risk and were not overdue and impaired.

(c) The provision for bad debts reversed in the current period amounted to RMB155,303.

(d) There was no provision for bad debts actually written off during the period.

(e) As at 30 June 2024, the top five other receivables by the balances of the debtors are listed as follows:

	Nature	Balance	Aging	% of total balance	Provision for bad debts
Company 1	Import working capital, etc.	31,727,323	within 1 year	35%	(111,046)
Company 2	Advance payment of gas expenses	13,850,672	within 1 year	15%	(48,653)
Company 3	Receivables from disposal of land and above-ground buildings	13,111,456	within 1 year	14%	-
Company 4	Receivables from refund of social insurance	7,242,084	within 1 year	8%	-
Company 5	Receivables from disposal of assets	3,206,042	within 1 year	4%	(11,262)
		<u>69,137,577</u>		<u>76%</u>	<u>(170,961)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(9) Inventories

(a) Inventories were summarised by category as follows:

	30 June 2024			31 December 2023		
	Book balance	Provision for decline in the value of inventories	Carrying amount	Book balance	Provision for decline in the value of inventories	Carrying amount
Raw materials	1,066,984,459	(79,499,203)	987,485,256	802,679,074	(130,036,719)	672,642,355
Finished goods	421,327,623	-	421,327,623	497,244,891	-	497,244,891
Work in progress	294,185,452	(816,091)	293,369,361	194,945,039	(816,091)	194,128,948
Low value consumables	81,044,386	(2,830,181)	78,214,205	83,217,698	(2,830,181)	80,387,517
Materials in transit	276,214,935	-	276,214,935	71,613,700	-	71,613,700
Materials consigned for processing	61,401,110	-	61,401,110	44,242,100	-	44,242,100
	<u>2,201,157,965</u>	<u>(83,145,475)</u>	<u>2,118,012,490</u>	<u>1,693,942,502</u>	<u>(133,682,991)</u>	<u>1,560,259,511</u>

(b) Provision for decline in the value of inventories was analysed as follows:

	31 December 2023	Increase in the current period		Decrease in the current period		30 June 2024
		Provision	Reversal	Write-off		
Raw materials	(130,036,719)	-	4,296,473	46,241,043		(79,499,203)
Low value consumables	(2,830,181)	-	-	-		(2,830,181)
Work in progress	(816,091)	-	-	-		(816,091)
	<u>(133,682,991)</u>	<u>-</u>	<u>4,296,473</u>	<u>46,241,043</u>		<u>(83,145,475)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(9) Inventories (Cont'd)

(c) Provision for decline in the value of inventories was analysed as follows:

	Specific basis for determining net realisable value	Reason for current period reversal or write-off of provision for decline in the value of inventories
Raw materials/Work in progress/Low value consumables	Based on the estimated selling price, less the estimated costs to completion, estimated contract performance costs and selling and distribution expenses and related taxes	Increase in the net realisable value of the provision for decline in the value of inventories had been made in prior years or sales realised
(10) Other current assets	30 June 2024	31 December 2023
Taxes prepaid, input VAT to be deducted and to be verified	<u>1,307,258,115</u>	<u>951,659,556</u>
(11) Current portion of non-current assets	30 June 2024	31 December 2023
Current portion of long-term receivables (Note 4(12))	<u>16,828,704</u>	<u>15,749,806</u>
(12) Long-term receivables	30 June 2024	31 December 2023
Long-term receivables	36,949,258	41,919,493
Less: Unearned financing income	(2,927,122)	(3,268,233)
Provision for bad debts	<u>(110,849)</u>	<u>(125,758)</u>
Current portion of long-term receivables (Note 4(11))	<u>(16,828,704)</u>	<u>(15,749,806)</u>
	<u>17,082,583</u>	<u>22,775,696</u>

As at 30 June 2024, the Group's long-term receivables were generated by instalment collections from disposal of fixed assets, which will be recovered from 2024 to 2026.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(13) Long-term equity investments

	30 June 2024	31 December 2023
Associates		
- Shanxi Yunnei Power Co., Ltd. ("The Power Company")	198,361,679	202,327,605
- Hanon Systems (Nanchang) Co., Ltd. ("Hanon Systems")	28,773,014	31,470,743
Less: Provision for impairment of long-term equity investments	-	-
	<u>227,134,693</u>	<u>233,798,348</u>

Associates

	<u>Movements for the current period</u>					30 June 2024	Shareholding (%)	Voting rights (%)	<u>Impairment provision</u>	
	31 December 2023	Increase/Decrease in investment	Share of net profit/(loss) under equity method	Cash dividends declared	Provision for impairment				30 June 2024	31 December 2023
The Power Company	202,327,605	-	(3,965,926)	-	-	198,361,679	40%	40%		
Hanon Systems	31,470,743	-	1,438,671	(4,136,400)	-	28,773,014	19.15%	33.33%	-	-
Total	<u>233,798,348</u>	<u>-</u>	<u>(2,527,255)</u>	<u>(4,136,400)</u>	<u>-</u>	<u>227,134,693</u>			<u>-</u>	<u>-</u>

Related information of equity in associates is set forth in Note 5(2).

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(14) Fixed assets

	30 June 2024	31 December 2023
Fixed assets (a)	5,469,172,608	5,389,534,479
Fixed assets pending for disposal (b)	110,673	110,673
	5,469,283,281	5,389,645,152

(a) Fixed assets

	Buildings	Machinery and equipment	Vehicles	Moulds	Electronic and other equipment	Total
Cost						
31 December 2023	2,226,158,780	3,226,527,648	513,121,037	4,121,429,291	4,340,265,136	14,427,501,892
Increase in the current period						
Transfers from construction in progress	102,085,625	70,786,373	150,697,583	163,789,193	87,505,411	574,864,185
Decrease in the current period						
Disposal or retirement	(2,890,778)	(59,796,892)	(10,938,202)	(136,278,214)	(33,903,313)	(243,807,399)
Others	-	-	-	-	(4,317,418)	(4,317,418)
30 June 2024	2,325,353,627	3,237,517,129	652,880,418	4,148,940,270	4,389,549,816	14,754,241,260
Accumulated depreciation						
31 December 2023	(475,073,634)	(1,960,756,439)	(321,764,940)	(2,761,763,523)	(2,919,832,565)	(8,439,191,101)
Increase in the current period						
Provision	(32,065,249)	(96,575,597)	(29,597,100)	(148,239,386)	(178,743,982)	(485,221,314)
Decrease in the current period						
Disposal or retirement	1,952,940	55,891,086	3,961,513	136,111,103	31,806,321	229,722,963
Others	-	-	-	-	3,822,585	3,822,585
30 June 2024	(505,185,943)	(2,001,440,950)	(347,400,527)	(2,773,891,806)	(3,062,947,641)	(8,690,866,867)
Provision for impairment						
31 December 2023	(172,020,613)	(28,233,307)	(6,552,525)	(339,692,238)	(52,277,629)	(598,776,312)
Increase in the current period						
Provision	-	-	-	-	-	-
Decrease in the current period						
Disposal or retirement	-	3,338,313	23,500	101,412	1,111,302	4,574,527
30 June 2024	(172,020,613)	(24,894,994)	(6,529,025)	(339,590,826)	(51,166,327)	(594,201,785)
Carrying amount						
30 June 2024	1,648,147,071	1,211,181,185	298,950,866	1,035,457,638	1,275,435,848	5,469,172,608
31 December 2023	1,579,064,533	1,237,537,902	184,803,572	1,019,973,530	1,368,154,942	5,389,534,479

For the six months ended 30 June 2024, depreciation charged to fixed assets amounted to RMB485,221,314 (the six months ended 30 June 2023: RMB442,918,223), of which the depreciation expenses charged in the cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses were RMB413,536,440, RMB3,897,033, RMB29,315,200 and RMB38,472,641 (the six months ended 30 June 2023: RMB364,837,796, RMB1,135,033, RMB46,055,032 and RMB30,890,362), respectively.

The costs of fixed assets transferred from construction in progress amounted to RMB574,864,185 (the six months ended 30 June 2023: RMB506,249,913).

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(14) Fixed assets(Cont'd)

(a) Fixed assets (Cont'd)

(i) Temporarily idle fixed assets

As at 30 June 2024, the fixed assets with a carrying amount of approximately RMB177,687,914 (a cost of RMB1,352,405,897) (31 December 2023: a carrying amount of approximately RMB179,453,179 and a cost of RMB1,324,043,538) were idle due to the termination of the equity transfer transaction of JMCH and the change of product process of the Group. The analysis was as follows:

	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Buildings	409,162,422	(108,122,281)	(172,020,613)	129,019,528
Machinery and equipment	167,746,540	(124,246,537)	(22,701,574)	20,798,429
Vehicles	56,434,194	(47,190,430)	(6,502,390)	2,741,374
Moulds	418,889,062	(106,287,067)	(312,553,501)	48,494
Electronic and other equipment	300,173,679	(228,130,482)	(46,963,108)	25,080,089
	<u>1,352,405,897</u>	<u>(613,976,797)</u>	<u>(560,741,186)</u>	<u>177,687,914</u>

(ii) Fixed assets with pending certificates of ownership:

	Carrying amount	Reason for not obtaining certificates of ownership
Buildings	<u>3,092,373</u>	Pending procedures

(b) Fixed assets pending for disposal

	30 June 2024	31 December 2023
Electronic and other equipment	85,891	85,891
Machinery and equipment	<u>24,782</u>	<u>24,782</u>
	<u>110,673</u>	<u>110,673</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(15) Construction in progress

	30 June 2024			31 December 2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Projects for commercial vehicles	320,238,064	(1,284,000)	318,954,064	176,425,357	(1,284,000)	175,141,357
Projects for passenger vehicles	109,210,448	(4,460,314)	104,750,134	192,375,226	(4,460,314)	187,914,912
Projects for automobile parts factory	48,479,817	-	48,479,817	28,037,073	-	28,037,073
Projects for automobiles factory	21,082,317	-	21,082,317	17,752,703	-	17,752,703
Others	94,247,067	(691,646)	93,555,421	56,277,013	(691,646)	55,585,367
	<u>593,257,713</u>	<u>(6,435,960)</u>	<u>586,821,753</u>	<u>470,867,372</u>	<u>(6,435,960)</u>	<u>464,431,412</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(15) Construction in progress (Cont'd)

(a) Movement of significant projects of construction in progress

Project name	Budget (In RMB'000)	31 December 2023	Increase in the current period	Transfer to fixed assets in the current period	Transfer to intangible assets in the current period	30 June 2024	% of project investment in budget	Progress of project	Accumulative capitalised borrowing costs	Including: Borrowing costs capitalised in the current period	Source of fund
Projects for commercial vehicles	293,659	176,425,357	192,463,305	(48,650,598)	-	320,238,064	60%	60%	-	-	Self-owned funds
Projects for passenger vehicles	106,046	192,375,226	120,162,720	(203,327,498)	-	109,210,448	58%	58%	-	-	Self-owned funds
Projects for automobile parts factory	13,175	28,037,073	23,064,740	(2,621,996)	-	48,479,817	39%	39%	-	-	Self-owned funds
Projects for automobiles factory	311,994	17,752,703	173,255,508	(169,925,894)	-	21,082,317	79%	79%	-	-	Self-owned funds
Others		<u>56,277,013</u>	<u>192,827,191</u>	<u>(150,338,199)</u>	<u>(4,518,938)</u>	<u>94,247,067</u>			<u>292,897</u>	<u>-</u>	Self-owned funds and borrowings
		<u>470,867,372</u>	<u>701,773,464</u>	<u>(574,864,185)</u>	<u>(4,518,938)</u>	<u>593,257,713</u>			<u>292,897</u>	<u>-</u>	

The Group's Project for passenger vehicles and Projects for automobiles factory reached its intended design requirements and was available for its intended use after installation, commissioning and acceptance for the six months ended 30 June 2024 and was transferred to fixed assets accordingly.

(b) Provision for impairment of construction in progress

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Projects for passenger vehicles	(4,460,314)	-	-	(4,460,314)
Projects for commercial vehicles	(1,284,000)	-	-	(1,284,000)
Other miscellaneous and pending installation projects	<u>(691,646)</u>	<u>-</u>	<u>-</u>	<u>(691,646)</u>
	<u>(6,435,960)</u>	<u>-</u>	<u>-</u>	<u>(6,435,960)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(16) Right-of-use assets

	Buildings
Cost	
31 December 2023	369,902,195
Increase in the current period	
New lease contracts	37,552,314
Decrease in the current period	
Expiration of lease contract	(16,852,582)
30 June 2024	390,601,927
Accumulated depreciation	
31 December 2023	(175,066,167)
Increase in the current period	
Provision	(41,568,134)
Decrease in the current period	
Expiration of lease contract	16,852,581
30 June 2024	(199,781,720)
Provision for impairment	
31 December 2023	-
Increase in the current period	-
Decrease in the current period	-
30 June 2024	-
Carrying amount	
30 June 2024	190,820,207
31 December 2023	194,836,028

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(17) Intangible assets

	Land use rights	Software use fees	Non-patent technologies	After-sales services management mode	Others	Total
Cost						
31 December 2023	628,964,157	394,046,217	1,839,778,636	36,979,184	1,599,516	2,901,367,710
Increase in the current period						
Transfers from construction in progress	-	4,518,938	-	-	-	4,518,938
Internal research and development	-	-	243,912,114	-	-	243,912,114
Decrease in the current period						
Disposal	(3,664,831)	-	-	-	-	(3,664,831)
30 June 2024	625,299,326	398,565,155	2,083,690,750	36,979,184	1,599,516	3,146,133,931
Accumulated amortisation						
31 December 2023	(153,225,333)	(235,386,600)	(730,739,330)	(36,979,184)	(1,599,516)	(1,157,929,963)
Increase in the current period						
Provision	(6,599,907)	(24,611,218)	(169,576,002)	-	-	(200,787,127)
Decrease in the current period						
Disposal	1,953,862	-	-	-	-	1,953,862
30 June 2024	(157,871,378)	(259,997,818)	(900,315,332)	(36,979,184)	(1,599,516)	(1,356,763,228)
Provision for impairment						
31 December 2023	-	-	(52,416,626)	-	-	(52,416,626)
Increase in the current period						
Provision	-	-	-	-	-	-
30 June 2024	-	-	(52,416,626)	-	-	(52,416,626)
Carrying amount						
30 June 2024	467,427,948	138,567,337	1,130,958,792	-	-	1,736,954,077
31 December 2023	475,738,824	158,659,617	1,056,622,680	-	-	1,691,021,121

As at 30 June 2024, the intangible assets developed by the Group accounted for 59% (31 December 2023: 56%) of the carrying amount of intangible assets.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(18) Expenditure on research and development

The Group's total expenditure on research and development activities For the six months ended 30 June 2024 and 2023 is presented by nature as follows:

	Six months ended 30 June	
	2024	2023
Employee benefits	371,085,867	351,747,851
Design fee	195,801,929	291,839,084
Consumed materials	95,215,493	96,920,894
Depreciation and amortisation	42,867,809	138,004,437
Others	97,106,716	205,699,755
	<u>802,077,814</u>	<u>1,084,212,021</u>
Wherein expenditure on research and development on the research phase (Note 4(45))	<u>617,237,727</u>	<u>748,135,775</u>

(a) The changes in the Group's development expenditures eligible for capitalisation For the six months ended 30 June 2024 is analysed as follows:

	31 December 2023	Increase in the current period	Transfer to intangible assets in the current period	30 June 2024
Projects for passenger vehicles(i)	283,738,155	97,273,552	(243,912,114)	137,099,593
Projects for commercial vehicles(ii)	-	87,566,535	-	87,566,535
	<u>283,738,155</u>	<u>184,840,087</u>	<u>(243,912,114)</u>	<u>224,666,128</u>

(i) The capitalisation of Project for passenger vehicles started when the relevant products are ready and the relevant research data is frozen, and it has passed the internal technical review meeting of the Group. Upon completion of the development of the project, it is expected to be used for mass production of product SUV that is competitive in the market. The project progress of the main product as of June 30 2024 is 70%, and the completion point of the Project is expected to be the second half year of 2024.

