



FAW JIEFANG GROUP CO., LTD

Semi-annual Report 2024

August 2024

Section I Important Notes, Contents and Definitions

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

Wu Bilei, the person in charge of the Company, Ji Yizhi, the person in charge of accounting, and Si Yuzhuo, the person in charge of the accounting organization (chief accountant), declare that they guarantee the authenticity, accuracy and completeness of the financial report in this semi-annual report.

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

Names of Directors not Present in Person	Positions of Directors not Present in Person	Reasons for not Present in Person	Name of the Trustee
Wang Hao	Director	Work	Li Sheng

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

The Company has described in detail the possible risks and countermeasures for its future development in the section of Management Discussion and Analysis.

Investors are kindly requested to pay attention to relevant contents. China Securities Journal, Securities Times and CNINFO (<http://www.cninfo.com.cn>) are the information disclosure media selected by the Company. All information of the Company is subject to that published in the above selected media. Investors are kindly requested to pay attention to investment risks.

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

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List of Documents for Future Reference

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

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

Interpretation

Item	Refers to	Definition
Company, the Company, FAW Jiefang	Refers to	FAW JIEFANG GROUP CO., LTD
Jiefang Limited	Refers to	FAW Jiefang Automotive Co., Ltd.
FAW, FAW Group	Refers to	CHINA FAW GROUP CO., LTD.
FAW	Refers to	China FAW Group Corporation Limited
FAW Car	Refers to	FAW Car Co., Ltd.
FAW Bestune	Refers to	FAW Besturn Automotive Co., Ltd.
Finance company	Refers to	First Automobile Finance Co., Ltd.
Board of Directors	Refers to	Board of Directors of FAW JIEFANG GROUP CO., LTD.
Shareholders' meeting	Refers to	Shareholders' Meeting of FAW JIEFANG GROUP CO., LTD.
Board of Supervisors	Refers to	Board of Supervisors of FAW JIEFANG GROUP CO., LTD.
Ministry of Finance	Refers to	Ministry of Finance of the People's Republic of China
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
China Securities Depository and Clearing Corporation Limited (CSDC)	Refers to	Shenzhen Branch, China Securities Depository and Clearing Corporation Limited
Company Law	Refers to	Company Law of the People's Republic of China
Articles of Association	Refers to	Articles of Association of FAW JIEFANG

		GROUP CO., LTD.
Reporting Period	Refers to	January 1, 2024 - June 30, 2024
CNY, CNY 10 thousand, CNY 100 million	Refers to	CNY, CNY 10 thousand, CNY 100 million

Section II Company Profile and Main Financial Indicators

I. Company Profile

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

II. Contact Person and Contact Information

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Wang Jianxun	Yang Yuxin
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III. Other Information

1. Company Contact Information

Whether the registered address, office address and postal code, website and e-mail address of the Company have changed in the reporting period

Applicable Not applicable

The registered address, office address and postal code, website and e-mail address of the Company have not changed in the reporting period, please refer to the Annual Report 2023 for details.

2. Information Disclosure and Preparation Location

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

Applicable Not applicable

There is no change in the name and website of the stock exchange and media where the Company discloses its semi-annual report, as well as the preparation location of the Company's semi-annual report during the reporting period. For details, please refer to the 2023 Annual Report.

3. Other Relevant Data

Whether other relevant data has changed in the reporting period

Applicable Not applicable

IV. Main Accounting Data and Financial Indicators

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

Yes No

	This reporting period	Same Period of Last Year	Increase/Decrease in This Reporting Period over the Same Period of Last Year
Operating income (CNY)	35,602,292,639.46	33,014,661,914.13	7.84%
Net profit attributable to shareholders of the listed company (CNY)	478,251,870.50	401,336,302.35	19.16%
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (CNY)	283,875,823.95	151,966,331.79	86.80%
Net cash flows from operating activities (CNY)	4,240,930,055.62	6,714,159,377.47	-36.84%

Basic earnings per Share (CNY/share)	0.1034	0.0872	18.58%
Diluted earnings per Share (CNY/share)	0.1034	0.0872	18.58%
Weighted average return on equity	1.93%	1.68%	Increased by 0.25%
	At the End of This Reporting Period	At the End of Last Year	Increase/Decrease at the End of This Reporting Period over the End of Last Year
Total assets (CNY)	80,031,759,450.56	65,873,387,927.31	21.49%
Net assets attributable to shareholders of the listed company (CNY)	24,268,153,399.20	24,486,759,369.40	-0.89%

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

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

Applicable Not applicable

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

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

Applicable Not applicable

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

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

Applicable Not applicable

Unit: CNY

Item	Amount	Description
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Profits or losses on disposal of non-current assets (including the write-off part of the provision for impairment of assets made)	746,088.82	It refers to the net gain on disposal of non-current assets.
Government subsidies included in the current profit or loss (except those closely related to the Company's normal operations, conforming to the State policies and regulations and enjoyed in line with the specified standards, and having a continuous impact on the profit or loss of the Company)	209,501,338.40	
Reversal of impairment provision for receivables subject to separate impairment test	4,480,000.00	It mainly refers to the reversal of impairment provision for receivables subject to separate impairment test.
Non-operating income and expenses other than the above	24,323,682.07	They mainly refer to the net non-operating income and expenses
Less: amount affected by income tax	44,675,062.74	
Total	194,376,046.55	

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Section III Management Discussion and Analysis

I. Main Businesses of the Company in the Reporting Period

(I) Main businesses

The Company is a commercial vehicle manufacturer that produces heavy, medium and light trucks, and buses, as well as core components such as engines, transmissions and axles, and has a complete manufacturing system covering raw materials, core components, key large assemblies and complete vehicles. The products of the Company are mainly used in market segments such as traction, cargo carrying, dumping, special purposes, highway passenger transport, bus passenger transport, etc., and the Company also provides standardized and customized commercial vehicle products.

Relying on its five vehicle manufacturing bases, the Company has formed a capacity layout of “coordinated advancement of the main and auxiliary functions, with flexible complementary roles.” The Company’s total annual production capacity amounts to 418 thousand vehicles. Among them, the annual production capacity of each manufacturing base is as follows: Changchun, 153 thousand vehicles; Qingdao, 200 thousand vehicles; Guanghan, 40 thousand vehicles; Liuzhou, 20 thousand vehicles and Foshan, 5 thousand vehicles. In recent years, the Company has increased investment in technological transformation continuously, accelerated the adjustment of production capacity structure, and implemented continuous resource optimization and intelligent upgrading for high-end and new energy products. It has formed a number of advanced manufacturing bases with industry-leading levels, and has obvious technical and capacity advantages in the commercial vehicle industry, laying a solid foundation to continue to lead the market.

The Company is committed to becoming a “China’s first and world-class” provider of green and intelligent transportation solutions, focusing on the main production lines, insisting on innovation-driven and reform-driven, and creating a leading trend. Main business, products, and business model of the Company were not changed significantly in the reporting period.

(II) Information on the industry to which the Company belongs

In the first half of 2024, the macro-economic growth resumed, with a GDP growth rate of 5%,

reaching the expected level, and achieving stable consumption growth, a significant decline in real estate sales and investment, a rebound in export growth rate from the bottom, and a weakening of the driving force of economic transformation on the commercial vehicle industry. From the view of historical industry demand and scrapping cycle characteristics, the fluctuation cycle was basically around 7-8 years, and the industry was in the stage of cycle recovery in 2024. In the first half of 2024, the overall freight environment remained stable, with a slight increase in road freight turnover, and a year-on-year increase of 4%. However, the sluggish road freight rates have not yet improved, and the profitability of car owners and drivers have remained low. Although the phenomenon of vehicles quantity exceeding cargo transportation needs and excess transportation capacity has been eased to some extent, the improvement of the substantive situation was limited and remained an important factor in suppressing the demand for medium and heavy trucks at present.

In the first half of 2024, the demand for medium and heavy trucks was 571 thousand vehicles, with a year-on-year increase of 4.4%. FAW Jiefang sold 123 thousand medium and heavy trucks, with a year-on-year increase of 9.4%, accounting for 21.5%, with a year-on-year increase of 1%, indicating that the sales growth rate of FAW Jiefang was significantly faster than that of the industry.

In the first half of 2024, due to the impact of low gas prices, accessible refueling, and stable gas supply, the natural gas type medium and heavy trucks continued the high growth trend in 2023, with an industry demand of 109 thousand vehicles, and a year-on-year increase of 104.2%. With its leading advantage in the natural gas market, FAW Jiefang sold 35 thousand natural gas type medium and heavy trucks in the first half of the year, still maintaining a leading position in the natural gas market.

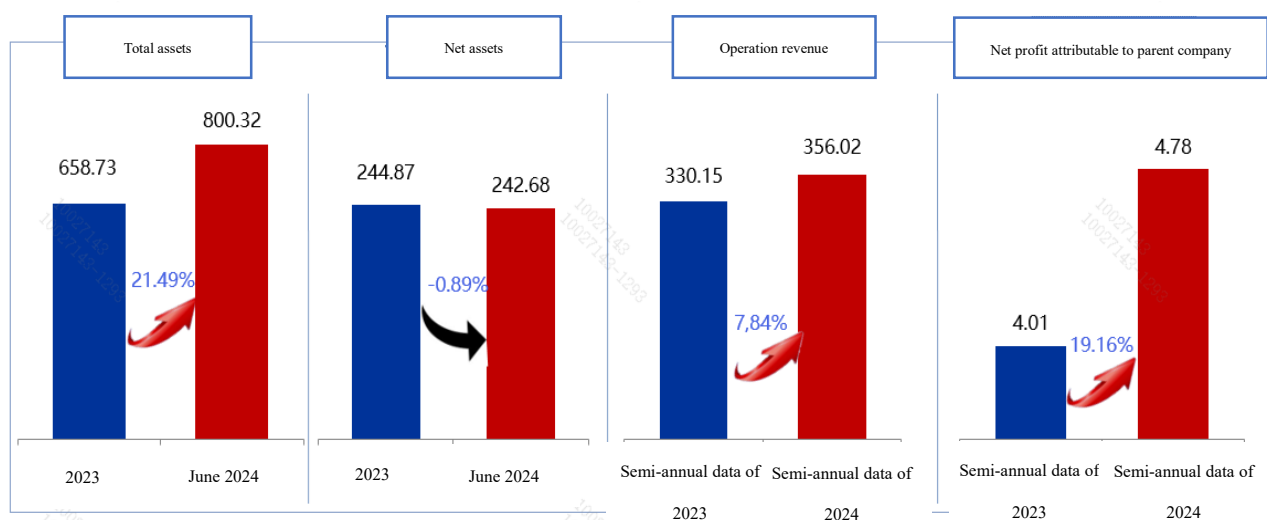
Since the policy of comprehensive electrification of vehicles in the public sector has been vigorously implemented, the proportion of electrification of vehicles used in urban public transport, environmental sanitation, express mail service, urban logistics and distribution, airports and other scenarios has been rapidly increased, bringing a variety of opportunities for electrification substitution for the industry. In the first half of 2024, the demand for new energy type medium and

heavy truck in the industry was 29 thousand vehicles, with a year-on-year increase of 136.7%. The quantity of new energy type medium and heavy truck sold by FAW Jiefang was 2 thousand vehicles, with a year-on-year increase of 260%.

(III) Operation

In the first half of 2024, By adhering to the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply implementing the spirit of the 20th National Congress of the Communist Party of China and the 2nd Plenary Session of the 20th Central Committee of the Communist Party of China, and promoting the study and education of Party discipline in a high-quality manner, the Company actively implemented its strategic deployment and annual requirements, closely focused on key tasks, and promoted various work in a solid and effective manner with anchored leading goals. As of June 30, 2024, the total assets of the Company amounted to CNY 80.032 billion, with a year-on-year increase of 21.49%, and the net assets attributable to shareholders of the listed company amounted to CNY 24.268 billion, with a year-on-year decrease of 0.89%. During the reporting period, the operating revenue of the Company reached CNY 35.602 billion, with a year-on-year increase of 7.84%, and the net profit attributable to the parent company amounted to CNY 478 million, with a year-on-year increase of 19.16%. The total sale of complete vehicles was 149.1 thousand, with a year-on-year increase of 13.4%, of which 122.9 thousand vehicles were medium and heavy trucks, with a year-on-year increase of 9.4%; the sale of light trucks was 26.2 thousand vehicles, with a year-on-year increase of 43.0%; the sale of new energy type was 8.5 thousand vehicles, with a year-on-year increase of 139.8%, showing a trend of leapfrog growth. Overseas exports reached 35.5 thousand vehicles, with a year-on-year increase of 37.2%, hitting another record high with high growth.

Unit: CNY 100 million



In the first half of 2024, the Company has been awarded the “Annual Enterprise of Employee Benefits in China” and has been successfully selected as one of the “China’s Top 100 ESG (Corporate Social Responsibility) Pioneer Listed Companies in China” for two consecutive years, with a brand value exceeding CNY 131.8 billion, ranking first in the industry for 13 consecutive years.

In the first half of 2024, the Company’s key work is as follows:

1. Effective development of leading role of the brand. By solidly promoting the “five modernizations” of its brand, the Company has vigorously improved the brand structure of its complete vehicle products, and accelerated the revitalization of its service brand. In addition, through collaborative efforts in domestic and overseas communication, as well as activities such as the 30th anniversary celebration in South Africa, the brand story of FAW Jiefang has attracted widespread attention from the industry and society, and has won great popular support.

2. Effective implementation of market-leading strategy as a guiding principle. With firm upholding of the leading advantage of platform products, J7 Pioneer Edition was successfully unveiled and set a new benchmark for “world-class” high-end heavy trucks. With the release of the Jiefang “LANTU” hydrogen binary star product, the pace of green transformation has been steadily accelerated. More than 40 expanded products were launched in an orderly manner to more strongly support market growth.