(ii) The capitalisation of Project for commercial vehicles started when the relevant products are ready and the relevant research data is frozen, and it has passed the internal technical review meeting of the Group. Upon completion of the development of the project, it is expected to be used for mass production of product LT、PK、LCBV that is competitive in the market. The project progress of the main product as of June 30 2024 is 24%, and the completion point of the Project is expected to be the first half year of 2025.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(18) Expenditure on research and development (Cont'd)

For the six months ended 30 June 2024, there was no impairment of the Group's projects under development expenditures (the six months ended 30 June 2023: Nil).

(19) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets before offsetting

	30 June 2024		31 December 2023	
	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets
Accrued expenses and provisions	6,098,136,912	1,413,715,912	5,860,011,327	1,364,811,520
Recoverable losses	2,179,314,945	421,911,685	2,443,729,567	389,836,053
Provision for asset impairment	1,135,035,531	174,790,345	1,192,154,407	183,615,437
Non-patent technology	371,978,395	81,988,457	304,526,218	63,692,824
Lease liability	181,378,686	33,547,805	218,076,092	34,258,049
Employee education funds unpaid	80,096,978	12,533,212	81,356,938	12,728,702
Deferred income	65,025,145	9,753,772	67,601,361	10,140,204
Retirement benefits plan	9,907,962	2,081,294	10,515,000	2,172,350
Others	243,763,612	32,194,904	186,761,227	28,046,234
	<u>10,364,638,166</u>	<u>2,182,517,386</u>	<u>10,364,732,137</u>	<u>2,089,301,373</u>
Including:				
Expected to be recovered within 1 year (inclusive)		1,724,502,483		1,615,927,125
Expected to be recovered after 1 year		458,014,903		473,374,248
		<u>2,182,517,386</u>		<u>2,089,301,373</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(19) Deferred tax assets and deferred tax liabilities (Cont'd)

(b) Deferred tax liabilities before offsetting

	30 June 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Depreciation of fixed assets	2,973,697,695	587,918,966	2,912,652,979	556,699,442
Right-of-use assets	190,820,207	30,069,711	194,836,028	30,336,433
Equity transactions between parent and subsidiary	146,200,000	21,930,000	125,800,000	18,870,000
Differences between the fair value of the identifiable net assets and carrying amount arising from business combinations involving enterprises not under common control	75,885,063	18,971,266	77,027,559	19,256,890
Amortisation of intangible assets	83,724,412	13,222,538	73,907,060	11,171,829
Others	4,175,785	684,713	1,064,183	220,115
	<u>3,474,503,162</u>	<u>672,797,194</u>	<u>3,385,287,809</u>	<u>636,554,709</u>
Including:				
Expected to be recovered within 1 year (inclusive)		120,434,326		111,712,132
Expected to be recovered after 1 year		552,362,868		524,842,577
		<u>672,797,194</u>		<u>636,554,709</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(19) Deferred tax assets and deferred tax liabilities (Cont'd)

(c) Deductible temporary differences and deductible losses for which no deferred tax asset was recognised were analysed as follows:

	30 June 2024	31 December 2023
Deductible temporary differences	2,013,038,585	2,020,124,206
Deductible losses	296,066,641	276,440,468
	<u>2,309,105,226</u>	<u>2,296,564,674</u>

(d) Deductible losses for which no deferred tax asset was recognised will be expired in following years:

	30 June 2024	31 December 2023
2024	109,336,011	109,336,011
2025	-	-
2026	-	-
2027	93,001,631	93,001,631
2028	74,184,911	74,102,826
2029	19,544,088	-
	<u>296,066,641</u>	<u>276,440,468</u>

(e) The net balances of deferred tax assets and deferred tax liabilities after offsetting were as follows:

	<u>30 June 2024</u>		<u>31 December 2023</u>	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred tax assets	(653,825,928)	1,528,691,458	(617,297,819)	1,472,003,554
Deferred tax liabilities	(653,825,928)	18,971,266	(617,297,819)	19,256,890

(20) Other non-current assets

	30 June 2024	31 December 2023
Prepayment for molds	<u>9,334,153</u>	<u>10,807,967</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(21) Provision for asset impairment and losses

	31 December 2023	Increase in the current period	Decrease in the current period		30 June 2024
			Reversal	Write-off /Disposal	
Provision for bad debts of notes receivable (Note 4(4))	17,564	-	(17,564)	-	-
Provision for bad debts of accounts receivable (Note 4(5))	127,740,660	-	(2,199,927)	-	125,540,733
Including: Provision for bad debts on the individual basis	110,154,214	-	-	-	110,154,214
Provision for bad debts on the grouping basis	17,586,446	-	(2,199,927)	-	15,386,519
Provision for bad debts of other receivables (Note 4(8))	402,984	-	(155,303)	-	247,681
Provision for bad debts of long-term receivables (Note 4(12))	125,758	-	(14,909)	-	110,849
Sub-total	128,286,966	-	(2,387,703)	-	125,899,263
Provision for decline in the value of inventories (Note 4(9))	133,682,991	-	(4,296,473)	(46,241,043)	83,145,475
Provision for impairment of fixed assets (Note 4(14))	598,776,312	-	-	(4,574,527)	594,201,785
Provision for impairment of construction in progress (Note 4(15))	6,435,960	-	-	-	6,435,960
Provision for impairment of goodwill (i)	89,028,412	-	-	-	89,028,412
Provision for impairment of intangible assets (Note 4(17))	52,416,626	-	-	-	52,416,626
Sub-total	880,340,301	-	(4,296,473)	(50,815,570)	825,228,258
	1,008,627,267	-	(6,684,176)	(50,815,570)	951,127,521

(i) As at 31 December 2019, the Group had made full provision for impairment of goodwill.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(22) Short-term borrowings

	30 June 2024	31 December 2023
Credit loan	<u>500,000,000</u>	<u>1,300,000,000</u>

As at 30 June 2024, the Group had no overdue short-term borrowings and the interest rates was 1.73% (31 December 2023: 1.73% to 2.40%).

(23) Accounts payable

	30 June 2024	31 December 2023
Payable for automobile parts	10,151,169,323	9,094,393,825
Payable for raw and auxiliary materials	<u>352,485,134</u>	<u>381,821,398</u>
	<u>10,503,654,457</u>	<u>9,476,215,223</u>

As at 30 June 2024, accounts payable with aging over one year amounted to RMB471,470,280 (31 December 2023: RMB408,228,798), which mainly represented payables for materials for which a settlement price had not yet been determined, and such payables had not been finally settled yet.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(24) Contract liabilities

	30 June 2024	31 December 2023
Advances for maintenance and warranty services, etc.	366,074,110	226,857,269
Advances for automobiles and automobile parts	166,715,955	137,176,924
	<u>532,790,065</u>	<u>364,034,193</u>
Less: Contract liabilities carried forward to revenue after 1 year (Note 4(35))	(191,053,046)	(120,293,201)
	<u>341,737,019</u>	<u>243,740,992</u>

(25) Employee benefits payable

	30 June 2024	31 December 2023
Short-term employee benefits payable (a)	679,695,547	882,869,951
Defined contribution plans payable (b)	12,226,608	1,818,160
Defined benefit plans payable (c)	2,865,000	2,865,000
Termination benefits payable (d)	2,498,176	2,498,176
	<u>697,285,331</u>	<u>890,051,287</u>

(a) Short-term employee benefits

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Wages and salaries, bonus, allowances and subsidies	738,660,904	1,002,486,715	(1,212,722,880)	528,424,739
Staff welfare	56,932,663	42,596,523	(41,722,061)	57,807,125
Social security contributions	152,685	67,176,666	(60,386,762)	6,942,589
Including: Medical insurance	121,642	61,744,770	(55,099,088)	6,767,324
Work injury insurance	31,043	5,431,896	(5,287,674)	175,265
Housing funds	28,935	95,002,808	(94,942,995)	88,748
Labour union funds and employee education funds	87,094,764	24,013,381	(24,675,799)	86,432,346
Other short-term employee benefits	-	2,792,616	(2,792,616)	-
	<u>882,869,951</u>	<u>1,234,068,709</u>	<u>(1,437,243,113)</u>	<u>679,695,547</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(25) Employee benefits payable (Cont'd)

(b) Defined contribution plans

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Basic pensions	1,761,709	130,670,009	(120,593,221)	11,838,497
Unemployment insurance	56,451	4,130,573	(3,798,913)	388,111
	<u>1,818,160</u>	<u>134,800,582</u>	<u>(124,392,134)</u>	<u>12,226,608</u>

(c) Defined benefit plans

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Post-retirement benefits payable (Note 4(34))	<u>2,865,000</u>	<u>1,327,912</u>	<u>(1,327,912)</u>	<u>2,865,000</u>

(d) Termination benefits payable

	30 June 2024	31 December 2023
Early retirement benefits payable (Note 4(34))	1,160,000	1,160,000
Other termination benefits (i)	<u>1,338,176</u>	<u>1,338,176</u>
	<u>2,498,176</u>	<u>2,498,176</u>

(i) For the six months ended 30 June 2024, other termination benefits paid by the Group for termination of the employment relationship were RMB908,195 (the six months ended 30 June 2023: RMB10,806,089).

(26) Taxes payable

	30 June 2024	31 December 2023
Consumption tax payable	94,498,766	73,794,904
Land use tax payable	4,755,390	4,831,953
Unpaid VAT	1,468,053	637,391
Enterprise income tax payable	-	18,702,207
Others	19,652,188	20,433,310
	<u>120,374,397</u>	<u>118,399,765</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(27) Other payables

	30 June 2024	31 December 2023
Promotion expenses	2,912,661,031	2,978,276,681
Research and development project expenses	1,157,163,197	968,699,606
Ordinary share dividends payable	596,974,420	6,463,836
Construction payment	426,265,008	539,487,510
Transportation expenses	233,033,589	148,140,843
Guarantees	118,150,088	124,132,883
Advertising and new product planning fees	115,858,701	166,568,934
Trademark license fee	32,125,080	17,037,453
Consulting fees	20,626,057	31,808,406
Technological transformation project expenses	15,720,891	23,333,420
Others	832,693,405	941,026,521
	<u>6,461,271,467</u>	<u>5,944,976,093</u>

As at 30 June 2024, other payables with aging over one year of RMB2,176,347,731 (31 December 2023: RMB1,967,233,887) mainly comprised guarantees collected from distributors and repair stations, payables for promotion, payables for research and development expenses and payables for construction projects. Such payables had not been finally settled yet in view of the continuing business transactions with distributors and service providers, and engineering projects and research and development projects that had not yet been accepted and completed.

(28) Current portion of non-current liabilities

	30 June 2024	31 December 2023
Current portion of lease liabilities (Note 4(31))	91,183,449	80,070,149
Current portion of long-term borrowings (Note 4(30))	11,316,637	13,313,749
	<u>102,500,086</u>	<u>93,383,898</u>

(29) Other current liabilities

	30 June 2024	31 December 2023
Provisions expected to be settled within 1 year (Note 4(32))	370,028,474	356,115,630
Others	21,673,074	17,833,000
	<u>391,701,548</u>	<u>373,948,630</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(30) Long-term borrowings

	30 June 2024	31 December 2023
Guaranteed loans(a)	1,633,424	1,855,219
Credit loans(b)	10,849,945	12,849,944
Less: Current portion of long-term borrowings (Note 4(28))	<u>(11,316,637)</u>	<u>(13,313,749)</u>
	<u>1,166,732</u>	<u>1,391,414</u>

- (a) As at 30 June 2024, the above guaranteed loans were long-term borrowings amounting to USD 229,195 guaranteed by JMCF (note7(c)), borrowed from Industrial and Commercial Bank of China ("ICBC"), Nanchang Ganjiang Sub-branch with interests paid every half year and the principal paid in instalments between 10 December 2007 and 27 October 2027.

	Starting date	Maturity date	Currency	Interest rate (%)	30 June 2024		31 December 2023	
					Amount in foreign currency	RMB equivalent	Amount in foreign currency	RMB equivalent
ICBC Nanchang Ganjiang Sub - branch	27 February 1998	27 October 2027	USD	1.5%	229,195	1,633,424	261,937	1,855,219

- (b) As at 30 June 2024, the principal amount of bank credit borrowings is repayable in installments during 2024.
- (c) As at 30 June 2024, the Group had no overdue long-term borrowings and the Group's interest rates ranged from 1.5% to 2.5% (31 December 2023: 1.5% to 2.5%).

(31) Lease liabilities

	30 June 2024	31 December 2023
Lease liabilities (a)	181,378,686	218,076,092
Less: Current portion of non-current liabilities (Note 4(28))	<u>(91,183,449)</u>	<u>(80,070,149)</u>
	<u>90,195,237</u>	<u>138,005,943</u>

- (a) As at 30 June 2024, the Group had no leases that were not included in lease liabilities but will result in potential future cash outflows.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(32) Provisions

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Product warranties (a)	658,386,726	169,166,499	(138,267,239)	689,285,986
Provisions for contract fulfilment	<u>13,429,167</u>	<u>-</u>	<u>-</u>	<u>13,429,167</u>
	671,815,893	169,166,499	(138,267,239)	702,715,153
Less: Provisions expected to be settled within 1 year (Note 4(29))	<u>(356,115,630)</u>			<u>(370,028,474)</u>
	<u>315,700,263</u>			<u>332,686,679</u>

(a) Product warranties are expenses expected to be incurred during the warranty period from free after-sales services, product warranty and other services for the vehicles sold.