3. Fruitful achievement of dual-wheel drive system. The Company has broken through nearly 40 key core technologies, and achieved significant breakthroughs in the “1025” special project. In

addition, the Company has set up a joint research center with Shell to start the driving test of Starship truck. The Youth Research Project has been completed and put into service, and innovative achievements continue to emerge. Deep promotion of management and personnel system reforms: With the establishment of the Supply and Procurement Department, the deepening of the manufacturing transformation is started. The Company has laid out its strategic businesses, set up overseas international companies and post-market companies, and continuously expanded its value chain and growth chain, achieving initial results in a layered and graded quality operation system. More than 700 talents of various types have been introduced to effectively meet the demand for talents in various fields. The key measures such as the “Year of Capability Enhancement” have been solidly promoted and the total payroll management and salary distribution mechanism have been optimized, enabling employees more motivated and energetic in their efforts.

4. Impressive results of four major strategies. Focusing on solid foundation, the Company has made great efforts to vigorously consolidate the advantages of domestic traditional vehicles. In the dual base of medium and heavy trucks, a coordinated operation mechanism has been established for pricing and promotion, seizing market opportunities such as NG and large single bridge, and maintaining sales volume as the top in China. The product strategy of “strengthening advantages, making up for shortcomings, and seizing opportunities” has been applied for light vehicles, and the marketing strategies of “taking the initiative” and “rapid expansion” have been implemented to achieve a dual increase in sales share. The Company has made great efforts in new energy vehicles, comprehensively pushed forward the layout of complete vehicles and independent assemblies, and deeply cultivated innovation in typical scenarios and modes, showing a trend of leapfrog growth continuously. The Company has seized opportunities in terms of overseas exports, focused on the four major strategies, and applied a combination of deepening reforms, strengthening system foundation and enhancing capabilities, resulting in record high sales in the same period. By adhering to the profitability target orientation and strictly controlling expenses, the Company has improved revenue-generating ability and provided strong support for operations.

5. Solid implementation of seven key works. The Company has implemented strategic

management methodology, completed the first round of strategic intent and innovation focus discussions, and focused more on strategic direction, continuously strengthening the role of strategic leadership. The Company has promoted problem solving in overseas market problems through quality management, and effectively and stably maintained its quality reputation. The Company has orderly promoted the construction of more than 30 major IT systems, eliminated nearly 20 isolated islands, and promoted the application of employee intelligent assistants and styling-assisted design and other advanced AI technologies, realizing a more effective digital and intelligent transformation. Procurement resources at each base are controlled in an integrated manner to provide security for procurement and supply, resulting in 100% assurance rate for procurement resources, and a more resilient and secure supply chain. The lean and efficient practices have been implemented to provide strong support for market demand. The improvement of manufacturing technology capability has been accelerated. The new energy qualifications have been obtained for Liuzhou and Guanghan, the production line for electric drive axles has reached the standard of production, and the production line for fuel cell has met the production conditions. The Company has strengthened the capital operation, maintained the top market value in A-share commercial vehicles, and made significant progress in the refinancing project approved by the CSRC. The action in terms of safety and environmental protection remediation and difficulties overcoming has been carried out in a comprehensive manner, resulting in more sound risk compliance and internal control system, accelerated improvement in confidentiality management, and gradually enhanced support capacity.

In the second half of the year, with unswervingly upholding and strengthening of the leadership of the Party, continuous implementation of annual work ideas and effective methods of overcoming difficulties of the Company, maintenance of strategic focus, enhancement of crisis awareness, development of the spirit of struggle, and realization of various goals and tasks of party building and operation throughout the year, the Company will lay a more solid foundation for high-quality achievements throughout the year and sprinting towards the 14th Five-Year Plan with stronger fighting spirit, more motivation, and better results.

II. Analysis of Core Competitiveness

The Company adheres to the corporate vision of “being the most proud commercial vehicle enterprise and the most trustworthy commercial vehicle brand”, the mission of “becoming China’s first and world-class provider of green and intelligent transportation solutions and promoting a more prosperous society”, and the brand concept of “being trustworthy, intelligent and courageous, and benefiting the world”; takes products and services as the main task, customers and employees as the foundation, innovation and reform as the driving force; focuses on industry trends and customer needs, and improves product competitiveness and service level rapidly.

1. Product research and development: Four major fields: heavy, medium, and light trucks and passenger vehicles, are covered. In the field of heavy trucks, eight major product platforms, i.e. J7, J6P, J6V, J6E, Yingtu, JH6, JH5, and Han V2.0, are included. In the field of medium trucks, four major product platforms, i.e. J6G, J6L, JK6, and Dragon V, are included. In the field of light trucks, four major product platforms, i.e. Lingtu, Tiger 6G, J6F, Tiger V, are included. In the field of passenger vehicles, road vehicles, new energy buses, recreational vehicles, etc., are included, and new energy products achieve full coverage of mainstream scenarios in the market segments. The Company has built a strong and complete independent R&D system in China from foresight technology, engine, transmission and axle to complete vehicle, and formed an efficient and collaborative R&D team of more than 3,000 people. With its five core capabilities, the Company has created five technical platforms encompassing low carbonization, informatization, intelligence, electrification and high quality, become one of the commercial vehicle enterprises mastering the core technologies of world-class complete vehicles and three power assemblies, and passed ISO9001, IATF16949 and GB9001B quality system certifications. It is also a national-level independent automobile product R&D and test certification base. In recent years, by accurately grasping the demands of the market segment, the Company has successfully built the differentiated product technology advantages in traditional vehicle systems, such as energy-saving, light weight, high-quality, and low-cost, the leading product technology advantages such as digital intelligent independent assembly of new energy vehicles, complete vehicle thermal management and complete vehicle energy management, and the pioneering product technology advantages such as smart driving of intelligent connected vehicles, Internet of

Vehicles (IoV) big data and intelligent cockpit. Therefore, the Company always maintains an industry-leading position in the fierce market competition.

2. Marketing and procurement: Adhering to the customer value orientation, the Company has taken the lead in establishing a marketing service system with complete functions. The marketing service network of three sales companies (including Changchun Medium and Heavy-duty Vehicle, Qingdao Medium and Heavy-duty Vehicle and Light Trucks) composed of nearly 1,000 dealers, more than 1,800 service providers, more than 80 spare parts centers and more than 200 spare parts dealers covers more than 230 prefecture-level cities in China, with a coverage rate of 97.5% in cities with a capacity of more than 1,000 vehicles. With a national average service radius of 48 kilometers, it is at the leading level in the industry and provides users with 24-hour efficient and high-quality services. The Company is committed to integrating global high-quality resources to provide a strong guarantee for the high reliability of Jiefang trucks. In recent years, FAW JIEFANG has successively signed contracts with Huawei, Knorr-Bremse, ZF, Shell, Volkswagen, China Unicom, JD, PlusAI and other top enterprises at home and abroad to become strategic partners and establish joint ventures.

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

4. Overseas export: The Company actively responds to the “Belt and Road” initiative, accelerates its presence in overseas markets, and creates new avenues of growth for its business. The Company accelerates the development of its commercial vehicle overseas business comprehensively, increasing investment layout, broadening the channels gradually and expanding overseas influence of Jiefang brand continuously. With the export of Jiefang brand products to over 80 countries and

regions such as Southeast Asia, Middle East, Latin America, Africa and Eastern Europe, there are more than 100 core dealers and nearly 190 service providers in more than 40 countries and regions around the world. Export products include models such as J7, J6, JH6, and Tiger V. Additionally, the Company leverages its system advantages based on reality, and through system collaboration, strives to build an overseas marketing platform of “talent+ service+ automotive+ finance”.

5. New energy products: It covers five major product lines of traction, self-dumping, cargo loading, special purpose and passenger vehicles, including three major technology routes of pure electric, fuel cell and hybrid. Differentiated combinations have been carried out to form a synergy to achieve full coverage of mainstream scenarios in the market segments, and to rapidly increase the terminal market share. The goal of product development is to meet market demand and alleviate user pain points. It focuses on achieving the “three-low and one-high” core competitiveness, which refers to low cost, low self-weight, low energy consumption and high reliability. Additionally, the Company strives to differentiate its products through the attributes of long endurance, low-temperature resistance, high intelligence, and high comfort. To achieve these goals, the Company undertakes continual iteration and upgrading of its products and technologies. In terms of core technology, the Company has achieved integration across three critical areas: complete vehicle architecture, vehicle control software, and assembly interface, which greatly improves the development efficiency. The Company harnesses technologies such as efficient energy recovery and scenario-based calibration to significantly reduce energy consumption. Moreover, the application of assembly technology incorporates a dual-wheel drive system that combines independent core assemblies with external high-quality social resources, enabling complementary advantages. The independent electric drive system achieves full coverage of heavy, medium and light trucks, and passenger vehicles. By continuously exploring and applying new products, technologies and processes, the Company aims to maintain a leading position in both new energy technology and new energy products in the market.

III. Analysis of Main Business

General

See relevant contents of “I. Main Businesses of the Company in the Reporting Period”.

Year-on-year Changes of Main Financial Data

Unit: CNY

	This reporting period	Same period of previous year/at the beginning of the period	Year-on-year increase and decrease	Reason for Change
Operating income	35,602,292,639.46	33,014,661,914.13	7.84%	
Operating Costs	33,252,419,902.01	30,590,523,778.02	8.70%	
Sales expenses	835,467,097.82	774,822,818.33	7.83%	
Administrative expenses	739,765,844.96	871,161,062.92	-15.08%	
Financial expenses	-394,776,211.91	-415,663,432.06	5.03%	
Income tax expenses	-154,311,861.89	-203,065,319.73	24.01%	
R&D investment	1,249,527,872.33	1,248,047,703.54	0.12%	
Net cash flows from operating activities	4,240,930,055.62	6,714,159,377.47	-36.84%	Mainly due to the increase in cash payments for the purchase of goods and acceptance of services in the current period
Net cash flows from investment activities	-779,303,259.33	-961,691,276.91	18.97%	
Net cash flows from financing activities	-705,678,066.97	-19,709,605.31	-3,480.38%	Mainly due to the distribution of cash dividends in the current period.
Net increase in cash and cash equivalents	2,755,942,692.24	5,732,768,748.83	-51.93%	Mainly due to the increase in cash payments for the purchase of goods and acceptance of services in the

				current period
Notes receivable	110,591,432.00	44,626,048.13	147.82%	Mainly due to the increase in commercial acceptance bills held at the end of the current period.
Accounts receivable	11,708,633,140.72	1,989,386,169.77	488.56%	Mainly due to the increase in accounts receivable in the current period.
Accounts receivable financing	8,448,273,887.92	4,878,126,972.73	73.19%	Mainly due to the increase in bank acceptance bills held at the end of the period.
Prepayments	410,909,476.74	689,621,097.66	-40.42%	Mainly due to the decrease in prepayments in the current period.
Development expenditures	222,837,913.82	109,873,830.59	102.81%	Mainly due to the increase in the capitalization amount of research and development in the current period.
Notes payable	25,947,712,941.61	11,769,864,678.11	120.46%	Mainly due to the increase in notes payable in the current period.
Contract liabilities	1,055,648,915.82	2,204,692,602.77	-52.12%	Mainly due to the decrease in contract liabilities in the current period.
Employee compensation payable	560,440,000.75	402,039,885.19	39.40%	Mainly due to the increase in employee compensation

				payable in the current period.
Current portion of non-current liabilities	14,750,421.22	27,171,195.40	-45.71%	Mainly due to the decrease in lease liabilities due within one year
Other current liabilities	60,702,098.17	214,456,037.00	-71.69%	Mainly due to the decrease in contract liabilities included in other current liabilities
Treasury shares	6,246,851.73	86,131,497.27	-92.75%	Mainly due to the decrease in treasury shares in the current period.
Other comprehensive incomes	-3,197,978.68	-8,514,110.10	62.44%	Mainly due to the increase in other comprehensive income in the current period.
Other income	353,779,659.32	195,656,370.11	80.82%	Mainly due to the increase in VAT plus tax credits in the current period.
Credit impairment loss	-8,593,082.48	-35,480,726.08	75.78%	Mainly due to the decrease in provision for impairment of receivables in the current period.
Asset impairment loss	-76,666,599.19	-35,324,171.95	-117.04%	Mainly due to the increase in provision for impairment of inventories in the current period.
Income from assets disposal	746,088.82	98,132,494.11	-99.24%	Mainly due to the decrease in income

				from disposal of assets in the current period.
Non-operating income	28,106,223.95	9,542,486.79	194.54%	Mainly due to the increase in non-operating income in the current period.
Net after-tax amount of other comprehensive income	5,316,131.42	250,455.89	2,022.58%	Mainly due to the increase in other comprehensive income in the current period.

Significant changes in the Company's profit composition or source during the reporting period

Applicable Not applicable

No significant changes in the Company's profit composition or source during the reporting period.