(33) Deferred income

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Government grants	<u>67,601,361</u>	<u>2,300,000</u>	<u>(4,876,216)</u>	<u>65,025,145</u>

(a) Government grants

	31 December 2023	Increase in the current period	<u>Decrease in the current period Recognised in other income</u>	30 June 2024
Government grants related to assets	8,724,703	-	(805,357)	7,919,346
Government grants related to income	<u>58,876,658</u>	<u>2,300,000</u>	<u>(4,070,859)</u>	<u>57,105,799</u>
	<u>67,601,361</u>	<u>2,300,000</u>	<u>(4,876,216)</u>	<u>65,025,145</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(34) Long-term employee benefits payable

	30 June 2024	31 December 2023
Supplementary retirement benefits and early-retirement benefits eligible for recognition of provisions	54,981,050	56,916,000
Less: Payable within 1 year	<u>(4,025,000)</u>	<u>(4,025,000)</u>
	<u>50,956,050</u>	<u>52,891,000</u>

The retirement and early-retirement benefits payable within one year are included in employee benefits payable (Note 4(25)(c), Note 4(25)(d)).

For retired and early-retired employees, the Group provides them with a certain amount of supplementary benefits during their retirement or early-retirement period. The amount of benefits depends on the employee's position, length of service and salary at the time of retirement or early-retirement, and is adjusted in accordance with inflation rate and other factors. The Group's obligations for supplementary retirement and early-retirement benefits as at the balance sheet date were calculated using projected unit credit method and were reviewed by an external independent actuary.

(a) Movements of retirement and early-retirement benefits of the Group are as follows:

	Present value of the obligations of the defined benefit plan	
	30 June 2024	31 December 2023
Opening balance	56,916,000	55,374,000
Cost of defined benefit plans recognised in profit or loss for the current period		
- Current service cost	-	1,141,000
- Past service cost	-	-
- Actuarial losses recognised immediately	-	(331,000)
- Net interest	-	1,610,000
Remeasurement of net liabilities for defined benefit plans		
- Actuarial losses	-	2,593,000
Other movements		
- Benefits paid	(1,934,950)	(3,471,000)
Ending balance	<u>54,981,050</u>	<u>56,916,000</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(34) Long-term employee benefits payable (Cont'd)

- (b) The major actuarial assumptions used to determine the present value of defined benefit plan obligations of the Group

	30 June 2024	31 December 2023
Discount rate	2.50%	2.50%
Inflation rate	2.00%	2.00%
Salaries and benefits growth rates	0%-6%	0%-6%

Future mortality assumptions were determined based on the China Life Insurance Mortality Table (2010-2013), which is publicly available statistical information for the Chinese region.

(35) Other non-current liabilities

	30 June 2024	31 December 2023
Contract liabilities carried forward to revenue after 1 year (Note 4(24))	<u>191,053,046</u>	<u>120,293,201</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(36) Share capital

	31 December 2023	Movements for the current period					30 June 2024
		Shares newly issued	Bonus share	Transfer from capital surplus	Others	Sub-total	
Shares subject to trading restriction - Other domestic shares							
Including: Shares held by domestic non-state-owned legal persons	745,140	-	-	-	-	-	745,140
Shares held by domestic natural persons	5,700	-	-	-	-	-	5,700
	<u>750,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,840</u>
Shares not subject to trading restriction -							
Ordinary shares denominated in RMB	518,463,160	-	-	-	-	-	518,463,160
Domestically listed foreign shares	344,000,000	-	-	-	-	-	344,000,000
	<u>862,463,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862,463,160</u>
	<u>863,214,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>863,214,000</u>

Since the implementation of the Company's Scheme on Share Split Reform on 13 February 2006, as at 30 June 2024, there were 750,840 shares currently unavailable for trading. During the reporting period, there was no shares with trading restrictions released from the restricted conditions.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(36) Share capital (Cont'd)

	31 December 2022	Movements for the current period					31 December 2023
		Shares newly issued	Bonus share	Transfer from capital surplus	Others	Sub-total	
Shares subject to trading restriction - Other domestic shares							
Including: Shares held by domestic non-state-owned legal persons	745,140	-	-	-	-	-	745,140
Shares held by domestic natural persons	5,700	-	-	-	-	-	5,700
	<u>750,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,840</u>
Shares not subject to trading restriction -							
Ordinary shares denominated in RMB	518,463,160	-	-	-	-	-	518,463,160
Domestically listed foreign shares	<u>344,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,000,000</u>
	<u>862,463,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862,463,160</u>
	<u>863,214,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>863,214,000</u>

JIANGLING MOTORS CORPORATION, LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(37) Capital surplus

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Share premium	816,609,422	-	-	816,609,422
Other capital surplus	22,833,068	-	-	22,833,068
	<u>839,442,490</u>	<u>-</u>	<u>-</u>	<u>839,442,490</u>

	31 December 2022	Increase in the current period	Decrease in the current period	31 December 2023
Share premium	816,609,422	-	-	816,609,422
Other capital surplus	22,833,068	-	-	22,833,068
	<u>839,442,490</u>	<u>-</u>	<u>-</u>	<u>839,442,490</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(38) Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the six months ended 30 June 2024				
	31 December 2023	Attributable to the parent company after tax	30 June 2024	Amount incurred before income tax for the current period	Less: Transfer-out of previous other comprehensive income in the current period	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to the subsidiary after tax
Other comprehensive income that will not be reclassified to profit or loss Actuarial gains on defined benefit plans	(20,572,000)	-	(20,572,000)	-	-	-	-	-
	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the year ended 31 December 2023				
	31 December 2022	Attributable to the parent company after tax	31 December 2023	Amount incurred before income tax for the current period	Less: Transfer-out of previous other comprehensive income in the current period	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to the subsidiary after tax
Other comprehensive income that will not be reclassified to profit or loss Actuarial gains on defined benefit plans	(13,484,250)	(7,087,750)	(20,572,000)	(2,593,000)	-	(4,494,750)	(7,087,750)	-

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(39) Surplus reserve

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
Statutory surplus reserve	431,607,000	-	-	431,607,000
	31 December 2022	Increase in the current period	Decrease in the current period	31 December 2023
Statutory surplus reserve	431,607,000	-	-	431,607,000

In accordance with the *Company Law of the People's Republic of China*, the Company's Articles of Association and the resolution of the Board of Directors, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital upon approval from the appropriate authorities. As the accumulated appropriation to the statutory surplus reserve exceeded 50% of the registered capital, no appropriation was made in the current period (2023: Nil).

The Company reserves the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to compensate for the losses incurred in prior years or increase the share capital upon approval from appropriate authorities.

(40) Retained earnings

	Six months ended 30 June	
	2024	2023
Retained earnings at the beginning of the year	8,232,632,623	7,123,038,093
Add: Net profit attributable to shareholders of the parent company for the current period	895,480,117	729,387,557
Less: Ordinary share dividends payable (a)	(590,438,376)	(366,002,736)
Retained earnings at the end of the year	8,537,674,364	7,486,422,914

- (a) According to the resolution of the meeting of Board of Directors on 28 Mar 2024, the Board of Directors proposed to distribute cash dividends of RMB0.684 per share to all shareholders of the Company, calculated on the basis of 863,214,000 issued shares, for a total of RMB590,438,376, and the proposal was approved by the shareholders' meeting on 25 June 2024.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(41) Revenue and cost of sales

	Six months ended 30 June	
	2024	2023
Revenue from main operations	17,435,844,213	15,204,056,146
Revenue from other operations	484,221,588	225,316,163
	<u>17,920,065,801</u>	<u>15,429,372,309</u>
	Six months ended 30 June	
	2024	2023
Cost of sales from main operations	15,079,623,428	13,075,685,660
Cost of sales from other operations	410,257,260	206,884,269
	<u>15,489,880,688</u>	<u>13,282,569,929</u>

(a) Revenue and cost of sales from main operations

	Six months ended 30 June			
	2024		2023	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Sales of automobiles	16,234,132,009	14,124,912,768	13,332,827,137	11,574,416,648
Sales of automobile parts	858,699,049	615,732,277	1,810,283,833	1,443,434,830
Automobile maintenance services, etc.	343,013,155	338,978,383	60,945,176	57,834,182
	<u>17,435,844,213</u>	<u>15,079,623,428</u>	<u>15,204,056,146</u>	<u>13,075,685,660</u>

(b) Revenue and cost of sales from other operations

	Six months ended 30 June			
	2024		2023	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of materials	326,730,729	312,885,452	175,794,567	159,216,134
Others	157,490,859	97,371,808	49,521,596	47,668,135
	<u>484,221,588</u>	<u>410,257,260</u>	<u>225,316,163</u>	<u>206,884,269</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(41) Revenue and cost of sales (Cont'd)

(c) The breakdown of the Group's revenue by product and service transfer time was as follows:

	Six months ended 30 June 2024				
	Automobiles	Automobile parts	Automobile maintenance services, etc.	Materials and others	Total
Revenue from main operations	16,234,132,009	858,699,049	343,013,155	-	17,435,844,213
Including: Recognised at a time point	16,234,132,009	858,699,049	-	-	17,092,831,058
Recognised within a certain period	-	-	343,013,155	-	343,013,155
Revenue from other operations (i)	-	-	-	484,221,588	484,221,588
	<u>16,234,132,009</u>	<u>858,699,049</u>	<u>343,013,155</u>	<u>484,221,588</u>	<u>17,920,065,801</u>
	Six months ended 30 June 2023				
	Automobiles	Automobile parts	Automobile maintenance services, etc.	Materials and others	Total
Revenue from main operations	13,332,827,137	1,810,283,833	60,945,176	-	15,204,056,146
Including: Recognised at a time point	13,332,827,137	1,810,283,833	-	-	15,143,110,970
Recognised within a certain period	-	-	60,945,176	-	60,945,176
Revenue from other operations (i)	-	-	-	225,316,163	225,316,163
	<u>13,332,827,137</u>	<u>1,810,283,833</u>	<u>60,945,176</u>	<u>225,316,163</u>	<u>15,429,372,309</u>

(i) The Group's revenue from other operations includes sales of materials and technical service provided. Revenue from sales of materials is recognised at a certain time point, and revenue from technical service provided is recognised within a certain period.

As at 30 June 2024, the amount of revenue corresponding to the performance obligations that the Group had contracted but had not commenced or completed was RMB532,790,065, of which the Group expects that RMB166,715,955 and RMB175,021,064 will be recognised as revenue from the sales of automobiles and parts and revenue from the sales of automobile maintenance services respectively in 2024, RMB191,053,046 will be recognised as revenue from automobile maintenance services from 2025 to 2029.

(42) Taxes and surcharges

	Six months ended 30 June	
	2024	2023
Consumption tax	524,126,267	373,711,792
City maintenance and construction tax	49,997,854	18,963,390
Educational surcharge	49,882,499	18,884,757
Stamp tax	29,026,562	8,613,872
Land use tax	10,228,561	10,305,123
Real estate tax	9,909,327	9,680,483
Others	212,283	204,130
	<u>673,383,353</u>	<u>440,363,547</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(43) Selling and distribution expenses

	Six months ended 30 June	
	2024	2023
Promotion expenses	279,009,783	227,249,175
Employee benefits	119,214,306	117,185,212
Advertising and new product planning fees	54,490,620	70,042,801
Storage expenses	24,921,332	25,782,982
Packaging material expenses	15,610,119	15,619,732
Depreciation and amortisation expenses	8,566,421	3,849,137
Others	115,263,170	69,990,572
	617,075,751	529,719,611

(44) General and administrative expenses

	Six months ended 30 June	
	2024	2023
Employee benefits	257,247,147	305,643,416
Depreciation and amortisation expenses	60,085,504	74,160,233
Trademark license fee	52,181,119	32,535,858
Repair expenses	10,219,241	10,861,777
Consulting fees	7,170,257	6,821,567
General office expenses	5,334,911	6,348,243
Others	68,267,648	83,743,847
	460,505,827	520,114,941

(45) Research and development expenses

	Six months ended 30 June	
	2024	2023
Employee benefits	300,676,533	256,836,007
Design fee	124,951,201	118,103,150
Materials expenses	82,212,567	85,363,612
Depreciation and amortisation expenses	42,867,809	138,004,437
Others	66,529,617	149,828,569
	617,237,727	748,135,775

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(46) Financial expenses

	Six months ended 30 June	
	2024	2023
Interest costs	8,911,864	12,140,837
Add: Interest costs on lease liabilities	4,483,267	5,390,685
Interest expenses	13,395,131	17,531,522
Less: Interest income from cash at bank	(112,657,246)	(108,590,767)
Other interest income	(3,905,129)	(7,883,210)
Interest income	(116,562,375)	(116,473,977)
Exchange gains or losses	15,075,445	4,937,885
Others	436,332	698,209
	(87,655,467)	(93,306,361)

(47) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in the income statement are listed as follows by nature:

	Six months ended 30 June	
	2024	2023
Changes in inventories of finished goods and work in progress	(23,323,145)	294,331,743
Consumed raw materials and low value consumables, etc.	13,585,276,006	11,856,243,351
Employee benefits	1,371,712,445	1,356,861,864
Depreciation of fixed assets	485,221,314	442,918,223
Amortisation of intangible assets	200,787,127	132,580,119
Depreciation of right-of-use assets	41,568,134	36,087,214
Transportation expenses	312,941,991	259,830,610
Promotion expenses	279,009,783	227,249,175
Warranties	169,166,499	126,130,480
Design fee	124,951,201	118,103,150
Advertising and new product planning fees	54,490,620	70,042,801
Technology development expenses	112,555,295	75,714,080
Fixed asset repair and maintenance expenses (a)	51,950,328	54,578,826
Others	418,392,395	29,868,620
	17,184,699,993	15,080,540,256

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(47) Expenses by nature (Cont'd)

- (a) The Group includes daily maintenance expenses ineligible for the capitalisation of fixed assets regarding the production and processing of inventories into cost of inventories, which will be carried forward to cost of sales, and those regarding the R&D Department, Administrative Department, and Sales Department are included in research and development expenses, management expenses and selling and distribution expenses respectively.

(48) Asset impairment losses

	Six months ended 30 June	
	2024	2023
Losses on decline in the value of inventories	(4,296,473)	-

(49) Credit impairment losses

	Six months ended 30 June	
	2024	2023
Losses on bad debts of accounts receivable	(2,199,927)	2,770,236
Losses on bad debts of other receivables	(155,303)	(92,558)
Losses on bad debts of notes receivable	(17,564)	(318,280)
Losses on bad debts of long-term receivables	(14,909)	(23,520)
	(2,387,703)	2,335,878

(50) Other income

	Six months ended 30 June		
	2024	2023	Asset related/ Income related
Government grants			
- Supporting funds by government	50,000,000	350,200,000	Income related
- Research and development activities related subsidies	13,820,858	2,192,354	Income related
- Equipment purchasing-related subsidies	805,357	805,357	Asset related
- Other subsidies related with daily operation	11,752,761	5,446,243	Income related
Additional deduction of input VAT, etc.	303,586,244	—	—
	379,965,220	358,643,954	

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(51) Investment income

	<u>Six months ended 30 June</u>	
	2024	2023
Losses on discount of financing receivables eligible for derecognition (Note 4(6))	-	(12,045,045)
Losses on long-term equity investments under equity method	(2,527,255)	(3,893,639)
Investment income from forward exchange settlement	5,982,935	2,524,896
Investment income from financial assets held for trading	<u>2,652,711</u>	-
	<u>6,108,391</u>	<u>(13,413,788)</u>

There is no significant restriction on the remittance of investment income of the Group.