Composition of operating income

Unit: CNY

	This reporting period		Same Period of Last Year		Year-on-year increase and decrease
	Amount	Proportion in Operating Income	Amount	Proportion in Operating Income	
Total operating income	35,602,292,639.46	100.00%	33,014,661,914.13	100.00%	7.84%
By industries					
Automobile industry	35,602,292,639.46	100.00%	33,014,661,914.13	100.00%	7.84%
By products					
Commercial vehicles	33,555,960,698.74	94.25%	30,708,282,078.93	93.01%	9.27%
Spare parts and others	2,046,331,940.72	5.75%	2,306,379,835.20	6.99%	-11.28%
By regions					
Northeast China, North China, Northwest China and Southwest China	21,150,886,396.57	59.41%	17,861,002,372.03	54.10%	18.42%
East China, South China and Central China	14,451,406,242.89	40.59%	15,153,659,542.10	45.90%	-4.63%

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

Applicable Not applicable

Unit: CNY

	Operating income	Operating Costs	Gross Profit Rate	Increase/Decrease of Operating Income over the Same Period of Last Year	Increase/Decrease of Operating Cost over the Same Period of Last Year	Increase/Decrease of Gross Profit Rate over the Same Period of Last Year
By industries						
Automobile industry	34,781,334,502.47	32,601,996,683.55	6.27%	8.22%	8.93%	Reduced by 0.60%
By products						
Vehicle	33,555,960,698.74	31,615,239,737.89	5.78%	9.27%	10.55%	Reduced by 1.09%
Spare parts and others	1,225,373,803.73	986,756,945.66	19.47%	-14.36%	-25.84%	Increased by 12.47%
By regions						
Northeast China, North China, Northwest China and Southwest China	20,663,165,213.34	18,891,170,038.09	8.58%	18.84%	16.65%	Increased by 1.72%
East China, South China and Central China	14,118,169,289.13	13,710,826,645.46	2.89%	-4.30%	-0.18%	Reduced by 4.00%

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

Applicable Not applicable

IV. Analysis of Non-main Business

Applicable Not applicable

V. Analysis of Assets and Liabilities

1. Major changes in asset composition

Unit: CNY

	At the End of This Reporting Period		End of Last Year		Increase /Decrease in Proportion	Description of Major Changes
	Amount	Proportion in Total Assets	Amount	Proportion in Total Assets		
Monetary capital	25,609,204,954.65	32.00%	22,920,710,903.12	34.80%	-2.80%	
Accounts receivable	11,708,633,140.72	14.63%	1,989,386,169.77	3.02%	11.61%	
Contract assets	16,476,441.87	0.02%	17,582,856.82	0.03%	-0.01%	
Inventories	7,580,283,903.54	9.47%	9,210,971,356.15	13.98%	-4.51%	
Investment properties	46,253,781.34	0.06%	47,049,995.53	0.07%	-0.01%	
Long-term equity investments	5,687,858,933.19	7.11%	5,469,591,970.26	8.30%	-1.19%	
Fixed assets	11,470,284,660.10	14.33%	11,380,286,165.58	17.28%	-2.95%	
Project under construction	750,571,700.84	0.94%	816,484,299.18	1.24%	-0.30%	
Right-of-use assets	117,251,281.65	0.15%	138,989,886.70	0.21%	-0.06%	
Contract liabilities	1,055,648,915.82	1.32%	2,204,692,602.77	3.35%	-2.03%	
Lease liabilities	35,523,520.47	0.04%	30,494,014.13	0.05%	-0.01%	

2. Main overseas assets

Applicable Not applicable

3. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: CNY

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

Content of other changes

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

Yes No

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

For details, please refer to Note 22 "Assets with restricted ownership or use right" in part VII "Notes to Items in Consolidated Financial Statements" of Section X - Financial Report.

VI. Investment Analysis**1. Overall situation**Applicable Not applicable

Investment Amount in the Reporting Period (CNY)	Investment Amount in the Same Period of Previous Year (CNY)	Variation range
4,900,000.00	725,139,697.94	-99.32%

2. Major equity investments acquired in the reporting periodApplicable Not applicable**3. Major non-equity investments in progress in the reporting period**Applicable Not applicable**4. Financial assets investment****(1) Securities investment**Applicable Not applicable

The Company has no securities investment in the reporting period.

(2) Derivatives investmentApplicable Not applicable

The Company has no derivative investment in the reporting period.

5. Use of raised fundsApplicable Not applicable

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

VII. Sales of Major Assets and Equity**1. Sale of major assets**Applicable Not applicable

The Company does not sell major assets in the reporting period.

2. Sale of major equityApplicable Not applicable

VIII. Analysis on Principal Holding and Joint-stock Companies

Applicable Not applicable

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

Unit: CNY 10 thousand

Company Name	Company Type	Main business	Registered Capital	Total Assets	Net Assets	Operating income	Operating Profit	Net Profit
FAW Jiefang Automotive Co., Ltd.	Subsidiaries	Development, manufacturing and sales of vehicles and parts	1,080,301.25	7,557,665.39	1,982,506.38	3,560,229.26	10,339.52	28,203.07
First Automobile Finance Co., Ltd.	Joint-stock companies	Handling of financial business within the Group and other financial businesses approved by the People's Bank of China	1,000,000.00	16,873,937.20	2,208,124.61	328,189.22	131,240.44	98,619.13

Acquisition and disposal of subsidiaries in the reporting period

Applicable Not applicable

Description of main holding and joint-stock companies

IX. Structured Entities Controlled by the Company

Applicable Not applicable

X. Risks Faced by the Company and Countermeasures

1. Competition risk in the domestic market

The status quo of domestic stock competition has remained unchanged, and the game among the leading enterprises in the industry around product prices, marketing strategies, financial policies and other end-sale factors will become more intense. Although environmental control, trade-in, emission standards and other policy guidances can stimulate the updates, the low road freight rates, the industry's low level of operation and other commercial vehicle industry conditions cannot be improved in the short term, and the competition in the industry may be intensified.

2. Risk of exchange rate fluctuations

Due to the ongoing competition in the domestic heavy truck market, the export of products is an inevitable trend. In the course of development of international business, due to economic data, monetary policies, investor confidence and various political factors, the exchange rate between CNY and currencies commonly used for international settlements may fluctuate, which may have a certain impact on the Company.

(3) Market structure change risk

With the continuous growth of industrial investment and the active recovery of private investment, the prices of gasoline and diesel and liquefied natural gas, and the cost of new energy batteries are changing steadily. Under the influence of policies such as slowing down the real estate market and fostering new economic growth, the market structure will be further adjusted, and the Company will face opportunities and challenges brought by changes in market structure. Moreover, due to changes in market structure, the market share of new energy products will continue to increase. However, the intensified competition in the new energy market will also bring great risks to the operation of the Company.

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

1. Enhancement of environmental research and market study. The Company will conduct

market research and risk factor analysis on domestic and international political and economic environments, pay close attention to national policies and industry dynamics, and adjust business strategies in a timely manner. It will also establish a sound mechanism for obtaining environmental and market information, strengthen publicity and promotion, and optimize cost structure, enhancing product technology level, and responding to market changes in a timely manner.

2. Improvement of product and service capabilities. By closely focusing on new energy and intelligence and other rapid development fields, the Company will launch new products that meet market demand, deeply explore user service needs, and improve the service capabilities to enhance user experience and satisfaction. Through innovation in technologies, concepts, and services, the Company will continue to enhance its brand image and competitive strength, solidify its market position in a drastically changing environment, and avoid falling into a vicious cycle of low-level price war and disorderly competition.

3. Comprehensive development of overseas business system. It is required to promote a high level of opening up to the outside world, carry out overall arrangement in advance, and make adequate preparations for diversified exports. Through the increased overseas recognition of Chinese products and leading advantages in new energy technology, based on the segmentation characteristics of the target market and user needs, the Company carries out customized product development to enhance the regional adaptability of products, provide cooperation with the expansion of overseas marketing networks, and enhance overseas service level to strive for more overseas space.

4. Improvement for management of foreign exchange positions. By utilizing the foreign exchange market and exchange rate prediction information, and leveraging the marking-to-market services of professional institutions for foreign exchange risk, the Company can provides timely insight into foreign exchange risks, capture advantageous foreign exchange prices, and seize window periods, resulting in reduction of settlement costs, control of foreign exchange risks, and improvement of capital returns.

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

Announcement on Whether the Company Disclosed the “Improvement of Both Quality and Return”

Action Plan.

Yes No

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

The Company consistently prioritizes high-quality development as its core theme. It is committed to advancing its main business and aspires to establish itself as a leading brand. The company places a strong emphasis on product leadership, continuously innovating and driving reforms. It actively pursues the mastery of key core technologies, constantly striving to conquer new frontiers. It is accelerating towards its goal of becoming “China’s first and world-class” green and intelligent transportation solution provider, as well as a century-old national automobile brand. The Company constantly consolidates its corporate governance structure, improves its internal control system, promotes the standardized and efficient operation of the “shareholders’ meeting, Board of Directors and Board of Supervisors”, and gives full play to the role of various governance subjects, thus ensuring scientific and effective decision-making. The Company strictly abides by laws, regulations and regulatory agency provisions, continuously improves the information disclosure quality, highlights the importance and pertinence of information disclosure, fully demonstrates the intrinsic value of the Company, and provides investors with an objective decision-making basis. Through listing announcements, brokerage strategy meetings, investor exchanges, Interaction Easy, telephone, email and other channels, the Company ensures good communication with investors and builds an efficient and transparent communication platform.

Through strict implementation of shareholders' dividend return planning and profit distribution policy, in combination with the actual situation of the enterprise, the Company has developed a profit distribution plan 2023, and distributed a cash dividend of CNY 1.50 (including tax) per 10 shares to all shareholders on the basis of 4,623,863,714 shares, resulting in a total distribution of cash dividends of CNY 693,579,557.10 (including tax). The remaining undistributed profits were carried forward to the next accounting year. The Company does not convert its capital reserves into share capital. The ex-warrants and ex-dividend date for this distribution plan is June 24, 2024.

Section IV Corporate Governance

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

1. Shareholders' meeting in the reporting period

Session	Meeting Type	Participation Ratio of Investors	Date	Date of Disclosure	Meeting Resolution
First extraordinary shareholders' meeting of 2024	Extraordinary shareholders' meeting	85.00%	February 21, 2024	February 22, 2024	The Proposal on the Estimated Amount of Daily Related Transactions for the Year 2024, the Proposal on the Estimated Amount of Financial Business with First Automobile Finance Co., Ltd. for the Year 2024, the Proposal on the Election of Deng Weigong as a Non-Independent Director of the Company and the Proposal on the Election of Li Ying as a Supervisor of the Company have been deliberated and adopted
Annual shareholders' meeting of 2023	Annual shareholders' meeting	84.45%	April 25, 2024	April 26, 2024	The 2023 Annual Work Report of the Board of Directors, the 2023 Annual Work Report of the Board of Supervisors, the 2023 Financial Final Accounts, the 2023 Annual Report and Its Summary, the 2023 Profit Distribution Plan, the Proposal on Unfulfilling Conditions for Releasing Restricted Share for the Third Release Period of Restricted Shares Firstly Granted and the Second Release Period of Restricted Shares Reserved for Granting in Phase I Restricted Share

					Incentive Plan and Repurchase and Cancellation of Partial Restricted Shares, the Proposal on Changing the Registered Capital of the Company, the Proposal on Modifying the Articles of Association, and the Proposal on the Election of Wang Hao as a Non-Independent Director of the Company have been deliberated and adopted
Second Extraordinary Shareholders' Meeting of 2024	Extraordinary shareholders' meeting	84.11%	June 19, 2024	June 20, 2024	The Proposal on Extending the Validity Period of the Resolution on the Company's 2023 Plan for Issuing A-share to Specific Targets, the Proposal on Extending the Authorization Period of the Resolution on Requesting the Shareholders' Meeting of the Company to Authorize the Board of Directors to Handle Specific Matters Related to the Issuance of A-shares to Specific Objects, and the Proposal on the Election of Chen Hua as a Non-Independent Directors of the Company have been deliberated and adopted

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

Applicable Not applicable

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

Applicable Not applicable

Name	Position	Type	Date	Reason
Deng Weigong	Director	Elected	February 21, 2024	

Zhang Guohua	Director	Departure from office	March 8, 2024	Job changes
Wang Hao	Director	Elected	April 25, 2024	
Chen Hua	Director	Elected	June 19, 2024	
Yan Feng	Chairman of Board of Supervisors	Departure from office	January 17, 2024	Personal reasons
Li Ying	Chairman of Board of Supervisors	Elected	March 28, 2024	
Ren Ruijie	Supervisor	Departure from office	March 8, 2024	Job changes
Tian Haifeng	Deputy General Manager	Decruitment	March 8, 2024	Job changes
Wang Jianyu	Deputy General Manager	Appointed	March 28, 2024	

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

Applicable Not applicable

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

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

Applicable Not applicable

1. Equity incentive

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

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

(2) On March 28, 2024, the Company held the 11th Meeting of the 10th Board of Directors and the 10th Meeting of the 10th Board of Supervisors respectively, and deliberated and adopted the Proposal on Unfulfilling Conditions for Releasing Restricted Share for the Third Release Period of Restricted Shares Firstly Granted and the Second Release Period of Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Partial Restricted Shares. The Company agreed to repurchase and cancel the restricted shares of 299 objects failing to fulfill the conditions for releasing the restriction for sales, with a total repurchase quantity of 12,621,954 shares. On June 15, 2024, the Company published the Announcement on Completion of Repurchase and Cancellation of Partial Restricted Shares on CNINFO (<http://www.cninfo.com.cn>).

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

2. Implementation of employee stock ownership plan

Applicable Not applicable

3. Other employee incentives

Applicable Not applicable

Section V Environmental and Social Responsibilities

I. Major Environmental Protection Issues

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

Yes No

Environmental protection related policies and industry standards

The company strictly abides by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Regulations on Environmental Protection Management of Construction Projects, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Law of the People's Republic of China on the Prevention and Control of Soil Pollution, the Law of the People's Republic of China on the Promotion of Clean Production, the Measures for the Administration of Pollutant Discharge Permits, the Environmental Protection Tax Law of the People's Republic of China, the Measures for the Administration of the List of Key Units of Environmental Supervision, the Measures for the Administration of Legal Disclosure of Environmental Information of Enterprises, the Measures for the Administration of Hazardous Waste Transfer and other relevant laws and regulations; and the Integrated Emission Standard of Air Pollutants (GB16297-1996), the Integrated Wastewater Discharge Standard (GB8978-1996), the Emission Standard of Industrial Enterprises Noise at Boundary (GB12348-2008), the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2023), the Technical Guidelines for Deriving Hazardous Waste Management Plans and Records (HJ1259-2022), the Technical Specifications for Acceptance of Environmental Protection Facilities for Completed Construction Projects - Automobile Manufacturing Industry (HJ407-2021), and other national and industry standards.

Administrative licensing for environmental protection

The Company strictly implemented the system of “environmental impact assessment” and “simultaneous design, construction and operation” when implementing the projects. All key pollutant discharging entities shall apply for pollutant discharge permits according to legal provisions, and strictly implement the pollutant discharge permit system.

S/N	Name of Unit	Application (Renewal) Date of Pollutant Discharge Permit	Pollutant Discharge Permit No.	Validity Period (Year)
1	Truck Factory of FAW Jiefang Automotive Co., Ltd	December 30, 2022	91220101743028725R001R	5
2	Chengdu Branch of FAW Jiefang Automotive Co., Ltd.	July 16, 2022	91510114746407720B001V	5
3	Sichuan Branch of FAW Jiefang Automotive Co., Ltd.	July 21, 2023	91510681MABQ7AKG4Y001V	5
4	Transmission Branch (Transformation Factory) of FAW Jiefang Automotive Co., Ltd.	December 31, 2021	91220101571131661N001Q	5
5	Transmission Branch (New Axle Factory) of FAW Jiefang Automotive Co., Ltd.	May 21, 2024	91220101571131661N003V	5
6	Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd.	January 9, 2023	91220108MA170MRB74001V	5
7	FAW Jiefang (Qingdao) Automotive Co., Ltd.	December 29, 2023	91370200163567343M001V	5
8	Engine Branch of FAW Jiefang Automotive Co., Ltd.	December 27, 2022	912201017561635719001Q	5

9	Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd.	October 5, 2021	91320200748159222H001Q	5
10	Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd.	June 19, 2023	91320206330969017N001C	5
11	FAW Jiefang Dalian Diesel Engine Co., Ltd.	March 14, 2024	91210213717880308K001U	5

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

Name of Company or Subsidiary	Types of Main Pollutants and Specific Pollutants	Names of Main Pollutants and Specific Pollutants	Discharge Mode	Number of Discharge Outlets	Distribution of Discharge Outlets	Discharge concentration /intensity	Enforced pollutant discharge standard	Total Discharge	Total Approved Discharge	Excessive Discharge
Truck Factory of FAW Jiefang Automotive Co., Ltd	Wastewater	COD	Continuous or intermittent discharge	4	One for frame, cab and non-metal coating respectively, and one for general domestic sewage outlet	191.31mg/L	800mg/L	58.8171 t	630.104 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	71	Frame, cab, roof of non-metallic coating workshop	4.0066mg/m ³	120mg/m ³	5.4718 t	346.1955 t	No excessive discharge
Chengdu Branch of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	1	Southeast of the Company	27.5mg/L	500mg/L	0.135 t	21.3 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	1	Roof of coating workshop	1.48mg/m ³	60mg/m ³	5.9316 t	75.91 t	No excessive discharge
Sichuan Branch of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	1	Northwest corner of the Company	45mg/L	500mg/L	0.285 t	40.8469 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuous discharge during production	15	Roof of Painting Workshop and General Assembly Workshop	9.071mg/m ³	60mg/m ³	6.5784 t	16.5208 t	No excessive discharge
Transmissio	Wastew	COD	Intermittent	2	One in the	19mg/L	500mg/L	0.5778 t	10 t	No

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n Branch (Transformation Factory) of FAW Jiefang Automotive Co., Ltd.	ater		t discharge		northwest corner of substation one workshop and one in the southwest corner of substation two workshop					excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuou s discharge during production	5	Four for No. 1 workshop and one for the south side outside No. 1 workshop	1.6mg/m ³	120mg/m ³	0.2647 t	--	No excessive discharge
Transmission Branch (Axle Factory) of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	6	Two for No. 1, No. 2 and No. 3 workshops respectively	21mg/L	500mg/L	0.6582 t	--	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuou s discharge during production	16	8 in No. 1 workshop, 7 in No. 2 workshop, and 1 in No. 3 workshop	1.61mg/m ³	120mg/m ³	6.2124 t	--	No excessive discharge
Changchun Intelligent Bus Branch of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Intermittent discharge	1	South gate of sewage treatment station	50mg/L	500mg/L	0.5847 t	4.575 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarbon	Continuou s discharge during production	12	Roof of coating and welding workshop of the Company	3.25mg/m ³	120mg/m ³	4.7693 t	49.5 t	No excessive discharge
FAW Jiefang (Qingdao) Automotive Co., Ltd.	Wastewater	COD, ammonia nitrogen	Continuou s or intermittent discharge	6	Outside the sewage treatment station of the Company	COD: 53.9mg/L Ammonia nitrogen: 1.71mg/L	COD: 500mg/L; ammonia nitrogen: 45mg/L	COD: 6.79 t Ammonia nitrogen: 0.207 t	COD: 88.79 t; Ammonia nitrogen: 5.11 t	No excessive discharge
	Exhaust gas	Non-methane hydrocarb	Continuou s discharge during	87	Roof of each workshop of the Company	1.50mg/m ³	30mg/m ³	28.15 t	164.98 t	No excessive discharge

		on	production							
Engine Branch of FAW Jiefang Automotive Co., Ltd.	Exhaust gas	Non-methane hydrocarbon	Intermittent discharge	3	Workshop roof	0.67mg/m ³	120mg/m ³	0.019 t	--	No excessive discharge
Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Continuous discharge	3	One for west gate and two for south gate	23mg/L	500mg/L	8.13 t	243 t	No excessive discharge
	Exhaust gas	Nitrogen oxide, non-methane hydrocarbon	Continuous discharge during production	13	Three for assembly workshop, five for the R&D Department, two for QA Department, two for processing workshop and one for hazardous waste warehouse	NOx, 76mg/m ³ Non-methane hydrocarbons, 2.46mg/m ³	NOx, 200mg/m ³ Non-methane hydrocarbons, 60mg/m ³	NOx, 14.5 tons VOCs 0.08 t	NOx, 27.2 tons VOCs 1.77 t	No excessive discharge
Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd.	Wastewater	COD	Continuous discharge	1	1 for the North Gate	46mg/m ³	500mg/m ³	2.99 t	79.15 t	No excessive discharge
	Exhaust gas	Nitrogen oxide, non-methane hydrocarbon	Continuous discharge during production	6	Joint workshop	NOx, 39mg/m ³ Non-methane hydrocarbons, 1.07mg/m ³	NOx, 200mg/m ³ Non-methane hydrocarbons, 60mg/m ³	NOx, 14.52 tons VOCs 0.12 t	NOx, 26.137 tons VOCs 4.546 t	No excessive discharge
FAW Jiefang Dalian Diesel Engine Co.,	Wastewater	COD, ammonia nitrogen	Continuous or intermittent discharge	1	Outside the sewage treatment station of the Company	COD: 65mg/L Ammonia nitrogen: 11.65mg/L	COD: 300mg/L Ammonia nitrogen: 30mg/L	COD: 2.67 t Ammonia nitrogen: 0.504 t	COD: 11.398 t Ammonia nitrogen: 2.984 t	No excessive discharge

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Ltd.	Exhaust gas	Nitrogen oxide, non-methane hydrocarbon	Continuous discharge during production	5	Roof of the Company's workshop	NOx, 170mg/m ³ Volatile organic compounds 0.35mg/m ³	NOx, 240mg/m ³ Volatile organic compounds 60mg/m ³	Nitrogen oxides: 1.376 t Volatile organic compounds 1.516 t	Nitrogen oxides: 15.143 t Volatile organic compounds 7.547 t	No excessive discharge
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Disposal of pollutants

(I) Wastewater treatment:

(1) The Truck Factory of FAW Jiefang Automotive Co., Ltd. has three sewage treatment stations currently, namely, frame workshop sewage treatment station, coating workshop sewage treatment station and non-metallic coating sewage treatment station. ① The frame sewage treatment station has a processing capacity of 300 tons/day, and it mainly processes the pre-treatment wastewater of the frame workshop. ② The cab coating workshop sewage treatment station has a treatment capacity of 400 tons/day, and mainly treats the wastewater and painting wastewater before they enter the workshop. ③ The non-metallic wire sewage treatment station has a processing capacity of 240 tons/day and it mainly processes the pre-treatment and painting wastewater of the production line. The wastewater pre treated by the three sewage stations mentioned above, together with domestic sewage and other wastewater, is discharged into the FAW Integrated Sewage Treatment Plant. After meeting the treatment standards, it enters the West Suburb Sewage Treatment Plant in Changchun City.

(2) One sewage treatment station has been built in Chengdu Branch of FAW Jiefang Automotive Co., Ltd. for the treatment of production and domestic wastewater of the Company, with a total treatment capacity of 300 tons/day. The main treatment method is SBR process. All sewage stations can operate continuously and stably, and the sewage discharged up to standard enters the urban sewage treatment plant through the municipal pipe network for further treatment.

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

(4) Transmission Branch (Transmission Factory) of FAW Jiefang Automotive Co., Ltd., uses the sewage treatment station in the Shaft Gear Park to treat the production wastewater of the Company. The total treatment capacity of the sewage treatment station is 50 tons/hour, and it operates stably. Industrial wastewater is treated by the sewage station and discharged into the West Suburb Sewage Treatment Plant in Changchun City for further treatment.

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

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

(7) Two sewage treatment stations are built in FAW Jiefang Qingdao Automotive Co., Ltd. They combine physicochemical process with biochemical process and are mainly used to treat the phosphating wastewater, electrophoresis wastewater and degreasing wastewater discharged from daily production of the coating workshop, as well as the daily domestic sewage of the Company. The designed maximum daily treatment capacity of the station is 2,160 tons/day. The treated wastewater meets the index requirements of the Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015), and reaches the Reuse of Urban Recycling Water—Water Quality Standard for Urban Miscellaneous Use (GB/T18920-2020) after being further treated by the MBR improvement equipment, thus reducing the sewage concentration significantly, increasing the reuse amount of recycled water, and saving water. The up-to-standard treated wastewater is discharged to Jimo North Sewage Treatment Plant for advanced treatment through the sewage outlet.

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

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

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

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

(II) Waste gas treatment:

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

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

(3) All waste gas treatment facilities of the Sichuan Branch of FAW Jiefang Automotive Co., Ltd. can operate continuously and stably. The painting waste gas of the coated body is discharged after reaching the standard through dry paper box + zeolite runner adsorption and concentration + RTO (regenerative incineration). All welding fumes are discharged after reaching the standard and being treated by centralized and mobile dust removal systems.

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

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

(6) All kinds of exhaust gas treatment facilities of the Transmission Branch (Axle Factory) of FAW Jiefang Automotive Co., Ltd. can operate continuously and stably, and various types of welding fumes are treated by centralized and mobile dust removal systems before meeting emission standards. The waste gas from the painting process is treated by the pretreatment filtration system + zeolite concentration runner + RTO incineration treatment system and then discharged after reaching the standard.

(7) All waste gas treatment facilities of FAW Jiefang (Qingdao) Automotive Co., Ltd. can operate continuously and stably. The painting waste gas generated by Painting Workshops 1 and 2, Non-metallic Painting Workshop and Assembly Workshops 1 and 2 is discharged after reaching the standard and being purified by paint mist, adsorbed by zeolite concentration runner and treated by an RTO incineration device in the three workshops. The drying waste gas generated by the general assembly workshop is burned with low nitrogen, and discharged after reaching the standard and being treated by the quaternary combustion device. The drying waste gas generated by the coating workshop is burned with low nitrogen and discharged after reaching the standard and receiving TNV thermal

incineration. All welding fumes are discharged after reaching the standard and being treated by a filter cartridge dust collector.

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

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

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

(11) All waste gas treatment facilities of FAW Jiefang Dalian Diesel Engine Co., Ltd. can operate continuously and stably. The painting waste gas generated from coating is discharged after reaching the standard and being treated by water curtain paint mist treatment device + activated carbon adsorption, and the waste gas generated from test run is discharged after being treated by SCR post-treatment + alkali liquor washing exhaust gas treatment device and reaching the standard.

(III) Noise control:

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

(IV) Hazardous waste disposal:

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

Emergency plan for environmental emergencies

We organized relevant departments to revise and improve the comprehensive plan, special emergency plan and on-site disposal plan of the Emergency Response Plan for Environmental Emergencies, conducted a detailed risk assessment on each risk point, clearly defined the work responsibilities of each department, refined the emergency disposal procedures for unexpected environmental events, supplemented and provided all kinds of emergency response materials, and trained relevant personnel on the contents of the plan as required.

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

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

In the first half of 2024, the Company invested over CNY 14 million in various environmental governance and protection expenses, as well as paid environmental protection taxes.

Environmental self-monitoring plan

All branches and subsidiaries of the Company have prepared self-monitoring plans based on the requirements of pollutant discharge permits and regulations, and organized qualified monitoring organizations to conduct environmental monitoring of wastewater, exhaust gas, noise, etc. according to the plan requirements. The test report for the first half of 2024 shows that all monitoring indicators meet the requirements of all national emission regulations and standards.

Administrative penalties due to environmental problems in the Reporting Period

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

None	None	None	None	None	None
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Other environmental information that shall be disclosed

All subsidiary companies of the Company have disclosed environmental information in accordance with the requirements, and have strictly conducted clean production audits in accordance with the requirements. As a responsible central enterprise, the Company strictly abides by the national requirements, has been practicing the concept of scientific development, builds a clean and green enterprise, and is committed to becoming an ecological civilization benchmarking environment-friendly enterprise of “energy conservation, consumption reduction, emission reduction and efficiency improvement”.

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

Applicable Not applicable

The Company is deeply committed to the battle of energy conservation and carbon reduction, actively connecting with the government’s preferential energy policies. In the first half of 2024, the green electricity trading share exceeded 23 million kWh, and the PV clean energy projects implemented by Liuzhou Branch, FAW Jiefang (Qingdao) Automotive Co., Ltd. and other branches and subsidiaries were connected to the grid to generate electricity, further reducing carbon emissions.

In the first half of 2024, more than 200 energy-saving and cost-reducing projects were approved and implemented, with total annual savings of more than CNY 56 million and 46 thousand t CO₂.

Other information related to environmental protection

In the first half of 2024, the Company revised 8 environmental protection management documents, and refined the identification and evaluation standards for environmental factors, in order to improve the evaluation process. In addition, the Company also strictly standardized the “simultaneous design, construction and operation” management of construction projects, in order to clarify the management standards and spot inspection operation requirements for environmental protection facilities, and increase the identification of laws and regulations.

In order to enhance the environmental responsibility awareness and work ability of managers and operators at all levels, the Company and its subsidiaries have developed an environmental protection training plan and refreshed 9 professional environmental protection training courses, which

can provide targeted training on important environmental regulations and lay a good foundation for the development of various work.

In the first half of 2024, the Company organized a series of activities of “Environmental Protection Publicity Month”, and carefully prepared the Plan of Environmental Protection Publicity Month Activities for 2024. During the activity month, the Company carried out the activities, such as the production of promotional posters in the electronic “Environment Day” themed, participation in the group company’s environmental protection forum to share excellent practice cases, and initiation of the selection of environmental protection excellent cases. Because of the extensive participation of employees from various organizations, the Company has achieved good publicity results.