(52) Gains on changes in fair value

	<u>Six months ended 30 June</u>	
	2024	2023
Derivative financial assets and derivative financial liabilities -		
Gains on forward exchange contracts	4,970,251	4,114,063
Financial assets at fair value through profit or loss -		
Structural deposits	<u>(21,425)</u>	<u>136,000</u>
	<u>4,948,826</u>	<u>4,250,063</u>

(53) Gains on disposal of assets

	<u>Six months ended 30 June</u>		Amount recognised in non-recurring profit or loss For the six months ended 30 June 2024
	2024	2023	
Gains/ (Losses) on disposal of assets	<u>10,657,596</u>	<u>(293,630)</u>	<u>10,657,596</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(54) Non-operating income

	Six months ended 30 June		Amount recognised in non-recurring profit or loss For the six months ended 30 June 2024
	2024	2023	
Penalty income and Others	1,134,539	7,042,517	1,134,539

(55) Non-operating expenses

	Six months ended 30 June		Amount recognised in non-recurring profit or loss For the six months ended 30 June 2024
	2024	2023	
Losses on scrapping of assets	65,698	462,383	65,698
Donations	2,792,688	5,050	2,792,688
Others	2,362,709	118,006	2,362,709
	5,221,095	585,439	5,221,095

(56) Income tax expenses

	Six months ended 30 June	
	2024	2023
Current income tax calculated based on tax law and related regulations	4,274	(173,134,972)
Deferred income tax	(56,973,528)	81,600,830
	(56,969,254)	(91,534,142)

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(56) Income tax expenses (Cont'd)

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated income statement to the income tax expenses is listed as follows:

	Six months ended 30 June	
	2024	2023
Total profit	553,915,575	355,082,666
Income tax calculated at applicable tax rates	83,087,336	(38,901,653)
Effect of different applicable tax rates	(71,290,587)	20,382,054
Additional deductions	(72,828,094)	(90,087,306)
Deductible loss and temporary differences of the unrecognised deferred tax asset in the current period	3,135,138	12,742,388
Non-deductible investment losses	379,088	584,046
Costs, expenses and losses not deductible for tax purposes	547,865	3,746,329
Income tax expenses	<u>(56,969,254)</u>	<u>(91,534,142)</u>

(57) Earnings per share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of outstanding ordinary shares of the parent company:

	Six months ended 30 June	
	2024	2023
Consolidated net profit attributable to ordinary shareholders of the parent company	895,480,117	729,387,557
Weighted average number of ordinary shares outstanding issued by the Company	863,214,000	863,214,000
Basic earnings per share	<u>1.04</u>	<u>0.84</u>

(b) Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. As there were no dilutive potential ordinary shares for the six months ended 30 June 2024 (the six months ended 30 June 2023: Nil), diluted earnings per share equalled to basic earnings per share.

JIANGLING MOTORS CORPORATION, LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)**(58) Notes to the cash flow statement**

The Group does not present cash flows on a net basis, and the significant cash flow items are presented as follows:

(a) Cash received relating to other operating activities

	Six months ended 30 June	
	2024	2023
Government grants	75,117,834	362,576,242
Guarantees	18,017,968	22,162,178
Others	25,748,723	20,552,818
	<u>118,884,525</u>	<u>405,291,238</u>

(b) Cash paid relating to other operating activities

	Six months ended 30 June	
	2024	2023
Research and development expenses	279,544,973	468,474,355
Promotion expenses	262,782,714	209,100,546
Advertising expenses	106,878,573	79,645,485
Maintenance expenses	34,102,249	43,587,238
Trademark royalties	32,447,757	27,447,499
Guarantees	29,075,464	33,126,160
Consulting fees	24,608,124	25,157,593
Others	288,779,796	258,633,384
	<u>1,058,219,650</u>	<u>1,145,172,260</u>

(c) Cash received from disposal of investments

	Six months ended 30 June	
	2024	2023
Cash receipts on maturity from structural deposits	<u>400,000,000</u>	<u>-</u>

(d) Cash paid to acquire investments

	Six months ended 30 June	
	2024	2023
Cash paid to purchase structural deposits	<u>400,000,000</u>	<u>100,000,000</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(58) Notes to the cash flow statement (Cont'd)

(e) Cash received relating to other investing activities

	Six months ended 30 June	
	2024	2023
Interest from cash at bank	118,380,474	94,653,202
Other interest	9,764,230	8,581,891
	<u>128,144,704</u>	<u>103,235,093</u>

(f) Cash paid relating to other financing activities

	Six months ended 30 June	
	2024	2023
Payments of lease liabilities	12,923,965	9,449,108
Payment of deposit on a bank acceptance bill	-	500,000,000
	<u>12,923,965</u>	<u>509,449,108</u>

(59) Supplementary information to the cash flow statement

(a) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

	Six months ended 30 June	
	2024	2023
Net profit	610,884,829	446,616,808
Add: Asset impairment losses (Note 4(48))	(4,296,473)	-
Credit impairment losses (Note 4(49))	(2,387,703)	2,335,878
Depreciation of fixed assets (Note 4(14))	485,221,314	442,918,223
Amortisation of intangible assets (Note 4(17))	200,787,127	132,580,119
Depreciation of right-of-use assets (Note 4(16))	41,568,134	36,087,214
(Gains)/Losses on disposal of long-term assets	(10,591,898)	755,894
Financial income	(88,092,019)	(94,004,623)
Investment (Gains)/Losses(Note 4(51))	(6,108,391)	13,413,788
Gains on changes in fair value (Note 4(52))	(4,948,826)	(4,250,063)
Increase in deferred tax assets	(56,687,904)	(35,963,252)
Decrease in deferred tax liabilities	(285,624)	(340,693)
(Increase) /Decrease in inventories	(788,821,169)	308,145,911
Increase/(Decrease) in provisions	30,899,260	(11,244,035)
(Increase) /Decrease in operating receivables	(719,744,780)	694,355,906
Increase/(Decrease) in operating payables	1,043,839,882	(233,209,908)
Decrease/(Increase) in other cash and cash equivalents	2,093,918	(41,048,830)
Net cash flows generated from operating activities	<u>733,329,677</u>	<u>1,657,148,337</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(59) Supplementary information to the cash flow statement (Cont'd)

(a) Supplementary information to the cash flow statement (Cont'd)

Net increase/(decrease) in cash and cash equivalents

	Six months ended 30 June	
	2024	2023
Cash and cash equivalents at the end of the year	10,967,680,201	9,258,663,984
Less: Cash and cash equivalents at the beginning of the year	<u>(11,746,518,615)</u>	<u>(8,543,193,654)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(778,838,414)</u>	<u>715,470,330</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(59) Supplementary information to the cash flow statement (Cont'd)

(b) Changes in liabilities arising from financing activities

	Bank borrowings (including the current portion)	Other accounts payable (including the current portion)	Lease liabilities (including the current portion)	Long-term receivables (including the current portion)	Total
31 December 2023	1,314,705,163	6,468,514	218,076,092	38,651,260	1,577,901,029
Cash inflows from financing activities	995,542,778	-	-	661,625	996,204,403
Cash outflows from financing activities	(1,806,527,811)	(164,458)	(12,923,965)	-	(1,819,616,234)
Interest accrued in the current period	8,748,014	163,850	4,483,268	-	13,395,132
Dividends accrued in the current period	-	590,438,376	-	-	590,438,376
Changes that do not involve cash receipts and payments	15,225	72,209	(28,256,709)	(5,290,749)	(33,460,024)
30 June 2024	<u>512,483,369</u>	<u>596,978,491</u>	<u>181,378,686</u>	<u>34,022,136</u>	<u>1,324,862,682</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

4 Notes to the consolidated financial statements (Cont'd)

(59) Supplementary information to the cash flow statement (Cont'd)

(c) Cash and cash equivalents

	30 June 2024	31 December 2023
Cash at bank available for payment at any time	9,683,853,944	10,653,646,811
Cash at finance company available for payment at any time	<u>1,283,826,257</u>	<u>1,092,871,804</u>
	<u>10,967,680,201</u>	<u>11,746,518,615</u>

(i) As in Note 4(1), other cash and cash equivalents of RMB18,760,506 as at 30 June 2024(31 December 2023: RMB20,854,424) was not included in cash and cash equivalents.

(60) Foreign currency monetary items

	30 June 2024		
	Amounts in foreign currencies	Translation exchange rate	Amounts in RMB
Long-term borrowings - USD	229,195	7.1268	<u>1,633,424</u>
Other payables - USD	14,701,984	7.1268	104,778,103
EUR	33,288	7.6617	<u>255,043</u>
			<u>105,033,146</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

5 Equity in other entities

(1) Equity in subsidiaries

Structure of the Group

Subsidiaries	Main place of business	Place of registration	Registered capital	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
JMCS	Nanchang, Jiangxi	Nanchang, Jiangxi	50,000,000	Retail, wholesale and lease of automobiles	100%	-	Set up by investment Business combinations involving enterprises not under common control
JMCH	Taiyuan, Shanxi	Taiyuan, Shanxi	1,323,793,174	Manufacture and sales of automobiles	100%	-	Set up by investment
SZFJ	Shenzhen, Guangdong	Shenzhen, Guangdong	10,000,000	Retail, wholesale and lease of automobiles	100%	-	Set up by investment
GZFJ	Guangzhou, Guangdong	Guangzhou, Guangdong	10,000,000	Retail, wholesale and lease of automobiles	100%	-	Set up by investment
Jiangling Ford (Shanghai)(a)	Shanghai	Shanghai	200,000,000	Sales of automobiles, technical and business information consultation	51%	-	Set up by investment

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

5 Equity in other entities (Cont'd)

(1) Equity in subsidiaries (Cont'd)

(a) Subsidiaries with significant minority interests

The Group determines the subsidiaries with significant minority interests by taking into account whether the subsidiaries are listed companies, the proportion of minority interests in the Group's consolidated shareholders' equity, and the proportion of profit or loss attributable to minority shareholders in the Group's consolidated net profit, as follows:

Subsidiaries	Shareholding of minority shareholders	Total profit or loss attributable to minority shareholders for the year ended 30 June 2024	Dividends paid to minority shareholders for the year ended 30 June 2024	Minority interests as at 30 June 2024
Jiangling Ford (Shanghai)	49%	(284,595,288)	-	(649,868,406)

Key financial information of the above significant non-wholly owned subsidiaries is presented below.

	As at June 30 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Jiangling Ford (Shanghai)	379,335,434	525,626,149	904,961,583	2,217,698,379	13,525,255	2,231,223,634

	The six months ended 30 June 2024			
	Revenue	Net loss	Total comprehensive loss	Cash flows from operating activities
Jiangling Ford (Shanghai)	2,085,240,315	(580,806,710)	(580,806,710)	(316,803,331)

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

5 Equity in other entities (Cont'd)

(2) Equity in associates

(a) General information of significant associates

The Group determines the significant joint ventures and associates by taking into account factors such as whether the joint ventures and associates are listed companies, the proportion of their carrying amounts to the Group's consolidated total assets, and the proportion of the investment income from long-term equity investments under equity method to the Group's consolidated net profit, as set out below:

	Place of registration	Shareholding (%)	
		Direct	Indirect
Associate - The Power Company	Taiyuan, Shanxi	40%	-

(b) Summarised financial information for significant associates

	30 June 2024 The Power Company	31 December 2023 The Power Company
Current assets	185,760,750	194,206,175
Non-current assets	440,017,930	443,606,551
Total assets	625,778,680	637,812,726
Current liabilities	146,812,859	147,988,407
Non-current liabilities	39,594	74,039
Total liabilities	146,852,453	148,062,446
Minority interests	191,570,491	195,900,112
Equity attributable to shareholders of the parent company	287,355,736	293,850,168
Share of net assets based on shareholding (i)	191,570,491	195,900,112
Adjustments		
- Unrealised profits arising from internal transactions	(14,062,135)	(14,425,830)
- Others (ii)	20,853,323	20,853,323
Carrying amount of equity investments in associates	198,361,679	202,327,605

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

5 Equity in other entities (Cont'd)

(2) Equity in associates (Cont'd)

(b) Summarised financial information for significant associates (Cont'd)

	The six months ended 30 June	
	2024	2023
	The Power Company	The Power Company
Revenue	27,275,105	23,975,774
Net loss	(10,982,624)	(12,707,406)
Other comprehensive income	-	-
Total comprehensive loss	<u>(10,982,624)</u>	<u>(12,707,406)</u>
Dividends received from associates by the Group	-	-

(i) The Group calculated the shares of net assets in proportion of the shareholdings and based on the amount attributable to the parent company of the associates in their consolidated financial statements. The amount in the consolidated financial statements of associates considers the fair value of identifiable assets and liabilities at the time of acquisition of the investments and the impact of adjustments to uniform accounting policies. None of the assets involved in transactions between the Group and associates contribute to business.

(ii) Other adjustments were mainly the remeasurement of fair value of remaining equity in the consolidated financial statements, which resulted from the loss of control over the original subsidiary due to the disposal of part of the equity investment.

(c) Summarised information of insignificant associates

	The six months ended 30 June	
	2024	2023
Aggregated carrying amount of investments	<u>28,773,014</u>	<u>35,979,511</u>
Aggregate of the following items based on shareholding		
Net profit/(loss) (i)	1,438,671	(1,447,622)
Other comprehensive income (i)	-	-
Total comprehensive income/(loss)	<u>1,438,671</u>	<u>(1,447,622)</u>

(i) Net profit and other comprehensive income have taken into account the fair value of identifiable assets and liabilities at the time of acquisition of the investments and the impact of adjustments to uniform accounting policies.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

6 Segment information

Revenue and profits of the Group mainly arise from production and domestic sales of automobiles, and the primary assets of the Group are all located in China. Management of the Group assesses the operating performance of the Group as a whole. Therefore, no segment report is prepared for the current period.

For the six months ended 30 June 2024, the revenue obtained from a single customer of the Group accounted for more than 10% of the Group's revenue, amounting to RMB5,056,371,717 (the six months ended 30 June 2023: RMB4,775,490,540), or 28.22% (the six months ended 30 June 2023: 30.95%), of the Group's revenue.