II. Social Responsibility

In the first half of 2024, FAW Jiefang deepened its social responsibility practice to help comprehensively promote rural revitalization. It is necessary to continue to implement the pairing and co-construction work of Party building, in order to provide paired assistance to Fengshan County in Guangxi and Zhenlai County in Jilin, and highlight the construction of beautiful countryside and industrial assistance. In addition, it is also necessary to continue to assist in the revitalization and development of the assisted regions. By deepening and expanding consumption assistance, continuing to carry out activities such as social responsibility week and central enterprise consumption assistance, it is necessary to broaden the sales channels for agricultural and sideline products in poverty-stricken areas, and mobilize employees and all sectors of society to participate in consumption assistance actions, in order to jointly contribute to rural revitalization.

Section VI Important Matters

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

Applicable Not applicable

During the reporting period, there were no commitments made by the actual controllers, shareholders, related parties, and purchasers of the Company that were fully fulfilled during the reporting period or were not fully fulfilled by the end of the reporting period.

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

Applicable Not applicable

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

III. Illegal External Guarantee

Applicable Not applicable

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

IV. Appointment and Dismissal of Accounting Firm

Has the semi-annual financial report been audited?

Yes No

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

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

Applicable Not applicable

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

Applicable Not applicable

VII. Matters Related to Bankruptcy Reorganization

Applicable Not applicable

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

VIII. Litigation Matters

Major litigation and arbitration matters

Applicable Not applicable

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

Other litigation matters

Applicable Not applicable

Basic Information about Litigation (Arbitration)	Amount Involved (CNY 10 thousand)	Estimated liabilities formed or not	Progress of Litigation (Arbitration)	Litigation (Arbitration) Results and Impact	Implementation of Litigation (Arbitration) Judgment	Date of Disclosure	Disclosure Index
Summary of other litigation not reaching the major disclosure standard	9,320.29	Including estimated liabilities of CNY 8.59 million	Case not closed	No significant impact	Case not closed by the end of the reporting period		
	2,654.18	No	Case closed	No significant impact	Judgmented or fully executed		

IX. Punishment and Rectification

Applicable Not applicable

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

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

Applicable Not applicable

XI. Major Related Transactions

1. Related transactions related to daily operations

Applicable Not applicable

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Related Transaction Party	Correlation	Type of Related Transaction	Content of Related Transaction	Pricing Principle of Related Transaction	Price of Related Transaction	Amount of Related Transaction (CNY 10 thousand)	Proportion to the Amount of Similar Transactions	Approved Transaction Amount (CNY 10 thousand)	Whether it Exceeds the Approved Amount	Settlement Method of Related Transaction	Available Market Value of Similar Transactions	Date of Disclosure	Disclosure Index
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party	Sales of goods	Sales of goods	Market price	Market price	849,352.12	23.86%	1,475,014	No	Cash + bill settlement	CNY 8.4935212 billion	January 31, 2024	http://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800&sjstsBond=false#latestAnnouncement
Total				--	--	849,352.12	--	1,475,014	--	--	--	--	--
Details of large sales returns				None									
Actual performance in the reporting period, if the total amount of daily related transactions to be incurred in the current period is estimated by category				For details about the actual performance of related transactions in the reporting period, please see Item XIV “Related Parties and Related Transactions” in Section X of this report.									
Reasons for large difference between				N/A									

transaction price and market reference price	
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2. Related transactions arising from the acquisition and sale of assets or equity

Applicable Not applicable

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

3. Related transactions of joint foreign investment

Applicable Not applicable

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

4. Related credit and debt transactions

Applicable Not applicable

Whether there are non-operating related credit and debt transactions

Yes No

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

5. Transaction with related finance companies

Applicable Not applicable

Deposit Business

Related Parties	Correlation	Maximum Daily Deposit Limit (CNY 10 thousand)	Deposit Interest Rate Range	Opening Balance (CNY 10 thousand)	Amount Incurred in Current Period		Ending Balance (CNY 10 thousand)
					Total Deposit Amount in the Current Period (CNY 10 thousand)	Total Withdrawal Amount in the Current Period (CNY 10 thousand)	
First Automobile Finance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party	3,000,000	0.455%-1.8%	1,404,657.52	18,260,986.65	18,797,837.24	867,806.93

Credit Granting or Other Financial Businesses

Related Parties	Correlation	Business Type	Total Amount (CNY 10 thousand)	Actual Amount Incurred (CNY 10 thousand)
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First Automobile Finance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party	Other financial businesses	920,000	91,495.66
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6. Transactions between finance companies controlled by the Company and related parties

Applicable Not applicable

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

7. Other major related transactions

Applicable Not applicable

On January 30, 2024, the 10st Meeting of the 10th Board of Directors of the Company reviewed and approved the Proposal on Estimated Amount of Daily Related Transactions in 2024 and the Proposal on Estimated Amount of Financial Business with First Automobile Finance Co., Ltd. in 2024, which were reviewed and approved by the First Extraordinary Shareholders' Meeting of the Company in 2024.

Relevant Inquiries on Disclosure Website of Interim Report of Major Related Transactions

Name of Temporary Announcement	Disclosure Date of Temporary Announcement	Name of Temporary Announcement Disclosure Website
Announcement on estimated amount of daily related transactions in 2024	January 31, 2024	CNINFO (http://www.cninfo.com.cn)
Announcement on estimated amount of financial business with First Automobile Finance Co., Ltd. in 2024	January 31, 2024	CNINFO (http://www.cninfo.com.cn)

XII. Major Contracts and Their Performance

1. Trusteeship, contracting and lease

(1) Trusteeship

Applicable Not applicable

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

(2) Contracting

Applicable Not applicable

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

(3) Lease

Applicable Not applicable

Description of lease

For details of the Company's operating lease, please refer to Note 14 "Investment real estate", Note 15 "Fixed assets", and Note 19 "Right-of-use assets" in Notes to Items in VII "Consolidated Financial Statements" of Section X "Financial Report", and Note 5 "Information of related transactions" in XIV "Related parties and related transactions".

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

Applicable Not applicable

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

2. Major guarantees

Applicable Not applicable

The Company has no major guarantee in the reporting period.

3. Entrusted financial management

Applicable Not applicable

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

4. Other major contracts

Applicable Not applicable

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

XIII. Other Major Matters to be Explained

Applicable Not applicable

The 4th Meeting of the 10th Board of Directors and the 3rd Meeting of the 10th Board of Supervisors held by the Company on June 19, 2023 reviewed and approved the Proposal on the Company's Eligibility to Issue A Shares to Specific Objects, the Proposal on the Company's Plan to Issue A Shares to Specific Objects in 2023 and other proposals, which were reviewed and approved by the Second Extraordinary Shareholders' Meeting of 2023 of the Company held on July 18, 2023. On July 18, 2023, the Company disclosed the Announcement on Matters Related to the Issuance of A Shares to Specific Objects in 2023 Approved by China FAW Group; on August 3, 2023, the Company disclosed the Announcement on the Application for Issuance of A Shares to Specific Objects in 2023 Accepted by the Shenzhen Stock Exchange. On October 13, 2023, the Company disclosed the Announcement on Issuance of A Shares to Specific Objects in 2023 Approved by Listing Audit Center of Shenzhen Stock Exchange. On June 25, 2024, the Company disclosed the Announcement on Obtaining Registration Approval from the China Securities Regulatory Commission for Applying to Issue Stocks to Specific Objects and the A-share Issuance Prospectus to Specific Objects in 2023 (Registration Draft)

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

XIV. Major Events of Subsidiaries

Applicable Not applicable

Section VII Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

Unit: share

	Before the Change		Increase/Decrease Made by the Change (+, -)					After the Change	
	Quantity	Percentage	Issue of New Shares	Bonus shares	Share Transferred from Accumulation Fund	Others	Subtotal	Quantity	Percentage
I. Restricted shares	14,433,543	0.31%				-12,959,128	-12,959,128	1,474,415	0.03%
1. Shares held by the state									
2. Shares held by the state-owned legal person									
3. Shares held by other domestic enterprises	14,433,543	0.31%				-12,959,128	-12,959,128	1,474,415	0.03%
Including: shares held by domestic legal person									
Shares held by domestic natural person	14,433,543	0.31%				-12,959,128	-12,959,128	1,474,415	0.03%
4. Shares held by foreign enterprises									
Including: shares held									

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by overseas legal person									
Shares held by overseas natural person									
II. Unrestricted shares	4,622,564,932	99.69%				-175,633	-175,633	4,622,389,299	99.97%
1. CNY ordinary shares	4,622,564,932	99.69%				-175,633	-175,633	4,622,389,299	99.97%
2. Foreign shares listed in China									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	4,636,998,475	100.00%				-13,134,761	-13,134,761	4,623,863,714	100.00%

Reasons for changes in shares

Applicable Not applicable

During the reporting period, due to the failure to achieve the performance evaluation targets set for the third release of restricted stock incentive plan granted for the first time and the second release of restricted stock incentive plan reserved for grant, as well as the repurchase and cancellation of incentive recipients due to organizational arrangements, statutory retirement, and personal reasons, the final total was 13,134,761 shares. After the aforesaid repurchase and cancellation, the total share capital of the Company was changed to 4,623,863,714 shares.

Approval of share changes

Applicable Not applicable

(1) On November 20, 2023, the 7th Meeting of the 10th Board of Directors and the 6th Meeting of the 10th Board of Supervisors of the Company approved the Proposal on Repurchasing and Canceling Some Restricted Stocks in the First Phase of the Restricted Stock Incentive Plan, with a total of 512,807 restricted stocks repurchased and cancelled. On December 6, 2023, the Proposal was deliberated and approved at the Company's first Extraordinary Shareholders' Meeting in 2023.

(2) On March 28, 2024, the 11th Meeting of the 10th Board of Directors and the 10th Meeting of the 10th Board of Supervisors of the Company deliberated and approved the Proposal on Unsuccessful Lifting of Conditions of the Second Release Period First Granted by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and of Conditions of the First Release Period Reserved by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and Repurchase and Cancellation of Some Restricted Shares, with a total number of 12,621,954 restricted shares repurchased and canceled. On April 25, 2024, the proposal was reviewed and approved at the Company's 2023 Annual Shareholders' Meeting.

Transfer of share changes

Applicable Not applicable

(1) On March 15, 2024, the Company submitted relevant registration materials to CDSC for 512,807 shares involved in equity incentive repurchase and cancellation. On March 27, 2024, CSDC issued the Confirmation of Securities Transfer Registration to the Company, and the total share capital of the Company was reduced to 4,636,485,668 shares.

(2) On June 11, 2024, the Company submitted relevant registration materials to CDSC for 12,621,954 shares involved in equity incentive repurchase and cancellation. On June 13, 2024, CSDC issued the Confirmation of Securities Transfer Registration to the Company, and the total share capital of the Company was reduced to 4,623,863,714 shares.

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reducing repurchased shares by centralized bidding

Applicable Not applicable

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

Applicable Not applicable

In the reporting period, the share capital of the Company decreased by 13,134,761 shares, which had little impact on the Company's financial indicators such as basic earnings per share, diluted earnings per share, and net assets per share attributable to shareholders with ordinary shares of the Company.

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

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: share

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Restricted Shares Released in the Current Period	Number of Restricted Shares Increased in the Current Period	Number of Restricted Shares at the End of the Period	Reason for Restriction	Release Date
Wu Bilei	95,992	58,853		37,139	Executive lockup	The lockup restrictions can be lifted annually based on 25% of the total number of shares held
Li Sheng	80,966	49,639		31,327	Executive lockup	The lockup restrictions can be lifted annually based on 25% of the

						total number of shares held
Zhang Guohua	95,967	20,564		75,403	Resignation lockup	After the expiration of the resignation lockup period, the sales restriction can be lifted in accordance with regulations
Ji Yizhi	80,966	49,639		31,327	Executive lockup	The lockup restrictions can be lifted annually based on 25% of the total number of shares held
Wang Jianyu	65,544	34,217		31,327	Executive lockup	The lockup restrictions can be lifted annually based on 25% of the total number of shares held
Tian Haifeng	80,966	17,349		63,617	Resignation lockup	After the expiration of the resignation lockup period, the sales restriction can be lifted in accordance with regulations
Wang Jianxun	80,966	49,639		31,327	Executive lockup	The lockup restrictions can be lifted annually based on 25% of the total number of shares held
Other core	13,852,176	12,679,228		1,172,948	Equity incentive,	The restrictions on sales are

employees of senior director and above					etc.	lifted in phases based on the assessment objectives and the restricted share incentive plan.
Total	14,433,543	12,959,128	0	1,474,415	--	--

II. Issuance and Listing of Securities

Applicable Not applicable

III. Number of Shareholders and Shareholdings of the Company

Unit: share

Total Number of Shareholders with Ordinary Shares at the End of the Reporting Period	75,824		Total Number of Shareholders with Preferred Share with Restored Voting Rights at the End of the Reporting Period	0				
Shareholdings situation of ordinary shareholders holding more than 5% or top 10 ordinary shareholders (excluding shares lent through securities refinancing).								
Name of Shareholder	Nature of Shareholders	Share proportion	Number of Ordinary Shares Held at the End of the Reporting Period	Increase and Decrease in the Reporting Period	Number of Restricted Ordinary Shares Held	Number of Unrestricted Ordinary Shares Held	Pledge, Marking or Freezing	
							Status of Shares	Quantity
China FAW Group Corporation Limited	State-owned legal person	66.19%	3,060,649,901	0	0	3,060,649,901	N/A	0
FAW Besturn Automotive Co., Ltd.	State-owned legal person	16.97%	784,500,000	0	0	784,500,000	N/A	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.31%	60,631,925	-2,183,034	0	60,631,925	N/A	0