7 Related parties and related party transactions

(1) Information of major shareholders

(a) General information of major shareholders

	Type of enterprise	Place of registration	Legal representative	Nature of business	Code of organisation
JIC	State-owned enterprise	Nanchang, China	Qiu Tiangao	Investment and asset management	91360125MA38LUR91F
Ford	Foreign enterprise	United States	William Clay Ford, Jr.	Manufacture and sales of automobiles	N/A

(b) Registered capital and changes in major shareholders

	31 December 2023	Increase in the current period	Decrease in the current period	30 June 2024
JIC	1,000,000,000	-	-	1,000,000,000
Ford	USD 42,000,000	-	-	USD 42,000,000

(c) The percentages of shareholding and voting rights in the Company held by major shareholders

	30 June 2024		31 December 2023	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
JIC	41.03%	41.03%	41.03%	41.03%
Ford	32%	32%	32%	32%

(2) Information of subsidiaries

The general information and other related information of subsidiaries are set out in Note 5(1).

(3) Information of associates

The information of associates is set out in Note 4(13).

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(4) Information of other related parties

	Relationship with the Group
JMCG	Shareholder of JIC
Chongqing Changan Automobile Co., Ltd.(hereinafter referred to as "Chongqing Changan")	Shareholder of JIC
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Wholly-owned Subsidiary of JMCG
Jiangxi Lingrui Recycling Resources Development Corporation	Wholly-owned Subsidiary of JMCG
Jiangling Automobile Group (Nanchang) Fushan Energy Co., Ltd.	Wholly-owned Subsidiary of JMCG
Jiangxi JMCG Industry Co., Ltd.	Wholly-owned Subsidiary of JMCG
JMCG Property Management Co.	Wholly-owned Subsidiary of JMCG
JMCG Jingma Motors Co., Ltd.	Wholly-owned Subsidiary of JMCG
Nanchang Gear Forging Co.,Ltd.	Wholly-owned Subsidiary of JMCG
JMCF	Wholly-owned Subsidiary of JMCG
Jiangxi Jiangling Chassis Co., Ltd.	Wholly-owned Subsidiary of JMCG
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Wholly-owned Subsidiary of JMCG
Nanchang JMCG Shishun Logistics Co., Ltd.	Holding Subsidiary of JMCG
Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	Holding Subsidiary of JMCG
Jiangxi Mingfang Auto Parts Industry Co., Ltd.	Holding Subsidiary of JMCG
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Holding Subsidiary of JMCG
Jiangxi Jiangling Lear Interior System Co., Ltd.	Holding Subsidiary of JMCG
Nanchang Unistar Electric & Electronics Co., Ltd.	Holding Subsidiary of JMCG
Jiangxi ISUZU Engine Co., Ltd.	Holding Subsidiary of JMCG
Jiangxi ISUZU Co., Ltd.	Holding Subsidiary of JMCG
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Holding Subsidiary of JMCG
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Holding Subsidiary of JMCG
Ford Motor Co. Thailand Ltd.	Wholly-owned Subsidiary of Ford
Ford Global Technologies,LLC	Wholly-owned Subsidiary of Ford
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Wholly-owned Subsidiary of Ford
Ford Motor (China) Co., Ltd.	Wholly-owned Subsidiary of Ford
Ford Trading Company, LLC	Wholly-owned Subsidiary of Ford
Auto Alliance (Thailand) Co., Ltd.	Holding Subsidiary of Ford
Ford Otomotiv Sanayi A.S.	Holding Subsidiary of Ford
Ford Vietnam Limited	Holding Subsidiary of Ford
Ford Electric Mach Technology (Nanjing) Co., Ltd	Holding Subsidiary of Ford
Changan Ford Automobile Co., Ltd.	Joint venture of Ford
Jiangling Material Co., Ltd.	Subsidiary under indirect control of JMCG
Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd.	Subsidiary under indirect control of JMCG
Nanchang JMCG Xinchun Auto Component Co., Ltd.	Subsidiary under indirect control of JMCG
Nanchang Lianda Machinery Co., Ltd.	Subsidiary under indirect control of JMCG
Jiangxi JMCG Boya brake system Co., Ltd.	Subsidiary under indirect control of JMCG
Jiangling Aowei Automobile Spare Part Co., Ltd.	Subsidiary under indirect control of JMCG
Jiangxi JMCG Shangrao Industrial Co.,Ltd.	Subsidiary under indirect control of JMCG
JMCG Jiangxi Engineering Construction Co., Ltd.	Subsidiary under indirect control of JMCG
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Subsidiary under indirect control of JMCG
Nanchang Hengou Industry Co., Ltd.	Subsidiary under indirect control of JMCG
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	Subsidiary under indirect control of JMCG
Jiangxi JMCG Motorhome Co.,Ltd.	Subsidiary under indirect control of JMCG
China Changan Group Tianjin Sales Co., Ltd.	Group Subsidiary of Chongqing Changan
Chongqing Anfu Vehicle Marketing Co., Ltd.	Group Subsidiary of Chongqing Changan
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	Group Subsidiary of Chongqing Changan

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(4) Information of other related parties (Cont'd)

	Relationship with the Group
Beijing Baiwang Changfu Vehicle Sales & Service Co., Ltd.	Group Subsidiary of Chongqing Changan
Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	Group Subsidiary of Chongqing Changan
Dali Wanfu Vehicle Sales & Service Co., Ltd.	Group Subsidiary of Chongqing Changan
Guizhou Wanjia Automobile Sales and Service Co. LTD	Group Subsidiary of Chongqing Changan
Beijing Beifang Changfu Vehicle Sales & Service Co., Ltd.	Group Subsidiary of Chongqing Changan
Chongqing Anbo Vehicle Sales Co., Ltd.	Group Subsidiary of Chongqing Changan
Nanchang Yinlun Heat-exchanger Co., Ltd.	Joint venture of JMCG
Dibao transportation equipment (Nanchang) Co., Ltd	Associate of JMCG
Magna PT Powertrain (Jiangxi) Co., Ltd.	Associate of JMCG
Nanchang Baojiang Steel Processing Distribution Co., Ltd.	Associate of JMCG
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	Associate of JMCG
Jiangxi Lingyun Automobile Industry Technology Co., Ltd	Associate of JMCG
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Associate of JMCG
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Associate of JMCG
Jiangling Motor Holdings Co., Ltd.	Associate of JMCG

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions

(a) Purchase and sales of goods, provision and receipt of services

Purchase of goods:

	Nature of related party transactions	Six months ended 30 June	
		2024	2023
Ford	Purchase of automobile parts	780,177,730	70,921,401
Magna PT Powertrain (Jiangxi) Co., Ltd.	Purchase of automobile parts	600,584,838	612,879,253
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Purchase of automobile parts	590,768,738	573,081,318
Nanchang Baojiang Steel Processing Distribution Co., Ltd.	Purchase of raw materials	405,780,356	338,563,188
Jiangxi Jiangling Chassis Co., Ltd.	Purchase of automobile parts	393,178,316	298,114,886
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Purchase of automobile parts	377,760,824	296,110,915
Jiangxi Jiangling Lear Interior System Co., Ltd.	Purchase of automobile parts	347,400,376	354,855,203
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Purchase of automobile parts	264,589,567	262,668,568
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Purchase of automobile parts	177,941,031	134,266,900
Nanchang Unistar Electric & Electronics Co., Ltd.	Purchase of automobile parts	116,897,654	141,928,577
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	Purchase of automobile parts	108,646,612	184,385,384
Jiangxi Lingyun Automobile Industry Technology Co., Ltd	Purchase of automobile parts	97,543,965	100,142,856
Nanchang JMCG Shishun Logistics Co., Ltd.	Purchase of automobile parts	87,848,436	94,684,781
Ford Motor Co. Thailand Ltd.	Purchase of automobile parts	68,314,885	1,056,616
Changan Ford Automobile Co., Ltd.	Purchase of automobile parts	68,157,110	16,978,981
Hanon Systems	Purchase of automobile parts	66,928,237	78,188,938
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Purchase of automobile parts	60,847,557	56,603,368
Nanchang Yinlun Heat-exchanger Co., Ltd.	Purchase of automobile parts	58,593,286	59,390,004
Dibao transportation equipment (Nanchang) Co., Ltd	Purchase of automobile parts	35,165,670	26,955,832

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Purchase of goods (Cont'd):

Nature of related party transactions	Six months ended 30 June		
	2024	2023	
Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	Purchase of automobile parts	33,360,233	35,681,186
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Purchase of automobile parts	28,757,183	9,438,144
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Purchase of automobile parts	23,270,189	19,397,071
JMCG	Purchase of automobile parts	22,525,005	2,515,904
Jiangxi Lingrui Recycling Resources Development Corporation	Purchase of raw materials	16,477,867	15,092,027
Jiangling Automobile Group (Nanchang) Fushan Energy Co., Ltd.	Purchase of raw materials	15,562,142	4,674,040
Nanchang Lianda Machinery Co., Ltd.	Purchase of automobile parts	15,348,196	19,699,255
Jiangxi JMCG Shangrao Industrial Co., Ltd.	Purchase of automobile parts	13,577,892	419,588
Jiangxi JMCG Boya brake system Co., Ltd.	Purchase of automobile parts	11,236,000	9,926,780
Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd.	Purchase of automobile parts	10,743,777	6,039,341
Jiangxi Mingfang Auto Parts Industry Co., Ltd.	Purchase of automobile parts	5,908,983	3,910,008
Jiangling Aowei Automobile Spare Part Co., Ltd.	Purchase of automobile parts	5,562,150	5,647,036
Nanchang JMCG Xincheng Auto Component Co., Ltd.	Purchase of automobile parts	3,127,958	3,920,960
Auto Alliance (Thailand) Co., Ltd.	Purchase of automobile parts	2,915,565	12,302,972
Jiangling Motor Holdings Co., Ltd.	Purchase of automobile parts	1,126,880	2,613,788
Nanchang Gear Forging Co., Ltd.	Purchase of automobile parts	1,061,737	937,224
JMCG Jingma Motors Co., Ltd.	Purchase of automobile parts	1,038,886	-
Jiangling Material Co., Ltd.	Purchase of raw materials	-	9,453,368
Jiangxi ISUZU Engine Co., Ltd.	Purchase of automobile parts	40,104	5,843,600
Ford Otomotiv Sanayi A.S.	Purchase of automobile parts	952,875	3,709,077
Other related parties	Purchase of automobile parts	230,563	941,523
		<u>4,919,949,373</u>	<u>3,873,939,861</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Purchase of goods (Cont'd):

The products purchased by the Group from related parties are divided into two categories: purchase of imported parts and purchase of domestic parts.

- The pricing on imported parts purchased from Ford or its suppliers is based on the agreed price by both parties;
- The pricing on domestic accessories purchased from other related parties is determined through quotation, cost accounting, and negotiation between the two parties, and is adjusted regularly.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Receipt of services:

	Nature of related party transactions	Six months ended 30 June	
		2024	2023
Nanchang JMCG Shishun Logistics Co., Ltd.	Transportation, removal fee, etc.	147,357,676	138,271,507
Ford Global Technologies,LLC	Trademark management fees, technology development	130,437,253	105,294,784
JMCG Jiangxi Engineering Construction Co., Ltd.	Engineering construction	117,416,875	4,494,827
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Design fee, Personnel costs	73,479,037	102,360,446
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Cartage fee, storage fee, etc.	45,941,842	42,263,367
Ford	Technical services and personnel costs	27,438,900	16,941,345
Ford Motor (China) Co., Ltd.	Design fee, Personnel costs, etc.	27,098,764	25,690,619
Jiangxi JMCG Industry Co., Ltd.	Meals	16,543,562	15,784,854
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Agency fee, advertising fee, etc.	9,290,495	7,490,617
JMCG Property Management Co.	Property fees, labour costs, etc.	7,073,104	5,496,458
Chongqing Anfu Vehicle Marketing Co., Ltd.	Warranty and promotion	1,604,135	941,548
Chongqing Changan Automobile Co., Ltd.	Personnel costs	1,287,423	1,165,327
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	Promotion	1,180,264	107,509
JMCG	Labour fee, rental fee, etc.	349,520	9,035,774
Ford Otomotiv Sanayi A.S.	Technical services and technical development	430,426	4,048,186
Changan Ford Automobile Co., Ltd.	Service fee, labour costs, etc.	703,553	2,659,578
Magna PT Powertrain (Jiangxi) Co., Ltd.	Design fee, experimental costs	190,790	1,728,126
China Changan Group Tianjin Sales Co., Ltd.	Warranty and promotion	500,867	1,184,253

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Receipt of services (Cont'd):

Nature of related party transactions	Six months ended 30 June	
	2024	2023
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	-	1,000,000
Other related parties	4,364,219	4,476,521
	<u>612,688,705</u>	<u>490,435,646</u>

The Group's pricing on services received from related parties is based on the agreed price by both parties.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Sales of goods and provision of services:

	Nature of related party transactions	Six months ended 30 June	
		2024	2023
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Sales of vehicles and accessories, etc.	5,042,910,917	4,771,391,370
JMCG Jingma Motors Co., Ltd.	Sales of vehicles and accessories	67,278,640	66,150,936
Chongqing Anfu Vehicle Marketing Co., Ltd.	Sales of vehicles and accessories	55,047,669	28,322,195
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	Sales of vehicles	49,551,991	96,069,902
China Changan Group Tianjin Sales Co., Ltd.	Sales of vehicles and accessories	45,621,776	21,666,937
Chongqing Anfu Vehicle Marketing Co., Ltd.	Sales of vehicles and accessories	43,979,176	25,855,442
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Sales of vehicles and accessories	35,660,121	36,125,691
Jiangxi Lingrui Recycling Resources Development Corporation	Sales of waste materials, etc.	33,437,495	29,443,114
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Sales of accessories	33,330,915	448,728
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	25,337,145	27,313,444
Jiangxi Jiangling Chassis Co., Ltd.	Sales of accessories	17,336,576	21,409,740
Jiangxi ISUZU Engine Co., Ltd.	Sales of accessories	16,335,938	14,870,252
Dali Wanfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	14,599,239	18,605,372
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Sales of accessories	14,319,726	9,072,055
Beijing Baiwang Changfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	11,027,317	11,354,377
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Sales of accessories	10,562,548	1,324,600
Jiangxi Jiangling Lear Interior System Co., Ltd.	Sales of accessories	8,935,487	10,950,458
Nanchang Hengou Industry Co., Ltd.	Sales of accessories and labor costs	8,697,566	4,772,985
Jiangxi ISUZU Co., Ltd.	Sales of accessories	8,510,068	10,806,891
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Sales of accessories	8,093,548	3,427,362

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Sales of goods and provision of services (Cont'd):

	Nature of related party transactions	Six months ended 30 June	
		2024	2023
Guizhou Wanjia Automobile Sales and Service Co. LTD	Sales of vehicles and accessories	7,248,862	10,915,251
Beijing Beifang Changfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	4,420,133	10,989,264
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Sales of vehicles and accessories	2,800,546	6,367,741
Jiangxi JMCG Industry Co., Ltd.	Sales of accessories and waste materials	1,704,763	1,388,357
Dali Wanfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	140,934	13,177,316
Chongqing Anbo Vehicle Sales Co., Ltd.	Sales of vehicles and accessories	1,657	6,332,539
JMCG	Sales of accessories and labor costs	8,415	1,722,665
Other related parties		2,866,316	3,175,327
		<u>5,569,765,484</u>	<u>5,263,450,311</u>

The Group's pricing on goods sold to related parties is based on the agreed price by both parties.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(b) Leases

(i) The lease income recognised in the current period with the Group as the lessor:

Name of the lessee	Type of the leased asset	Six months ended 30 June	
		2024	2023
Jiangling Motor Holdings Co., Ltd.	Buildings	14,727	-
Jiangxi JMCG Motorhome Co., Ltd.	Buildings	-	2,945
		<u>14,727</u>	<u>2,945</u>

(ii) Increase of right-of-use assets in the current period with the Group as the lessee

Name of the lessor	Type of the leased asset	Six months ended 30 June	
		2024	2023
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Buildings	<u>37,552,314</u>	<u>-</u>

(iii) Interest costs on lease liabilities in the current period with the Group as the lessee:

	Type of the leased asset	Six months ended 30 June	
		2024	2023
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Buildings	426,978	162,032
JMCG	Buildings	301,701	114,569
		<u>728,679</u>	<u>276,601</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(c) Guarantee received

Guarantor	Guaranteed amount	Starting date	Ending date	Fully performed or not
JMCF	1,633,424	5 March 2001	30 October 2029	Not fully performed

For the six months ended 30 June 2024, JMCF provided guarantees for some bank borrowings of the Group, with a maximum guarantee limit of USD2,282,123. As at 30 June 2024, JMCF provided borrowing guarantee to the bank borrowing of USD229,165, equivalent to RMB1,633,424 (31 December 2023: USD261,937, equivalent to RMB1,855,219) for the Group.

(d) Transfer of assets

Nature of related party transactions	Six months ended 30 June		
	2024	2023	
JMCG Jingma Motors Co., Ltd.	Sales of fixed assets	44,381	-
Jiangxi JMCG Industry Co., Ltd.	Sales of fixed assets	4,442	-
Jiangxi Lingrui Recycling Resources Development Corporation	Sales of fixed assets	-	121,707
		<u>48,823</u>	<u>121,707</u>

The pricing on transfer of assets between the Group and related parties is based on the agreed price by both parties.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(e) Purchase of assets

Nature of related party transactions	Six months ended 30 June		
	2024	2023	
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Purchase of fixed assets	11,714,950	21,138,257
JMCG Jingma Motors Co., Ltd.	Purchase of fixed assets	3,928,253	-
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Purchase of fixed assets	2,140,583	9,584,000
Jiangxi Jiangling Lear Interior System Co., Ltd.	Purchase of fixed assets	2,079,737	535,980
Magna PT Powertrain (Jiangxi) Co., Ltd.	Purchase of fixed assets	738,376	2,800,000
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Purchase of fixed assets	-	4,009,591
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Purchase of fixed assets	-	456,637
		<u>20,601,899</u>	<u>38,524,465</u>

The pricing on purchase of assets between the Group and related parties is based on the agreed price by both parties.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(f) Provision of technology sharing and distribution service

	Nature of related party transactions	Six months ended 30 June	
		2024	2023
Ford Motor (China) Co., Ltd.	Distribution and technical service	12,653,421	5,784,640
Ford Electric Mach Technology (Nanjing) Co., Ltd	Technical service	55,406,177	-
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Technical service	19,141,233	19,180,000
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Technical service	13,958,000	4,099,170
Ford Vietnam Limited	Technical service	7,250,000	5,100,000
Ford Trading Company, LLC	Technical service	2,450,000	1,509,518
Ford	Technical service	-	3,283,725
Jiangxi ISUZU Co., Ltd.	Technical service	-	2,274,000
		<u>110,858,831</u>	<u>41,231,053</u>

The Group's pricing on technology sharing provided to related parties is based on the agreed price by both parties.

JIANGLING MOTORS CORPORATION, LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(g) Remuneration of key management

	Six months ended 30 June	
	2024	2023
Remuneration of key management	<u>9,376,278</u>	<u>7,593,376</u>

(h) Interest income

	Six months ended 30 June	
	2024	2023
JMCF	<u>8,461,182</u>	<u>7,308,840</u>

Cash at bank of the Group deposited with JMCF was calculated based on the bank annual interest rate for RMB deposit of 1.35% to 2.25% over the same period (the six months ended 30 June 2023: 1.35% to 2.25%).

(i) Interest expenses

	Six months ended 30 June	
	2024	2023
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	120,000	120,000
Nanchang JMCG Shishun Logistics Co., Ltd.	<u>30,000</u>	<u>30,000</u>
	<u>150,000</u>	<u>150,000</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties

	30 June 2024		31 December 2023	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Accounts receivable				
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	3,164,810,120	(6,563,795)	2,681,807,388	(5,431,789)
JMCG Jingma Motors Co., Ltd.	35,808,509	(89,645)	32,388,453	(106,014)
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	18,520,425	(55,561)	304,992	(915)
Jiangxi JMCG Specialty Vehicles Co., Ltd.	11,985,421	(13,362)	39,985,715	(48,790)
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	6,973,091	(20,919)	1,275,203	(3,826)
Ford Motor (China) Co., Ltd.	6,683,318	(20,050)	4,507,064	(13,521)
Jiangxi ISUZU Co., Ltd.	6,361,320	(19,084)	11,507,006	(34,521)
Jiangxi ISUZU Engine Co., Ltd.	5,656,047	(16,968)	9,873,973	(29,622)
Nanchang JMCG Liancheng Auto Component Co., Ltd.	3,601,881	(10,806)	2,938,482	(8,815)
Jiangxi Jiangling Lear Interior System Co., Ltd.	3,100,951	(9,303)	3,792,069	(11,376)
Chongqing Anfu Vehicle Marketing Co., Ltd.	2,871,945	(3,112)	137,378	(412)
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	1,295,493	(1,627)	312,271	(937)
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	-	-	7,564,961	(9,076)
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	-	-	5,471,828	(6,565)
Ford Vietnam Limited	-	-	5,320,000	(15,960)
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	10,657	(32)	2,827,718	(144,662)
Nanchang Hengou Industry Co., Ltd.	235,533	(1,015)	2,114,644	(6,344)
Other related parties	3,093,854	(36,762)	3,013,670	(10,711)
	<u>3,271,008,565</u>	<u>(6,862,041)</u>	<u>2,815,142,815</u>	<u>(5,883,856)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

	30 June 2024		31 December 2023	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Other receivables				
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	31,727,323	(111,046)	8,636,151	(67,362)
JMCG Jingma Motors Co., Ltd.	19,289	(68)	4,614,745	(35,995)
Other related parties	142,282	(498)	245,356	(1,914)
	<u>31,888,894</u>	<u>(111,612)</u>	<u>13,496,252</u>	<u>(105,271)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

		30 June 2024	31 December 2023
Advances to suppliers	Nanchang Baojiang Steel Processing Distribution Co., Ltd.	<u>102,559,416</u>	<u>144,390,937</u>
Advances for engineering	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	<u>1,400,293</u>	<u>-</u>
Financing receivables	Jiangxi JMCG Specialty Vehicles Co., Ltd.	62,457,410	43,000,000
	JMCG Jingma Motors Co., Ltd.	15,695,681	11,000,000
	Jiangxi ISUZU Engine Co., Ltd.	3,796,669	1,264,651
	Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	1,412,700	-
	Jiangxi ISUZU Co., Ltd.	-	3,950,000
		<u>83,362,460</u>	<u>59,214,651</u>
Cash at bank	JMCF	<u>1,283,826,257</u>	<u>1,092,871,804</u>
Transactions with JMCF	JMCF	<u>8,029,846,798</u>	<u>13,982,325,897</u>

For the six months ended 30 June 2024, the amount of sales and other transactions settled by JMCF was RMB8,029,846,798 (the six months ended 30 June 2023: RMB6,450,656,589), of which the Group didn't have sales amount settled through the buyer-paid interest discounting business of electronic commercial notes (the six months ended 30 June 2023: Nil). As at 30 June 2024, the Group didn't have trade acceptance notes discounted but unmatured arising from the above business (31 December 2023: Nil). The Group has transferred almost all the risks and rewards of ownership of electronic commercial notes, which have been therefore derecognised.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

	30 June 2024	31 December 2023
Accounts payable		
Ford	609,543,518	86,590,606
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	519,316,782	526,325,735
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	469,838,629	393,207,678
Jiangxi Jiangling Lear Interior System Co., Ltd.	387,303,612	365,099,029
Jiangxi Jiangling Chassis Co., Ltd.	280,118,513	251,320,872
Magna PT Powertrain (Jiangxi) Co., Ltd.	197,131,812	271,344,575
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	194,276,764	194,714,700
Nanchang JMCG Liancheng Auto Component Co., Ltd.	173,450,088	202,046,109
Nanchang JMCG Shishun Logistics Co., Ltd.	98,381,564	89,401,630
Hanon Systems	84,617,019	28,561,752
Jiangxi Lingyun Automobile Industry Technology Co., Ltd	72,860,526	46,765,963
Changan Ford Automobile Co., Ltd.	58,855,075	5,740,862
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	51,757,077	62,653,105
Nanchang Unistar Electric & Electronics Co., Ltd.	42,568,572	64,278,792
Nanchang Yinlun Heat-exchanger Co., Ltd.	40,336,392	33,494,753
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	37,973,665	34,028,487
Jiangxi JMCG Specialty Vehicles Co., Ltd.	31,845,359	22,470,866
Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	25,482,365	33,447,909
JMCG	21,249,491	1,812,893
Dibao transportation equipment (Nanchang) Co., Ltd	21,125,839	28,378,407
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	20,876,373	10,453,228
Jiangxi Lingrui Recycling Resources Development Corporation	14,540,189	19,443,919
Ford Motor Co. Thailand Ltd.	13,848,074	2,269,745
Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd.	11,935,808	1,485,717
Nanchang Lianda Machinery Co., Ltd.	8,053,983	13,769,421
Jiangxi JMCG Boya brake system Co., Ltd.	7,854,139	8,114,273
Jiangxi JMCG Shangrao Industrial Co.,Ltd.	7,690,548	3,108,061
Jiangling Motor Holdings Co., Ltd.	7,256,556	6,295,798
Jiangxi Mingfang Auto Parts Industry Co., Ltd.	6,322,560	3,734,394
Jiangling Aowei Automobile Spare Part Co., Ltd.	6,050,276	6,868,703
Nanchang JMCG Xinchun Auto Component Co., Ltd.	2,553,480	3,571,782
JMCG Jingma Motors Co., Ltd.	1,926,000	887,114
Jiangling Automobile Group (Nanchang) Fushan Energy Co., Ltd.	1,422,987	2,102,733
Other related parties	2,339,595	2,651,442
	<u>3,530,703,230</u>	<u>2,826,441,053</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

		30 June 2024	31 December 2023
Other payables	Ford	71,311,805	91,949,142
	Ford Global Technologies,LLC	57,425,174	66,643,015
	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	49,812,222	44,553,591
	Ford Motor Research & Engineering (Nanjing) Co., Ltd.	32,861,632	33,884,078
	Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	26,418,240	23,662,480
	JMCG Jiangxi Engineering Construction Co., Ltd.	24,946,943	64,113,619
	Ford Motor (China) Co., Ltd.	12,496,140	16,138,211
	Nanchang JMCG Shishun Logistics Co., Ltd.	12,001,215	10,400,985
	Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	9,870,130	10,086,404
	JMCG Property Management Co.	7,005,448	6,473,088
	JMCG Jingma Motors Co., Ltd.	5,229,684	351,539
	Jiangxi JMCG Specialty Vehicles Co., Ltd.	4,851,666	5,072,940
	Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd	4,493,407	4,420,456
	Nanchang JMCG Liancheng Auto Component Co., Ltd.	4,011,339	8,149,662
	Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	3,925,744	2,724,194
	Jiangxi JMCG Industry Co., Ltd.	2,743,422	3,100,412
	JMCG	2,445,557	2,445,557
	Chongqing Changan Automobile Co., Ltd.	1,287,423	2,394,350
	Hanon Systems	1,283,100	1,283,100
	Jiangxi Jiangling Group Special Vehicle Co., Ltd.	1,144,925	2,565,523
	Jiangxi Jiangling Lear Interior System Co., Ltd.	1,009,469	55,243
	Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	214,002	1,696,615
	Ford Otomotiv Sanayi A.S.	517,159	1,425,533
	Changan Ford Automobile Co., Ltd.	206,904	1,010,529
	Other related parties	6,086,524	6,754,911
		<u>343,599,274</u>	<u>411,355,177</u>
Contract liabilities	Ford Electric Mach Technology (Nanjing) Co., Ltd	55,113,623	-
	Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd	4,742,349	-
	Ford Motor Research & Engineering (Nanjing) Co., Ltd.	4,616,981	23,208,214
	Ford Vietnam Limited	2,920,000	-
	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	2,538,000	-
	Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	2,341,635	-
	Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	1,202,447	1,350,217
	Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	1,007,193	6,142,607
	Chongqing Anbo Vehicle Sales Co., Ltd.	19,545	1,098,689
	Other related parties	2,802,328	2,683,591
		<u>77,304,101</u>	<u>34,483,318</u>
Lease liabilities	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	36,843,890	1,390,961
	JMCG	11,418,895	17,016,922
		<u>48,262,785</u>	<u>18,407,883</u>

JIANGLING MOTORS CORPORATION, LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

7 Related parties and related party transactions (Cont'd)**(7) Commitments in relation to related parties**

Capital commitments

	30 June 2024	31 December 2023
JMCG Jiangxi Engineering Construction Co., Ltd.	4,971,108	19,956,147
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	-	15,677,612
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	-	11,091,570
Nanchang JMCG Liancheng Auto Component Co., Ltd.	-	4,678,200
Magna PT Powertrain (Jiangxi) Co., Ltd.	-	791,000
	<u>4,971,108</u>	<u>52,194,529</u>

Guarantee of commitments in relation to related parties is set out in Note 7(5)(c).

8 Contingencies

As at 30 June 2024, the Group had no contingencies that needed to be disclosed in the notes to the financial statements.