Lu Min	Domestic natural person	0.78%	36,096,590	0	0	36,096,590	N/A	0
Industrial and Commercial Bank of China Limited-Huatai-PineBridge CSI 300 Trading Open Index Securities Investment Fund	Others	0.24%	11,117,800	4,677,800	0	11,117,800	N/A	0
Duanmu Xiaoyi	Domestic natural person	0.23%	10,538,600	6,055,700	0	10,538,600	N/A	0
Chao Guo	Domestic natural person	0.18%	8,293,558	-372,000	0	8,293,558	N/A	0
Li Yan	Domestic natural person	0.17%	7,660,000	0	0	7,660,000	N/A	0
China Construction Bank Corporation - E Fund CSI 300 Trading Open Index Securities Investment Fund	Others	0.16%	7,240,000	4,944,700	0	7,240,000	N/A	0

Zhong Ou AMC - Agricultural Bank of China - Zhong Ou & CITIC Securities Financial Asset Management Plan	Others	0.12%	5,549,500	0	0	5,549,500	N/A	0
Bosera Asset Management Co., Ltd. - Agricultural Bank of China - Bosera & CITIC Securities Financial Asset Management Plan	Others	0.12%	5,549,500	0	0	5,549,500	N/A	0
Strategic investors or general legal persons who become the top 10 shareholders with ordinary shares due to the issuance of new shares	None							
Description of correlation or concerted action of the above shareholders	Among the above shareholders, FAW Bestune is a holding subsidiary of FAW, and is a person acting in concert as specified in the Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.							
Description of involvement of the above shareholders in entrusting/entrusted voting rights and	None							

waiving voting rights			
Special description of the existence of repurchase special accounts among the top 10 shareholders	None		
Shareholding situation of the top 10 ordinary shareholders with unlimited sales conditions (excluding shares lent through refinancing and executive lockup shares)			
Name of Shareholder	Number of Unrestricted Ordinary Shares Held at the End of the Reporting Period	Type of Shares	
		Type of Shares	Quantity
China FAW Group Corporation Limited	3,060,649,901	CNY ordinary shares	3,060,649,901
FAW Besturn Automotive Co., Ltd.	784,500,000	CNY ordinary shares	784,500,000
Hong Kong Securities Clearing Company Ltd.	60,631,925	CNY ordinary shares	60,631,925
Lu Min	36,096,590	CNY ordinary shares	36,096,590
Industrial and Commercial Bank of China Limited-Huatai-PineBridge CSI 300 Trading Open Index Securities Investment Fund	11,117,800	CNY ordinary shares	11,117,800
Duanmu Xiaoyi	10,538,600	CNY ordinary shares	10,538,600
Chao Guo	8,293,558	CNY ordinary shares	8,293,558
Li Yan	7,660,000	CNY ordinary shares	7,660,000
China Construction Bank Corporation - E Fund CSI 300 Trading Open Index Securities Investment Fund	7,240,000	CNY ordinary shares	7,240,000
Zhong Ou AMC - Agricultural Bank of China - Zhong Ou & CITIC Securities Financial Asset Management Plan	5,549,500	CNY ordinary shares	5,549,500
Bosera Asset Management Co., Ltd. - Agricultural Bank of China - Bosera & CITIC	5,549,500	CNY ordinary shares	5,549,500

Securities Financial Asset Management Plan				
Description of correlation or concerted action between the top 10 shareholders with unrestricted ordinary shares, and between the top 10 shareholders with unrestricted ordinary shares and the top 10 shareholders with ordinary shares	Among the above shareholders, FAW Bestune is a holding subsidiary of FAW, and is a person acting in concert as specified in the Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.			
Description of participation in financing bonds business of top 10 shareholders with ordinary shares	Lu Min, a domestic natural person, holds 36,096,590 shares of the Company through the guaranteed securities account for customer credit trading of CITIC Securities. Duanmu Xiaoyi, a domestic natural person, holds 10,538,600 shares of the Company through the guaranteed securities account for customer credit trading of CITIC Securities. Chao Guo, a domestic natural person, holds 8,274,400 shares of the Company through the guaranteed securities account for customer credit trading of Minsheng Securities. Li Yan, a domestic natural person, holds 7,660,000 shares of the Company through the guaranteed securities account for customer credit trading of Dongguan Securities.			

Participation of shareholders holding more than 5% of the shares, top 10 shareholders, and top 10 shareholders with unlimited tradable shares in lending shares through the transfer and financing business

Applicable Not applicable

Unit: share

Participation of shareholders holding more than 5% of the shares, top 10 shareholders, and top 10 shareholders with unlimited tradable shares in lending shares through the transfer and financing business								
Name of Shareholder (Full Name)	Opening ordinary account and credit account shareholding		Number of shares lent at the beginning of the period of refinancing and not yet returned		Ending ordinary account and credit account shareholding		Number of shares lent at the ending of the period of refinancing and not yet returned	
	Total Quantity	Proportion to Total	Total Quantity	Proportion to Total	Total Quantity	Proportion to Total	Total Quantity	Proportion to Total

		Share Capital		Share Capital		Share Capital		Share Capital
Industrial and Commercial Bank of China Limited-Huatai-PineBridge CSI 300 Trading Open Index Securities Investment Fund	6,440,000	0.14%	568,300	0.01%	11,117,800	0.24%	0	0.00%
China Construction Bank Corporation - E Fund CSI 300 Trading Open Index Securities Investment Fund	2,295,300	0.05%	315,400	0.01%	7,240,000	0.16%	87,600	0.00%

Changes in the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares due to refinancing, lending, and repayment reasons compared to the previous period

Applicable Not applicable

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

Yes No

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

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

Applicable Not applicable

Name	Position	Employee	Number of Shares	Number of	Number of Shares	Number of Shares	Number of	Number of	Number of
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		nt Statu s	Held at the Beginning of the Period (share)	Shares Increas ed in the Current Period (share)	Reduced in the Current Period (share)	Held at the End of the Period (share)	Restricted Shares Granted at the Beginning of the Period (shares)	Restricted Shares Granted In The Current Period (shares)	Restrict ed Shares Granted at the End of the Period (shares)
Wu Bilei	Chairman of the Board	In- servi ce	153,130		77,708	75,422	153,130	-77,708	75,422
Li Sheng	Director and General Manage r	In- servi ce	129,161		65,544	63,617	129,161	-65,544	63,617
Wang Hao	Director	In- servi ce							
Zhang Guohu a	Director	Depa rture from offic e	153,090		77,687	75,403	153,090	-77,687	75,403
Bi Wenqu an	Director	Depa rture from offic e							
Liu Yancha ng	Director	In- servi ce							
Deng Weigon g	Director	In- servi ce							
Chen Hua	Director	In- servi ce							

Han Fangming	Independent director	In-service							
Mao Zhihong	Independent director	In-service							
Dong Zhongliang	Independent director	In-service							
Li Ying	Chairman of Board of Supervisors	In-service							
Yan Feng	Chairman of Board of Supervisors	Departure from office							
Xu Haigen	Employee Supervisor	In-service							
Wang Lijun	Employee Supervisor	In-service							
Duan Yinghui	Employee Supervisor	In-service							
Ren Ruijie	Employee Supervisor	Departure from office							

Yu Changxin	Executive Deputy General Manager	In-service							
Ji Yizhi	Deputy General Manager	In-service	129,161		65,544	63,617	129,161	-65,544	63,617
Wang Jianyu	Deputy General Manager	In-service	129,161		65,544	63,617	129,161	-65,544	63,617
Tian Haifeng	Deputy General Manager	Departure from office	129,161		65,544	63,617	129,161	-65,544	63,617
Wang Jianxun	Secretary of the Board of Directors	In-service	129,161		65,544	63,617	129,161	-65,544	63,617
Total	--	--	952,025	0	483,115	468,910	952,025	-483,115	468,910

Changes in controlling shareholders or actual controllers

Changes in controlling shareholders in the reporting period

Applicable Not applicable

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

Change of actual controller in the reporting period

Applicable Not applicable

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

Section VIII Preferred Shares

Applicable Not applicable

The Company has no preferred shares in the reporting period.

Section IX Bonds

Applicable Not applicable

Section X Financial Report

I. Audit Report

Is the semi-annual report audited

Yes No

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

II. Financial Statements

The unit in the notes to the financial statement is CNY

1. Consolidated balance sheet

Prepared by: FAW JIEFANG GROUP CO., LTD.

June 30, 2024

Unit: CNY

Item	Ending balance	Opening balance
Current assets:		
Monetary capital	25,609,204,954.65	22,920,710,903.12
Settlement reserve fund		
Loans to banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	110,591,432.00	44,626,048.13
Accounts receivable	11,708,633,140.72	1,989,386,169.77
Accounts receivable financing	8,448,273,887.92	4,878,126,972.73
Prepayments	410,909,476.74	689,621,097.66
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	1,176,699,147.26	1,309,376,221.57
Including: interests receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories	7,580,283,903.54	9,210,971,356.15
Including: data resources		
Contract assets	16,476,441.87	17,582,856.82
Held-for-sale assets		

Current portion of non-current assets	229,571,360.00	222,664,624.89
Other current assets	733,547,168.89	1,032,089,815.23
Total current assets	56,024,190,913.59	42,315,156,066.07
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	142,564,776.60	132,031,253.27
Long-term equity investments	5,687,858,933.19	5,469,591,970.26
Other equity instruments investments	480,780,000.00	480,780,000.00
Other non-current financial assets		
Investment properties	46,253,781.34	47,049,995.53
Fixed assets	11,470,284,660.10	11,380,286,165.58
Project under construction	750,571,700.84	816,484,299.18
Productive biological assets		
Oil and gas assets		
Right-of-use assets	117,251,281.65	138,989,886.70
Intangible assets	2,386,449,982.49	2,438,433,780.65
Including: data resources		
Development expenditures	222,837,913.82	109,873,830.59
Including: data resources		
Goodwill		
Long-term deferred expenses		
Deferred Income tax assets	2,702,715,506.94	2,544,710,679.48
Other non-current assets		
Total non-current assets	24,007,568,536.97	23,558,231,861.24
Total assets	80,031,759,450.56	65,873,387,927.31
Current liabilities:		
Short-term loans		
Borrowing from the central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	25,947,712,941.61	11,769,864,678.11
Accounts payable	18,062,160,228.69	16,495,571,442.45
Advance receipts	715,111.97	641,221.46
Contract liabilities	1,055,648,915.82	2,204,692,602.77
Financial assets sold under agreement to repurchase		

Deposits taking and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	560,440,000.75	402,039,885.19
Taxes payable	106,373,325.65	129,222,373.32
Other payables	5,193,920,530.52	5,305,057,045.18
Including: interests payable		
Dividends payable	171,500.02	171,500.02
Handling charges and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	14,750,421.22	27,171,195.40
Other current liabilities	60,702,098.17	214,456,037.00
Total current liabilities	51,002,423,574.40	36,548,716,480.88
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual Bond		
Lease liabilities	35,523,520.47	30,494,014.13
Long-term payables		
Long-term employee compensation payable	679,333,932.03	672,957,633.25
Estimated liabilities	709,985,205.49	735,710,304.03
Deferred income	2,960,308,188.38	2,983,678,367.53
Deferred income tax liabilities	376,031,630.59	415,071,758.09
Other non-current liabilities		
Total non-current liabilities	4,761,182,476.96	4,837,912,077.03
Total liabilities	55,763,606,051.36	41,386,628,557.91
Owner's equities:		
Share capital	4,623,863,714.00	4,636,485,668.00
Other equity instruments		
Including: preferred shares		
Perpetual Bond		
Capital reserves	10,276,761,678.62	10,343,418,951.73
Less: treasury shares	6,246,851.73	86,131,497.27
Other comprehensive incomes	-3,197,978.68	-8,514,110.10
Special reserves	310,114,694.40	319,314,527.85
Surplus reserves	3,090,408,316.87	3,090,408,316.87
General risk provision		
Undistributed profits	5,976,449,825.72	6,191,777,512.32
Total equity attributable to owners of the parent company	24,268,153,399.20	24,486,759,369.40

Minority equity		
Total owners' equity	24,268,153,399.20	24,486,759,369.40
Total liabilities and owner's equities	80,031,759,450.56	65,873,387,927.31

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

2. Balance sheet of parent company

Unit: CNY

Item	Ending balance	Opening balance
Current assets:		
Monetary capital	5,431,357.03	165,157,237.21
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments	84,000.00	84,000.00
Other receivables	219,864.00	219,864.00
Including: interests receivable		
Dividends receivable		
Inventories		
Including: data resources		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	412,611.48	261,636.19
Total current assets	6,147,832.51	165,722,737.40
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	25,794,526,170.67	25,594,049,970.19
Other equity instruments investments		
Other non-current financial assets		
Investment properties		
Fixed assets		

Project under construction		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Including: data resources		
Development expenditures		
Including: data resources		
Goodwill		
Long-term deferred expenses		
Deferred Income tax assets		
Other non-current assets		
Total non-current assets	25,794,526,170.67	25,594,049,970.19
Total assets	25,800,674,003.18	25,759,772,707.59
Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	264,628.26	250,327.84
Advance receipts		
Contract liabilities		
Employee compensation payable		
Taxes payable	4,389,523.56	3,368,528.10
Other payables	268,484,598.22	90,343,250.16
Including: interests payable		
Dividends payable	171,500.02	171,500.02
Held-for-sale liabilities		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	273,138,750.04	93,962,106.10
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual Bond		

Lease liabilities		
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	273,138,750.04	93,962,106.10
Owner's equities:		
Share capital	4,623,863,714.00	4,636,485,668.00
Other equity instruments		
Including: preferred shares		
Perpetual Bond		
Capital reserves	12,104,430,650.56	12,171,693,342.10
Less: treasury shares	6,246,851.73	86,131,497.27
Other comprehensive incomes	6,446,198.58	863,137.93
Special reserves		
Surplus reserves	1,859,690,555.97	1,859,690,555.97
Undistributed profits	6,939,350,985.76	7,083,209,394.76
Total owners' equity	25,527,535,253.14	25,665,810,601.49
Total liabilities and owner's equities	25,800,674,003.18	25,759,772,707.59

3. Consolidated profit statement

Unit: CNY

Item	Semi-annual 2024	Semi-annual 2023
I. Total operating income	35,602,292,639.46	33,014,661,914.13
Including: operating income	35,602,292,639.46	33,014,661,914.13
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	35,673,829,224.05	33,178,733,500.55
Including: operating cost	33,252,419,902.01	30,590,523,778.02
Interest expense		
Handling charges and commission expense		
Surrender value		
Net payments for insurance claims		
Net allotment of reserves for insurance liabilities		
Policy dividend expenditure		