9 Commitments

Capital expenditure commitments

Capital expenditures contracted for by the Group but are not yet necessary to be recognised on the balance sheet as at the balance sheet date are as follows:

	30 June 2024	31 December 2023
Buildings, machinery and equipment	<u>679,031,000</u>	<u>636,424,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

10 Financial instrument and risk

The Group's activities expose it to a variety of financial risks, which mainly comprise market risk (primarily including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The above financial risks and the Group's risk management policies to mitigate the risks are as follows:

The Board of Directors is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has established risk management policies to identify and analyse the risks faced by the Group. These risk management policies specify the risks such as market risk, credit risk and liquidity risk management. The Group regularly evaluates the market environment and changes in the Group's operating activities to determine whether to update the risk management policies and systems or not. The Group's risk management is carried out by the Risk Management Committee under policies approved by the Board of Directors. The Risk Management Committee works closely with other business departments of the Group to identify, evaluate and avoid relevant risks. The internal audit department of the Group conducts periodical audit to the controls and procedures for risk management and reports the audit results to the Audit Committee of the Group.

- (1) Market risk
- (a) Foreign exchange risk

The Group's major operational activities are carried out in the mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from the recognised assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to USD. The Group continuously monitors the amount of assets and liabilities, and transactions denominated in foreign currencies to minimise the foreign exchange risk. As at 30 June 2024, the Group's borrowings denominated in foreign currencies were USD229,195, equivalent to RMB1,633,424. The Group signed forward exchange contracts to mitigate the foreign exchange risk(Note 4(3), Note 4(30)).

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

10 Financial instrument and risk (Cont'd)

(1) Market risk (Cont'd)

(a) Foreign exchange risk (Cont'd)

The financial assets and financial liabilities denominated in foreign currencies, which were held by the Group, were expressed in RMB as at 30 June 2024 and 31 December 2023 as follows:

	30 June 2024		
	USD	EUR	Total
Financial assets denominated in foreign currency - Derivative financial assets	4,510,945	-	4,510,945
Financial liabilities denominated in foreign currency - Current portion of long- term borrowings	466,692	-	466,692
Long-term borrowings	1,166,732	-	1,166,732
Other payables	104,778,103	255,043	105,033,146
	<u>106,411,527</u>	<u>255,043</u>	<u>106,666,570</u>
	31 December 2023		
	USD	EUR	Total
Financial liabilities denominated in foreign currency - Derivative financial liabilities	459,306	-	459,306
Current portion of long- term borrowings	463,805	-	463,805
Long-term borrowings	1,391,414	-	1,391,414
Other payables	143,725,731	261,617	143,987,348
	<u>146,040,256</u>	<u>261,617</u>	<u>146,301,873</u>

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

10 Financial instrument and risk (Cont'd)

(1) Market risk (Cont'd)

(a) Foreign exchange risk (Cont'd)

As at 30 June 2024, for the financial assets and liabilities dominated in foreign currencies, if the RMB had strengthened/weakened by 10% against the USD while all other variables had been held constant, the Group's net profit would have been approximately RMB8,618,385 (31 December 2023: approximately RMB12,370,525) higher/lower.

(b) Interest rate risk

The Group's interest rate risk mainly arises from interest-bearing debts such as short-term borrowings and long-term borrowings. The financial liabilities of floating interest rate expose the Group to cash flow interest rate risk, and the financial liabilities of fixed interest rate expose the Group to fair value interest rate risk. The Group determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market environment. As at 30 June 2024, the Group's short-term borrowings of RMB500,000,000 (31 December 2023: RMB1,300,000,000) were fixed-rate borrowings, and long-term borrowings of USD229,195 (31 December 2023: USD261,937) were fixed-rate contracts, long-term borrowings of RMB10,849,945 (31 December 2023: RMB12,849,944) were fixed-rate contracts, therefore there was no significant cash flow interest rate risk.

The Group continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing and the interest costs with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial performance. Management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. During the first half of 2024 and 2023, the Group did not enter into any interest rate swap agreements.

As at 30 June 2024 and 31 December 2023, there was no significant difference between the fair value and the carrying amount of the Group's bank borrowings with fixed rates.

(2) Credit risk

The Group's credit risk mainly arises from cash at bank and on hand, notes receivable, accounts receivable, financing receivables, other receivables, long-term receivables and derivative financial assets at fair value through profit or loss that are not included in the impairment assessment scope. The carrying amount of the Group's financial assets reflects its maximum credit exposure at the balance sheet date.

The Group expects that there is no significant credit risk associated with cash at bank and on hand since they are deposited at state-owned banks and other large or medium size banks with good reputation and high credit rating. The Group does not expect that there will be significant losses from non-performance by these banks.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

10 Financial instrument and risk (Cont'd)

(2) Credit risk (Cont'd)

The Group has policies to limit the credit exposure on notes receivable, accounts receivable, financing receivables, other receivables and long-term receivables. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 30 June 2024, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2023: Nil).

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

As at the balance sheet date, the financial liabilities of the Group were analysed by their maturity date below at their undiscounted contractual cash flows:

	30 June 2024				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	500,000,000	-	-	-	500,000,000
Accounts payable	10,503,654,457	-	-	-	10,503,654,457
Other payables	6,461,271,467	-	-	-	6,461,271,467
Lease liabilities	97,707,702	81,386,193	11,806,277	-	190,900,172
Long-term borrowings	11,343,490	482,443	710,540	-	12,536,473
	<u>17,573,977,116</u>	<u>81,868,636</u>	<u>12,516,817</u>	<u>-</u>	<u>17,668,362,569</u>
	31 December 2023				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	1,304,453,333	-	-	-	1,304,453,333
Derivative financial liabilities	459,306	-	-	-	459,306
Accounts payable	9,476,215,223	-	-	-	9,476,215,223
Other payables	5,944,976,093	-	-	-	5,944,976,093
Lease liabilities	87,312,608	76,170,689	66,393,248	-	229,876,545
Long-term borrowings	13,361,423	482,936	945,003	-	14,789,362
	<u>16,826,777,986</u>	<u>76,653,625</u>	<u>67,338,251</u>	<u>-</u>	<u>16,970,769,862</u>

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

10 Financial instrument and risk (Cont'd)

(3) Liquidity risk (Cont'd)

- (i) As at 30 June 2024, the Group did not have lease contracts that had been signed but had not yet been performed.

11 Fair value estimates

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

- (1) Assets and liabilities measured at fair value on a recurring basis

As at 30 June 2024, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held for trading –				
Structured deposits	-	200,583,452	-	200,583,452
Derivative financial assets -				
Forward foreign exchange contracts	-	4,510,945	-	4,510,945
Financing receivables -				
Notes receivable	-		274,777,232	274,777,232
	<u>-</u>	<u>205,094,397</u>	<u>274,777,232</u>	<u>479,871,629</u>

As at 30 June 2024, the group didn't have liabilities measured at fair value on a recurring basis.

JIANGLING MOTORS CORPORATION, LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

11 Fair value estimates (Cont'd)**(1) Assets and liabilities measured at fair value on a recurring basis (Cont'd)**

As at 31 December 2023, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held for trading –				
Structured deposits	-	200,604,877	-	200,604,877
Financing receivables -				
Notes receivable	-	-	123,170,062	123,170,062
	<u>-</u>	<u>200,604,877</u>	<u>123,170,062</u>	<u>323,774,939</u>

As at 30 June 2024, the liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial assets -				
Forward foreign exchange contracts	-	459,306	-	459,306
	<u>-</u>	<u>459,306</u>	<u>-</u>	<u>459,306</u>

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There was no transfer between Level 1 and Level 2 for the six months ended 30 June 2024.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of valuation technique mainly include risk-free interest rate, benchmark rate, exchange rate, credit spreads, liquidity premium, EBITDA multiplier and liquidity lack discount.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

11 Fair value estimates (Cont'd)

(1) Assets and liabilities measured at fair value on a recurring basis (Cont'd)

The changes in Level 3 assets were analysed below:

	31 December 2023	Increase	Decrease	30 June 2024	Gains recognised in profit or loss (a)	Changes in unrealised gains or losses included in profit or loss For the six months ended 30 June 2024 with respect to assets still held as at 30 June 2024 - gains/(losses) on changes in fair value
Financing receivables - Notes receivable	<u>123,170,062</u>	<u>1,163,432,307</u>	<u>(1,011,825,137)</u>	<u>274,777,232</u>	<u>-</u>	<u>-</u>
	31 December 2022	Increase	Decrease	31 December 2023	Gains recognised in profit or loss (a)	Changes in unrealised gains or losses included in profit or loss in 2022 with respect to assets still held as at 31 December 2023 - gains/(losses) on changes in fair value
Financing receivables - Notes receivable	<u>376,662,817</u>	<u>3,737,982,954</u>	<u>(3,991,475,709)</u>	<u>123,170,062</u>	<u>-</u>	<u>-</u>

(a) Gains recognised in profit or loss are recognised in investment income in the income statement.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 June 2024

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

11 Fair value estimates (Cont'd)

(2) Assets measured at fair value on a non-recurring basis

As at 30 June 2024 and 31 December 2023, the Group had no assets measured at fair value on a non-recurring basis.

(3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

The Group's financial assets and liabilities measured at amortised cost mainly comprise notes receivable, accounts receivable, other receivables, long-term receivables, short-term borrowings, payables, lease liabilities and long-term borrowings.

The carrying amount of the Group's financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

The fair value of long-term borrowings and lease liabilities is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and categorised within Level 3 of the fair value hierarchy.

12 Capital management

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group's total capital is calculated as "shareholders' equity" as shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and monitors capital on the basis of equity ratio.

As at 30 June 2024 and 31 December 2023, the Group's equity ratio was as follows:

	30 June 2024	31 December 2023
Total borrowings	512,483,369	1,314,705,163
Total shareholders' equity	10,006,099,428	9,984,872,620
Equity ratio	<u>5%</u>	<u>13%</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements

(1) Accounts receivable

	30 June 2024	31 December 2023
Accounts receivable	5,945,358,107	4,674,277,592
Less: Provision for bad debts	<u>(80,257,595)</u>	<u>(79,901,432)</u>
	<u>5,865,100,512</u>	<u>4,594,376,160</u>

(a) The aging of accounts receivable was analysed as follows:

	30 June 2024	31 December 2023
Within 1 year	5,758,544,769	4,490,861,735
Over 1 year	<u>186,813,338</u>	<u>183,415,857</u>
	<u>5,945,358,107</u>	<u>4,674,277,592</u>

As of December 31, 2023, accounts receivable with significant individual amounts and aging exceeding three years was analysed as follows:

	Balance	Reason and collection risk
SZFJ	74,049,026	The Company evaluates the receivables from its subsidiary, SZFJ, on an individual basis. Based on the judgment of credit risk, these receivables were not subject to significant credit risk and were not overdue and impaired.
Company1	72,230,000	Due to the operating difficulties of the defaulting company and several lawsuits involved, the Company considered that the receivables were difficult to collect and had therefore made full provision for bad debts.

(b) As at 30 June 2024, the top five accounts receivable ranked by the balances of the debtors were analysed as follows:

	Balance	Amount of provision for bad debts	% of total balance
The total amount of accounts receivable in the top five	<u>5,595,081,173</u>	<u>(78,674,815)</u>	<u>94%</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts

For accounts receivable, the Company measures the loss provision based on the lifetime ECL regardless of whether there is a significant financing component.

The provision for bad debts of accounts receivable was analysed by category as follows:

	30 June 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	2,318,187,762	39%	(72,230,000)	3.12%
Provision for bad debts on the grouping basis (ii)	3,627,170,345	61%	(8,027,595)	0.22%
	<u>5,945,358,107</u>	<u>100%</u>	<u>(80,257,595)</u>	<u>1.35%</u>

	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	1,722,220,010	37%	(72,230,000)	4.19%
Provision for bad debts on the grouping basis (ii)	2,952,057,582	63%	(7,671,432)	0.26%
	<u>4,674,277,592</u>	<u>100%</u>	<u>(79,901,432)</u>	<u>1.71%</u>

(i) Accounts receivable for which the provision for bad debts was provided on the individual basis were analysed follows:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Provision for bad debts
Receivables from related parties within the Group i)	2,245,957,762	-	-
Receivables for automobiles ii)	<u>72,230,000</u>	100%	<u>(72,230,000)</u>
	<u>2,318,187,762</u>		<u>(72,230,000)</u>

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Provision for bad debts
Receivables from related parties within the Group i)	1,649,990,010	-	-
Receivables for automobiles ii)	<u>72,230,000</u>	100%	<u>(72,230,000)</u>
	<u>1,722,220,010</u>		<u>(72,230,000)</u>

i) As at 30 June 2024, the Company's accounts receivable from subsidiary Jiangling Ford (Shanghai), SZFJ and GZFJ were RMB1,892,627,333, RMB346,370,129 and RMB6,960,300 (31 December 2023, the Company's accounts receivable from subsidiary Jiangling Ford (Shanghai), SZFJ and JMCS were: RMB1,393,390,720, RMB148,630,266 and RMB107,969,024). The Company assessed the receivables from subsidiaries individually and based on the judgment of credit risk, the receivables from subsidiaries were not subject to significant credit risk and were not overdue and impaired.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

- (1) Accounts receivable (Cont'd)
- (c) Provision for bad debts (Cont'd)
- (i) Accounts receivable for which the provision for bad debts was provided on the individual basis were analysed follows (Cont'd):
- ii) As at 30 June 2024 and 31 December 2023, the Company assessed the ECL on the related accounts receivable, and did not consider that they could be collected, therefore, full provision was made. The related amount was RMB72,230,000.
- (ii) Accounts receivable for which provision for bad debts was made on the grouping basis were analysed as follows:

Grouping – Domestic sales of general automobiles:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	233,683,025	0.12%	(273,339)
Overdue for 1 to 30 days	6,901,852	0.11%	(7,416)
Overdue for 31 to 60 days	164,256	2.10%	(3,451)
Overdue for 61 to 90 days	-	—	-
Overdue over 90 days	1,624,600	5.04%	(81,802)
	<u>242,373,733</u>		<u>(366,008)</u>

Grouping – Export sales of general automobiles:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	3,112,760,619	0.20%	(6,225,521)

Grouping - Domestic sales of general automobiles:

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	107,010,139	0.14%	(154,326)
Overdue for 1 to 30 days	14,613,810	0.29%	(42,323)
Overdue for 31 to 60 days	-	—	-
Overdue for 61 to 90 days	2,949,660	0.60%	(17,698)
Overdue over 90 days	6,048,500	5.64%	(341,368)
	<u>130,622,109</u>		<u>(555,715)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows (Cont'd):

Grouping - Export sales of general automobiles:

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	2,647,787,903	0.20%	(5,295,576)

Grouping - Sales of new energy automobiles:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	563,760	80.00%	(451,008)

Grouping - Sales of new energy automobiles (Cont'd):

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	1,563,760	80.00%	(1,251,008)

Grouping – Automobile parts:

	30 June 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	229,568,523	0.30%	(688,706)
Overdue for 1 to 30 days	32,453,302	0.30%	(97,360)
Overdue for 31 to 60 days	5,575,863	0.50%	(27,879)
Overdue for 61 to 90 days	513,964	0.60%	(3,084)
Overdue over 90 days	3,360,581	5.00%	(168,029)
	<u>271,472,233</u>		<u>(985,058)</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows (Cont'd):

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	168,672,852	0.30%	(506,019)
Overdue for 1 to 30 days	1,575,377	0.30%	(4,726)
Overdue for 31 to 60 days	190,620	0.50%	(953)
Overdue for 61 to 90 days	563,937	0.60%	(3,384)
Overdue over 90 days	1,081,024	5.00%	(54,051)
	<u>172,083,810</u>		<u>(569,133)</u>

(iii) The provision for bad debts in the current period amounted to RMB356,163, of which none was collected or reversed.

(d) There was no provision for bad debts actually written off during the period.

(e) As at 30 June 2024 and 31 December 2023, there were no accounts receivable pledged.

JIANGLING MOTORS CORPORATION, LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(2) Other receivables

	30 June 2024	31 December 2023
Import working capital	30,000,000	7,000,000
Receivables from disposal of land and above-ground buildings	13,111,456	-
Advance payment of gas expenses	13,850,672	12,769,141
Receivables from JMCH	9,679,410	9,679,410
Receivables from refund of social insurance	7,242,084	23,958,000
Others	16,359,468	18,770,714
	<u>90,243,090</u>	<u>72,177,265</u>
Less: Provision for bad debts	<u>(215,433)</u>	<u>(363,359)</u>
	<u>90,027,657</u>	<u>71,813,906</u>

The Company did not have any fund deposited at other parties under the centralised fund management and represented in other receivables.

(a) The aging of other receivables was analysed as follows:

	30 June 2024	31 December 2023
Within 1 year	78,214,248	54,408,692
Over 1 year	12,028,842	17,768,573
	<u>90,243,090</u>	<u>72,177,265</u>

JIANGLING MOTORS CORPORATION, LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements

The provision for bad debts of other receivables were analysed by category as follows:

	30 June 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	30,032,950	33%	-	-
Provision for bad debts on the grouping basis (ii)	60,210,140	67%	(215,433)	0.36%
	<u>90,243,090</u>	<u>100%</u>	<u>(215,433)</u>	<u>0.24%</u>

	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	33,637,410	47%	-	-
Provision for bad debts on the grouping basis (ii)	38,539,855	53%	(363,359)	0.94%
	<u>72,177,265</u>	<u>100%</u>	<u>(363,359)</u>	<u>0.50%</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements (Cont'd):

	Stage 1				Total Provision for bad debts
	12-month ECL (grouping)		12-month ECL (individual)		
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	
31 December 2023	38,539,855	(363,359)	33,637,410	-	(363,359)
Decrease in the current period	-	—	(3,604,460)	—	—
Increase in the current period	21,670,285	—	-	—	—
Bad debt provision reversed in the current period	-	147,926	-	-	147,926
30 June 2024	<u>60,210,140</u>	<u>(215,433)</u>	<u>30,032,950</u>	<u>-</u>	<u>(215,433)</u>

As at 30 June 2024 and 31 December 2023, the Company did not have any other receivables at Stage 2 or Stage 3. Other receivables at Stage 1 were analysed below:

(i) As at 30 June 2024 and 31 December 2023, the Company's other receivables with provision for bad debts on the individual basis were analysed below:

Stage 1	30 June 2024			
	Book balance	12-month ECL rates	Provision for bad debts	Reason
Receivables from disposal of land and above-ground buildings	13,111,456	-	-	i)
Receivables from JMCH	9,679,410	-	-	ii)
Receivables from refund of social insurance	<u>7,242,084</u>	-	<u>-</u>	i)
	<u>30,032,950</u>		<u>-</u>	
Stage 1	31 December 2023			
	Book balance	12-month ECL rates	Provision for bad debts	Reason
Receivables from refund of social insurance	23,958,000	-	-	i)
Receivables from JMCH	<u>9,679,410</u>	-	<u>-</u>	ii)
	<u>33,637,410</u>		<u>-</u>	

i) The Company assessed the receivables from refund of social insurance individually and receivables from disposal of land and above-ground buildings and based on the judgment of credit risk, the receivables were not subject to significant credit risk and were not overdue and impaired.

ii) The Company assessed the receivables from subsidiaries individually and based on the judgment of credit risk, the receivables from subsidiaries were not subject to significant credit risk and were not overdue and impaired.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements (Cont'd):

(ii) As at 30 June 2024 and 31 December 2023, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

Other receivables with provision on the grouping basis at Stage 1:

As at 30 June 2024, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Provision on the grouping basis:				
Import working capital	30,000,000	0.35%	(105,380)	ECL
Advance payment of gas expenses	13,850,672		(48,653)	
Others	<u>16,359,468</u>	0.35%	<u>(61,400)</u>	ECL
	<u>60,210,140</u>	0.38%	<u>(215,433)</u>	ECL

As at 31 December 2023, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Provision on the grouping basis:				
Advance payment of gas expenses	12,769,141	0.78%	(99,406)	ECL
Import working capital	7,000,000	0.78%	(54,494)	ECL
Receivables from disposal of assets	4,604,745	0.78%	(35,847)	ECL
Others	<u>14,165,969</u>	1.23%	<u>(173,612)</u>	ECL
	<u>38,539,855</u>		<u>(363,359)</u>	

As at 30 June 2024 and 31 December 2023, the Company had no other receivables at stage 2 or stage 3.

(c) The provision for bad debts reversed in the current period amounted to RMB147,926.

(d) There was no provision for bad debts actually written off during the period.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(e) As at 30 June 2024, the top five other receivables ranked by remaining balances were analysed as follows:

	Nature	Balance	Aging	% of total balance	Provision for bad debts
Company 1	Import working capital, etc.	31,727,323	within 1 year	35%	(111,046)
Company 2	Advances classified as expenses	13,850,672	within 1 year	15%	(48,653)
Company 3	Receivables from disposal of land and above-ground buildings	13,111,456	within 1 year	15%	-
Company 4	Receivable from subsidiary	9,679,410	over 1 year	11%	-
Company 5	Receivables from refund of social insurance	7,242,084	within 1 year	8%	-
		<u>75,610,945</u>		<u>84%</u>	<u>(159,699)</u>

(3) Long-term equity investments

	30 June 2024	31 December 2023
Subsidiaries (a)	2,858,943,493	2,858,943,493
Associates (b)	222,285,683	228,949,338
	<u>3,081,229,176</u>	<u>3,087,892,831</u>
Less: Provision for impairment of long-term equity investments for subsidiaries (c)	(2,301,440,553)	(2,301,440,553)
Provision for impairment of long-term equity investments for associates	-	-
	<u>(2,301,440,553)</u>	<u>(2,301,440,553)</u>
	<u>779,788,623</u>	<u>786,452,278</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(3) Long-term equity investments (Cont'd)

(a) Subsidiaries

	Movements for the current period		Ending balance of provision for impairment	Cash dividends declared this year	30 June 2024 Carrying amount
	31 December 2023	Additional investments			
	Gross amount		Gross amount		
JMCH	2,686,943,493	-	2,686,943,493	(2,301,440,553)	385,502,940
JMCS	50,000,000	-	50,000,000	-	50,000,000
SZFJ	10,000,000	-	10,000,000	-	10,000,000
GZFJ	10,000,000	-	10,000,000	-	10,000,000
Jiangling Ford (Shanghai)	102,000,000	-	102,000,000	-	102,000,000
	<u>2,858,943,493</u>	<u>-</u>	<u>2,858,943,493</u>	<u>(2,301,440,553)</u>	<u>557,502,940</u>

(b) Associates

	Movements for the current period					Shareholding (%)	Voting rights (%)	Impairment provision		
	31 December 2023	Increase in the current period	Share of net profit/(loss) under equity method	Cash dividends declared	Provision for impairment			30 June 2024	30 June 2024	31 December 2023
The Power Company Hanon Systems	197,478,595	-	(3,965,926)	-	-	193,512,669	40%	40%	-	-
	<u>31,470,743</u>	<u>-</u>	<u>1,438,671</u>	<u>(4,136,400)</u>	<u>-</u>	<u>28,773,014</u>	19.15%	33.33%	<u>-</u>	<u>-</u>
Total	<u>228,949,338</u>	<u>-</u>	<u>(2,527,255)</u>	<u>(4,136,400)</u>	<u>-</u>	<u>222,285,683</u>			<u>-</u>	<u>-</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(4) Revenue and cost of sales

	Six months ended 30 June	
	2024	2023
Revenue from main operations	16,828,092,423	14,581,518,843
Revenue from other operations	1,057,857,635	867,519,091
	<u>17,885,950,058</u>	<u>15,449,037,934</u>
	Six months ended 30 June	
	2024	2023
Cost of sales from main operations	14,766,862,877	12,668,859,996
Cost of sales from other operations	409,504,678	201,223,509
	<u>15,176,367,555</u>	<u>12,870,083,505</u>

(a) Revenue and cost of sales from main operations

	Six months ended 30 June			
	2024		2023	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Sales of automobiles	16,001,794,796	14,131,205,491	12,803,883,870	11,226,199,599
Sales of automobile parts	787,392,775	596,752,534	1,777,634,973	1,442,660,397
Automobile services	38,904,852	38,904,852	-	-
	<u>16,828,092,423</u>	<u>14,766,862,877</u>	<u>14,581,518,843</u>	<u>12,668,859,996</u>

(b) Revenue and cost of sales from other operations

	Six months ended 30 June			
	2024		2023	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of materials	326,770,645	312,926,556	176,010,823	159,438,315
Others	731,086,990	96,578,122	691,508,268	41,785,194
	<u>1,057,857,635</u>	<u>409,504,678</u>	<u>867,519,091</u>	<u>201,223,509</u>

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

13 Notes to the Company's financial statements (Cont'd)

(4) Revenue and cost of sales (Cont'd)

(c) The breakdown of the Company's revenue by product and service transfer time was as follows:

	Six months ended 30 June 2024				Total
	Automobiles	Automobile parts	Automobile services.	Materials and others	
Revenue from main operations	16,001,794,796	787,392,775	38,904,852	-	16,828,092,423
Including: Recognised at a time point	16,001,794,796	787,392,775	-	-	16,789,187,571
Recognised within a certain period	-	-	38,904,852	-	38,904,852.00
Revenue from other operations (i)	-	-	-	1,057,857,635	1,057,857,635
	<u>16,001,794,796</u>	<u>787,392,775</u>	<u>38,904,852</u>	<u>1,057,857,635</u>	<u>17,885,950,058</u>
	Six months ended 30 June 2023				Total
	Automobiles	Automobile parts	Automobile services	Materials and others	
Revenue from main operations	12,803,883,870	1,777,634,973	-	-	14,581,518,843
Including: Recognised at a time point	12,803,883,870	1,777,634,973	-	-	14,581,518,843
Recognised within a certain period	-	-	-	-	-
Revenue from other operations (i)	-	-	-	867,519,091	867,519,091
	<u>12,803,883,870</u>	<u>1,777,634,973</u>	<u>-</u>	<u>867,519,091</u>	<u>15,449,037,934</u>

(i) The Company's revenue from other operations includes sales of materials and technical service provided. Revenue from sales of materials is recognised at a certain time point, and revenue from technical service provided is recognised within a certain period.

As at 30 June 2024, the amount of revenue corresponding to the performance obligations that the Company had contracted but had not commenced or completed was RMB477,791,775, which the Company expected that would be recognised as revenue in 2024.

(5) Investment income

	Six months ended 30 June	
	2024	2023
Investment gain from forward exchange settlement	5,982,935	2,524,895
Losses on discount of financing receivables eligible for derecognition	-	(11,613,214)
Losses on long-term equity investments under equity method	(2,527,255)	(3,893,639)
	<u>3,455,680</u>	<u>(12,981,958)</u>

There is no significant restriction on the remittance of investment income to the Company.

JIANGLING MOTORS CORPORATION, LTD.

**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

1 Statement of non-recurring profit or loss for six months ended 30 June 2024

Six months ended 30 June
2024

Government grants recognised in profit or loss for the current period, except those that are closely related to ordinary activities and conform to the national policies and regulations, and are granted in accordance with certain standards and have a continuous impact on the Company's profit or loss	76,378,976
Gains or losses on disposal of non-current assets	10,591,898
Fund occupation fees received from non-financial institutions	3,230,604
Gains or losses arising from changes in fair value of financial assets and liabilities held, and gains or losses on disposal of related financial assets and liabilities, except for the effective hedging business related to the normal operation	13,584,473
Net amount of other non-operating income and expenses	(4,020,858)
One-off expenses incurred due to discontinuation of related business activities	(523,093)
	<hr/>
	99,242,000
Effect of income tax	(15,639,039)
Effect of gains or losses on minority interests (net of tax)	704,668
	<hr/>
	84,307,629

(1) Basis for preparation of statement of non-recurring profit or loss for six months ended 30 June 2024

For the six months ended 30 June 2024, the CSRC issued the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Profit or Loss (Revised For the six months ended 30 June 2024)* (hereinafter "2023 Explanatory Announcement No. 1"), which came into effect from the date of promulgation. The Group have prepared the statement of non-recurring profit or loss for 2023 in accordance with the requirements in the 2023 Explanatory Announcement No. 1.

Under the requirements in the 2023 Explanatory Announcement No. 1, non-recurring profit or loss refers to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to happen frequently that would have an influence on the financial statements users' making economic decisions based on the financial performance and profitability of an enterprise.

JIANGLING MOTORS CORPORATION, LTD.

**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

2 Statement of non-recurring profit or loss for six months ended 30 June 2023

	Six months ended 30 June 2023
Government grants recognised in profit or loss for the current period	358,643,954
Gains or losses on disposal of non-current assets	(755,894)
Fund occupation fee received from non-financial institutions	6,890,293
Gains or losses arising from changes in fair value of financial assets and liabilities held at fair value through profit or loss, and investment losses on disposal of related financial assets and liabilities	6,774,959
Net amount of other non-operating income and expenses	6,919,342
Reversal of provision for impairment of receivables tested individually	-
Other items of profit or loss conforming to the definition of non-recurring profit or loss	(9,062,423)
	<u>369,410,231</u>
Effect of income tax	(57,720,416)
Effect of gains or losses on minority interests (net of tax)	(31,469)
	<u>311,658,346</u>

(1) Basis for preparation of statement of non-recurring profit or loss for six months ended 30 June 2023

The Group prepared the statement of non-recurring profit or loss for the first half of 2023 in accordance with the provisions of the 2008 Explanatory Announcement No. 1.

JIANGLING MOTORS CORPORATION, LTD.

**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

3 Return on net assets and earnings per share

	Weighted average return on net assets (%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	Six months ended 30 June					
	2024	2023	2024	2023	2024	2023
Net profit attributable to ordinary shareholders of the Company	8.29%	7.59%	1.04	0.84	1.04	0.84
Net profit attributable to ordinary shareholders of the Company, net of non-recurring profit or loss	7.51%	4.35%	0.94	0.48	0.94	0.48