Reinsurance expenses		
Taxes and surcharges	105,369,314.20	109,841,569.80
Sales expenses	835,467,097.82	774,822,818.33
Administrative expenses	739,765,844.96	871,161,062.92
R&D expenses	1,135,583,276.97	1,248,047,703.54
Financial expenses	-394,776,211.91	-415,663,432.06
Including: interest expenses	1,431,811.40	2,201,462.83
Interest income	330,521,706.02	332,873,373.32
Add: Other incomes	353,779,659.32	195,656,370.11
Investment income (loss to be listed with “-”)	101,886,844.66	133,617,879.87
Including: income from investment in associates and joint ventures	213,988,413.65	234,054,148.54
Gains on derecognition of financial assets at amortized cost		
Foreign exchange gains (loss to be listed with “-”)		
Net exposure hedging income (loss to be listed with “-”)		
Profit arising from changes in fair value (loss to be listed with “-”)		
Credit impairment loss (loss to be listed with “-”)	-8,593,082.48	-35,480,726.08
Asset impairment loss (loss to be listed with “-”)	-76,666,599.19	-35,324,171.95
Income from assets disposal (loss to be listed with “-”)	746,088.82	98,132,494.11
III. Operating profit (loss to be listed with “-”)	299,616,326.54	192,530,259.64
Add: non-operating income	28,106,223.95	9,542,486.79
Less: non-operating expenses	3,782,541.88	3,801,763.81
IV. Total profit (loss to be listed with “-”)	323,940,008.61	198,270,982.62
Less: income tax expenses	-154,311,861.89	-203,065,319.73
V. Net profit (net loss to be listed with “-”)	478,251,870.50	401,336,302.35
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss to be listed with “-”)	478,251,870.50	401,336,302.35
2. Net profit from discontinuing operations (net loss to be listed with “-”)		
(II) Classified by attribution of the ownership		
1. Net profit attributable to shareholders of the parent company (net loss to be listed with “-”)	478,251,870.50	401,336,302.35
2. Minority profit and loss (net loss to be listed with “-”)		
VI. Net after-tax amount of other comprehensive income	5,316,131.42	250,455.89
Net after-tax amount of other comprehensive income attributable to the owners of the parent company	5,316,131.42	250,455.89
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	5,679,897.29	
1. Changes arising from re-measurement of the defined		

benefit plan		
2. Other comprehensive incomes that cannot be transferred to profits or losses under the equity method	5,679,897.29	
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified into profits or losses	-363,765.87	250,455.89
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method	-96,836.64	254,420.76
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Other debt investment credit impairment provisions		
5. Cash flow hedging reserve		
6. Translation difference in foreign currency financial statements	-266,929.23	-3,964.87
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	483,568,001.92	401,586,758.24
Total comprehensive income attributable to the owners of parent company	483,568,001.92	401,586,758.24
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(I) Basic income per share	0.1034	0.0872
(II) Diluted income per share	0.1034	0.0872

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

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

4. Profit statement of parent company

Unit: CNY

Item	Semi-annual 2024	Semi-annual 2023
I. Operating income	0.00	0.00
Less: operating costs	-1,270,265.34	1,004,509.14
Taxes and surcharges	41,580.57	92,539.45
Sales expenses		
Administrative expenses	826,289.90	609,861.32
R&D expenses		
Financial expenses	-2,138,135.81	302,108.37

Including: interest expenses	319,616.24	369,423.14
Interest income	2,458,998.74	67,334.77
Add: Other incomes	57,741.82	344,768.40
Investment income (loss to be listed with “-”)	548,393,139.83	232,563,045.29
Including: income from investment in associates and joint ventures	194,893,139.83	232,563,045.29
Gains on derecognition of financial assets at amortized cost (loss to be listed with “-”)		
Net exposure hedging income (loss to be listed with “-”)		
Profit arising from changes in fair value (loss to be listed with “-”)		
Credit impairment loss (loss to be listed with “-”)		
Asset impairment loss (loss to be listed with “-”)		
Income from assets disposal (loss to be listed with “-”)		
II. Operating profit (loss to be listed with “-”)	549,721,146.99	231,903,304.55
Add: non-operating income	1.11	
Less: non-operating expenses		
III. Total profit (total loss to be listed with “-”)	549,721,148.10	231,903,304.55
Less: income tax expenses		
IV. Net profit (net loss to be listed with “-”)	549,721,148.10	231,903,304.55
(I) Net profit from continuing operations (net loss to be listed with “-”)	549,721,148.10	231,903,304.55
(II) Net profit from discontinuing operations (net loss to be listed with “-”)		
V. Net after-tax amount of other comprehensive incomes	5,583,060.65	254,420.76
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	5,679,897.29	
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive incomes that cannot be transferred to profits or losses under the equity method	5,679,897.29	
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the Company’s credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified into profits or losses	-96,836.64	254,420.76
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method	-96,836.64	254,420.76
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Other debt investment credit impairment provisions		
5. Cash flow hedging reserve		

6. Translation difference in foreign currency financial statements		
7. Others		
VI. Total comprehensive income	555,304,208.75	232,157,725.31
VII. Earnings per share:		
(I) Basic income per share		
(II) Diluted income per share		

5. Consolidated cash flow statement

Unit: CNY

Item	Semi-annual 2024	Semi-annual 2023
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	26,571,299,613.10	26,509,677,303.11
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash from premium of original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase business capital		
Net cash received from securities brokerage		
Tax refunds received	80,428,478.21	324,144,774.70
Other cash received relating to operating activities	766,061,762.08	641,647,622.93
Subtotal of cash inflows from operating activities	27,417,789,853.39	27,475,469,700.74
Cash paid for goods and services	19,330,228,104.51	16,681,742,834.34
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash paid for policyholder dividend		
Cash paid to and on behalf of employees	2,392,662,792.06	2,351,935,403.71
Taxes paid	507,389,936.19	775,864,015.70

Cash paid for other operating activities	946,578,965.01	951,768,069.52
Subtotal of cash outflows from operating activities	23,176,859,797.77	20,761,310,323.27
Net cash flows from operating activities	4,240,930,055.62	6,714,159,377.47
II. Cash flows from investment activities:		
Cash received from the return of investment		
Cash received from acquirement of investment income	6,500,530.62	11,728,790.64
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	77,910,098.29	3,224,430.67
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investment activities		368,529,711.02
Subtotal of cash inflows from investment activities	84,410,628.91	383,482,932.33
Cash paid to acquire fixed assets, intangible assets and other long-term assets	858,813,888.24	798,231,104.91
Cash paid to acquire investments	4,900,000.00	546,943,104.33
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities		
Subtotal of cash outflows from investment activities	863,713,888.24	1,345,174,209.24
Net cash flows from investment activities	-779,303,259.33	-961,691,276.91
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Including: cash received by subsidiaries absorbing minority shareholders' investments		
Cash received from borrowings		
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment	693,696,364.17	
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	11,981,702.80	19,709,605.31
Subtotal of cash outflows from financing activities	705,678,066.97	19,709,605.31
Net cash flows from financing activities	-705,678,066.97	-19,709,605.31
IV. Effects from change of exchange rate on cash and cash equivalents	-6,037.08	10,253.58
V. Net increase in cash and cash equivalents	2,755,942,692.24	5,732,768,748.83
Add: opening balance of cash and cash equivalents	22,483,844,553.59	20,697,669,726.18
VI. Ending Balance of cash and cash equivalents	25,239,787,245.83	26,430,438,475.01

6. Cash flow statement of parent company

Unit: CNY

Item	Semi-annual 2024	Semi-annual 2023
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I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services		
Tax refunds received		
Other cash received relating to operating activities	265,696,548.98	98,280,887.47
Subtotal of cash inflows from operating activities	265,696,548.98	98,280,887.47
Cash paid for goods and services		
Cash paid to and on behalf of employees	189,000.00	189,000.00
Taxes paid	0.00	96,728.40
Cash paid for other operating activities	85,037,064.99	97,575,865.50
Subtotal of cash outflows from operating activities	85,226,064.99	97,861,593.90
Net cash flows from operating activities	180,470,483.99	419,293.57
II. Cash flows from investment activities:		
Cash received from the return of investment		
Cash received from acquirement of investment income	353,500,000.00	4,835,877.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investment activities		67,334.77
Subtotal of cash inflows from investment activities	353,500,000.00	4,903,212.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets		
Cash paid to acquire investments		
Net cash paid to acquire subsidiaries and other business units		
Other cash paid relating to investment activities		
Subtotal of cash outflows from investment activities		
Net cash flows from investment activities	353,500,000.00	4,903,212.64
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Cash received from borrowings		
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment	693,696,364.17	
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities	693,696,364.17	
Net cash flows from financing activities	-693,696,364.17	
IV. Effects from change of exchange rate on cash and cash equivalents	0.00	
V. Net increase in cash and cash equivalents	-159,725,880.18	5,322,506.21
Add: opening balance of cash and cash equivalents	165,157,237.21	4,235,008.50
VI. Ending Balance of cash and cash equivalents	5,431,357.03	9,557,514.71

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: CNY

Item	Semi-annual 2024													
	Equity Attributable To Owners of the Parent Company											Minority equity	Total owners' equity	
	Share capital	Other equity instruments		Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others			Subtotal
	Preferred shares	Others												
I. Ending Balance of the previous year	4,636,485,668.00			10,343,418,951.73	86,131,497.27	-8,514,110.10	319,314,527.85	3,090,408,316.87		6,191,777,512.32		24,486,759,369.40		24,486,759,369.40
Add: changes in accounting policies														
Correction of														

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prior period errors														
thers														
II. Opening Balance of the current year	4,636,485,668.00			10,343,418,951.73	86,131,497.27	-8,514,110.10	319,314,527.85	3,090,408,316.87		6,191,777,512.32		24,486,759,369.40		24,486,759,369.40
III. Increase/decrease in amount of the current period (decrease to be listed with “-”)	-12,621,954.00			-66,657,273.11	-79,884,645.54	5,316,131.42	-9,199,833.45			-215,327,686.60		-218,605,970.20		-218,605,970.20
(I) Total comprehensive income						5,316,131.42				478,251,870.50		483,568,001.92		483,568,001.92
(II) Invested and decreased capital of owners	-12,621,954.00			-66,657,273.11	-79,884,645.54							605,418.43		605,418.43

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1. Ordinary shares invested by owners	-12,621,954.00				-67,262,691.54								-79,884,645.54		-79,884,645.54
2. Capital contributed by holders of other equity instruments															
3. Amounts of share-based payments recorded in owner's equity															
4. Others					605,418.43	-79,884,645.54							80,490,063.97		80,490,063.97
(III) Profit distribution													-693,579,557.10		-693,579,557.10
1. Appropriation to surplus															

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reserve s														
2. Approp riation to general risk reserve s														
3. Distrib ution to owners (or shareho lders)										-693,579,557.10		-693,579,557.10		-693,579,557.10
4. Others														
(IV) Internal carryov er of owners' equity														
1. Transfe r from capital reserve to paid- in capital (or share capital)														
2.														

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

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from other comprehensive income														
6. Others														
(V) Special reserves							-9,199,833.45					-9,199,833.45		-9,199,833.45
1. Appropriation in the current period							6,016,604.46					6,016,604.46		6,016,604.46
2. Use in the current period							-15,216,437.91					-15,216,437.91		-15,216,437.91
(VI) Others														
IV. Ending Balance of the current period	4,623,863,714.00				10,276,761,678.62	6,246,851.73	-3,197,978.68	310,114,694.40	3,090,408,316.87			5,976,449,825.72	24,268,153,399.20	24,268,153,399.20

Amount of the previous year

Unit: CNY

Item	Semi-annual 2023													Minority equity	Total owners' equity
	Equity Attributable To Owners of the Parent Company														
	Share capital	Other equity	Capital reserves	Less: treasury	Other comprehensive	Special reserves	Surplus reserves	General	Undistributed	Other	Subtotal				

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		instruments				shares	incomes			risk provision	profits	s		y	
		P	P	O											
		r	e	t											
		e	r	h											
		f	r	e											
		r	r	t											
		e	e	u											
		r	d	a											
		S	B	o											
		h	n	n											
		a	d	d											
		r	s	s											
I.															
Ending Balance of the previous year	4,651,965,655.00				10,451,088,236.74	267,837,184.11	-5,399,120.81	370,420,291.86	3,058,249,602.44		5,460,939,601.36		23,719,427,082.48		23,719,427,082.48
Add: changes in accounting policies															
Correction of prior period errors															
Others															

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II. Openin g Balance of the current year	4,651,965,655.00				10,451,088,236.74	267,837,184.11	-5,399,120.81	370,420,291.86	3,058,249,602.44		5,460,939,601.36		23,719,427,082.48		23,719,427,082.48
III. Increas e/decre ase in amount of the current period (decrea se to be listed with “-.”)	-14,633,325.00				-70,430,027.93	-92,539,863.27	250,455.89	-1,450,331.71			401,336,302.35		407,612,936.87		407,612,936.87
(I) Total compre hensive income							250,455.89				401,336,302.35		401,586,758.24		401,586,758.24
(II) Investe d and decreas ed capital of owners	-14,633,325.00				-70,430,027.93	-92,539,863.27							7,476,510.34		7,476,510.34
I. Ordinar y shares investe d by	-14,633,325.00				-77,906,538.27								-92,539,863.27		-92,539,863.27

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owners														
2. Capital contrib uted by holders of other equity instrum ents														
3. Amoun ts of share- based paymen ts recorde d in owner's equity				7,500,283.02								7,500,283.02		7,500,283.02
4. Others				-23,772.68	-92,539,863.27							92,516,090.59		92,516,090.59
(III) Profit distribu tion														
1. Approp riation to surplus reserve s														
2. Approp riation														

to general risk reserve s														
3. Distrib ution to owners (or shareho lders)														
4. Others														
(IV) Internal carryov er of owners' equity														
1. Transfe r from capital reserve to paid- in capital (or share capital)														
2. Transfe r from surplus reserve s to														

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

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6. Others														
(V) Special reserves							-1,450,331.71						-1,450,331.71	-1,450,331.71
1. Appropriation in the current period							15,046,812.40						15,046,812.40	15,046,812.40
2. Use in the current period							-16,497,144.11						-16,497,144.11	-16,497,144.11
(VI) Others														
IV. Ending Balance of the current period	4,637,332,330.00				10,380,658,208.81	175,297,320.84	-5,148,664.92	368,969,960.15	3,058,249,602.44			5,862,275,903.71	24,127,040,019.35	24,127,040,019.35

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

Amount in the current period

Unit: CNY

Item	Semi-annual 2024											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred	Report	Other								

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		ed Sh ar es	ua l B on d	rs							
I. Ending Balance of the previous year	4,636,485,668.00				12,171,693,342.10	86,131,497.27	863,137.93		1,859,690,555.97	7,083,209,394.76	25,665,810,601.49
Add: changes in accounting policies											
Correction of prior period errors											
Others											
II. Opening Balance of the current year	4,636,485,668.00				12,171,693,342.10	86,131,497.27	863,137.93		1,859,690,555.97	7,083,209,394.76	25,665,810,601.49
III. Increase/decrease in amount of the current period (decrease to be listed with "-")	-12,621,954.00				-67,262,691.54	-79,884,645.54	5,583,060.65			-143,858,409.00	-138,275,348.35
(I) Total comprehensive income							5,583,060.65			549,721,148.10	555,304,208.75
(II) Invested and decreased capital of owners	-12,621,954.00				-67,262,691.54	-79,884,645.54					
1. Ordinary shares invested by owners	-12,621,954.00				-67,262,691.54						-79,884,645.54
2. Capital contributed by holders of other equity instruments											
3. Amounts of share-based payments recorded											

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in owner's equity											
4. Others						-79,884,645.54					79,884,645.54
(III) Profit distribution										-693,579,557.10	-693,579,557.10
1. Appropriation to surplus reserves											
2. Distribution to owners (or shareholders)										-693,579,557.10	-693,579,557.10
3. Others											
(IV) Internal carryover of owners' equity											
1. Transfer from capital reserve to paid-in capital (or share capital)											
2. Transfer from surplus reserves to paid-in capital (or share capital)											
3. Recovery of losses by surplus reserves											
4. Retained earnings carried forward from changes in defined benefit plans											
5. Retained earnings carried forward from other comprehensive income											
6. Others											

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(V) Special reserves											
1. Appropriation in the current period											
2. Use in the current period											
(VI) Others											
IV. Ending Balance of the current period	4,623,863,714.00				12,104,430,650.56	6,246,851.73	6,446,198.58		1,859,690,555.97	6,939,350,985.76	25,527,535,253.14

Amount of the previous year

Unit: CNY

Item	Semi-annual 2023											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred Shares	Perpetual Bonds	Others								
I. Ending Balance of the previous year	4,651,965,655.00				12,278,939,213.88	267,837,184.11	-480,794.77		1,827,531,841.54	6,793,780,964.90		25,283,899,696.44
Add: changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening Balance of the current year	4,651,965,655.00				12,278,939,213.88	267,837,184.11	-480,794.77		1,827,531,841.54	6,793,780,964.90		25,283,899,696.44
III.	-14,633,325.00				-77,906,538.27	-92,539,863.27	254,420.76			231,903,304.55		232,157,725.31

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Increase/decrease in amount of the current period (decrease to be listed with “-”)											
(I) Total comprehensive income						254,420.76			231,903,304.55		232,157,725.31
(II) Invested and decreased capital of owners	-14,633,325.00				-77,906,538.27	-92,539,863.27					0.00
1. Ordinary shares invested by owners	-14,633,325.00				-77,906,538.27						-92,539,863.27
2. Capital contributed by holders of other equity instruments											
3. Amounts of share-based payments recorded in owner’s equity											
4. Others						-92,539,863.27					92,539,863.27
(III) Profit distribution											
1. Appropriation to surplus reserves											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal carryover of owners’ equity											
1. Transfer from capital reserve to											

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paid-in capital (or share capital)											
2. Transfer from surplus reserves to paid-in capital (or share capital)											
3. Recovery of losses by surplus reserves											
4. Retained earnings carried forward from changes in defined benefit plans											
5. Retained earnings carried forward from other comprehensive income											
6. Others											
(V) Special reserves											
1. Appropriation in the current period											
2. Use in the current period											
(VI) Others											
IV. Ending Balance of the current period	4,637,332,330.00				12,201,032,675.61	175,297,320.84	-226,374.01		1,827,531,841.54	7,025,684,269.45	25,516,057,421.75

III. Company Profile

1. Overview

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

FAW Car was approved by TGS [1997] No. 55 Document of the State Commission for Restructuring the Economic Systems in 1997 and established exclusively by CHINA FAW GROUP CO., LTD. On June 18, 1997, FAW Car was approved by the China Securities Regulatory Commission to issue shares publicly and listed on the Shenzhen Stock Exchange for circulation.

On April 9, 2012, FAW Group invested 862,983,689 shares of FAW Car into FAW as its capital contribution, and received the Confirmation of Securities Transfer Registration issued by China Securities Depository & Clearing Co., Ltd. Shenzhen Branch on the same day.

On November 28, 2019, FAW Car held the 10th Meeting of the 8th Board of Directors, and reviewed and approved the adjustment plan for major asset restructuring. After the adjustment, FAW Car transferred all its assets and liabilities except the equity and some reserved assets of First Automobile Finance Co., Ltd. and Sanguard Automobile Insurance Co., Ltd. to FAW Bestune, and then replaced 100% equity of FAW Bestune Car Co., Ltd. with the equivalent part of 100% equity of FAW Jiefang Automotive Co., Ltd. (Jiefang Limited) held by FAW. At the same time, FAW Car purchased the difference between the purchased assets and the sold assets from FAW by issuing shares and paying cash.

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

The Capital Verification Report (XYZH/2020BJA100417) issued by ShineWing Accounting Firm (special general partnership) indicates that, as of March 19, 2020, all proposed purchased assets, i.e. 100% equity of Jiefang Limited, to be replaced by FAW Car to FAW by issuing shares had been transferred to FAW Car. The industrial and commercial change registration procedures of Jiefang Limited had been completed, all proposed assets, i.e. 100% equity of FAW Bestune, had been transferred to FAW, and the industrial and commercial change registration procedures of FAW Bestune had been completed. The registered capital of FAW Car is CNY 4,609,666,212.00 after this change.

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

On January 11, 2021, the Company held the First Extraordinary Shareholders’ Meeting of 2021, and reviewed and approved the Proposal on the Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD. (Draft) and Its Abstract, the Proposal on the Regulations for the Implementation Assessment of Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD., the Proposal on the Regulations for Restricted Share Incentive of FAW

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

On December 9, 2021, the Company held the 20th Meeting of the 9th Board of Directors and the 19th Meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on Granting Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan to Incentive Objects and the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan respectively. Thirty-three core technicians and management backbones, including Wang Manhong, Zhang Yu and Qu Yi, subscribed for 3,721,601 new shares at an issue price of CNY 6.38/share, and 260,857 shares were repurchased at a price of CNY 7.04/share from 2 employees who were no longer eligible for incentive objects. The registered capital of the Company was changed to CNY 4,654,114,613.00. This change was verified by the Capital Verification Report (ZTYZ (2021) No. 110C000927) issued by Grant Thornton Accounting Firm (special general partnership). On January 6, 2022, the Company disclosed the Announcement on the Completion of Registration of the Grant of Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan. On January 17, 2022, the Company disclosed the Announcement on the Completion of Repurchase and Cancellation of Some Restricted Shares.

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

On October 28, 2022, the Company held the 28th Meeting of the 9th Board of Directors and the 24th Meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, and agreed to repurchase 1,359,247 shares at a price of CNY 6.39/share from 11 employees who are no longer qualified as incentive objects. The registered capital of the Company was changed to CNY 4,651,965,655.00. This change was verified according to the Capital Verification Report (XYZH/2023CCAA2B0001) issued by ShineWing Accounting Firm (special general partnership). On January 17, 2023, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

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

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

On March 31, 2023, the Proposal on Unfulfilling Conditions for Releasing Restricted Sales in the Second Period of Releasing Restricted Shares Firstly Granted and Conditions for the First Period of Releasing Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares was reviewed and approved at the 32nd Meeting of the 9th Board of Directors and the 28th Meeting of the 9th Board of Supervisors. The participants at the meeting agreed to repurchase and cancel all or some restricted shares granted to 327 incentive objects but not yet released, totaling 13,909,890 shares, and the registered capital of the Company was changed to CNY 4,637,332,330. This change was verified according to the Capital Verification Report (XYZH/2023CCAA2B017) issued by ShineWing Accounting Firm (special general partnership). On June 30, 2023, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

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

The Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan was reviewed and approved at the 5th Meeting of the 10th Board of Directors and the 4th Meeting of the 10th Board of Supervisors on August 29, 2023. The participants at the meeting agreed to repurchase and cancel all or some restricted shares granted to 8 incentive objects but not yet released, totaling 333,855 shares, and the

registered capital of the Company was changed to CNY 4,636,998,475.00. This change was verified according to the Capital Verification Report (XYZH/2023CCAA2B0188) issued by ShineWing Accounting Firm (special general partnership). On November 29, 2023, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

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

On March 28, 2024, the Proposal on Unfulfilling Conditions for Releasing Restricted Sales in the Second Period of Releasing Restricted Shares Firstly Granted and Conditions for the First Period of Releasing Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares was reviewed and approved at the 11th Meeting of the 10th Board of Directors and the 10th Meeting of the 10th Board of Supervisors. The participants at the meeting agreed to repurchase and cancel all or some restricted shares granted to 299 incentive objects but not yet released, totaling 12,621,954 shares, and the registered capital of the Company was changed to CNY 4,623,863,714. This change was verified according to the Capital Verification Report (XYZH/2024CCAA2B0173) issued by ShineWing Accounting Firm (special general partnership). On June 15, 2024, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

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

Business scope of the Company: R&D, production and sales of light, medium and heavy trucks, complete vehicles, buses, bus chassis, medium truck deformation vehicles, automobile assemblies and parts, machining, diesel engines and accessories (non-vehicle), mechanical equipment and accessories, instruments, technical services, technical consultation, installation and maintenance of mechanical equipment, lease of mechanical equipment and facilities, lease of houses and workshops, labor services (excluding foreign labor cooperation and domestic labor dispatch), sales of steel, automobile trunks, hardware & electrical equipment and electronic products, testing of internal

combustion engine, engineering technology research and testing, advertising design, production and release, import and export of goods and technologies (excluding publication import business and commodities and technologies that are restricted or prohibited for import and export by the state); value-added telecommunications services; car rentals and second-handed car sales; (the following items are operated by the branch company) Chinese food production and sales, warehousing and logistics (excluding flammable, explosive and precursor dangerous chemicals), automobile repair, tank manufacturing of chemical liquid tanker, automobile trunk manufacturing; operation of medical devices, Internet freight (excluding road transport of dangerous goods); road freight transport (excluding dangerous goods) (items subject to approval according to law can be operated only after being approved by relevant authorities).

Registered address of the Company: No. 2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province.

The legal representative of the Company is Wu Bilei.

The financial statements and notes to the financial statements were approved for issue by the Board of Directors of the Company on August 29, 2023.

2. Scope of consolidated financial statements

During the reporting period, the Company has 1 secondary subsidiary and 6 tertiary subsidiaries included in the scope of consolidation. For details, please refer to Section X Financial Report 10, Equity in Other Entities.

IV. Basis of Preparation for Financial Statements

1. Preparation basis

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

2. Continuing operations

The financial statements are presented on continuing operations.

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

V. Significant Accounting Policies and Accounting Estimates

Tips for specific accounting policies and accounting estimates:

The Company determines the depreciation of fixed assets, amortization of intangible assets, capitalization conditions of R&D expenses and income recognition policies according to its own production and operation characteristics. For specific accounting policies, please see 21, 23 and 30 in V “Significant Accounting Policies and Accounting Estimates” in Section X - Financial Report.

1. Statement of compliance with accounting standards for business enterprises

This financial statement complies with the requirements of the Enterprise Accounting Standards and truthfully and completely reflects the consolidated and financial position of the Company as of June 30, 2024, as well as the consolidated and operating results and cash flows of the Company for the first half of 2024.

2. Accounting period

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

3. Operating cycle

The operating cycle of the Company is 12 months.

4. Recording currency

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

5. Methods for determining materiality criteria and selection basis

Applicable Not applicable

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

6. Accounting treatment method for business merger under common control and different control

(1) Business merger under common control

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

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

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

(2) Business merger under different control

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

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

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

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

(3) Disposal of related handling charges for business merger

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

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

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

(1) Criteria for control

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

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

(2) Preparation methods of consolidated financial statements

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

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

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

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

(3) Purchase of minority shareholders' equity in subsidiaries

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

(4) Disposal of the loss of control over subsidiaries

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

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

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

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

(1) Joint operation

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

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

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

E. Recognizing the expenses incurred separately and the expenses arising from joint operation as per its shares.

(2) Joint ventures

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

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

9. Standards for recognition of cash and cash equivalents

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

10. Foreign currency transaction and foreign currency statement translation

(1) Foreign currency transaction

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

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

(2) Translation of foreign currency financial statements

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

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

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

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

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

11. Financial instruments

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

(1) Recognition and derecognition of the financial instruments

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

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

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

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

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

(2) Classification and measurement of financial assets

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

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

Financial assets measured at amortized cost

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

mismatch, the Company irrevocably designates some financial assets that should be measured at amortized cost or fair value through other comprehensive income as financial assets measured at fair value through current profits and losses.

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

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

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

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

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

(3) Classification and measurement of financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities measured at amortized cost

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

Distinction between financial liabilities and equity instruments

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

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

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

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

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

(4) Fair value of financial instruments

For the determination methods for the fair value of financial assets and liabilities, refer to 36 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section X - Financial Report.

(5) Impairment of financial assets

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

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

Measurement of expected credit losses

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

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

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

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

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

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

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

Notes receivable, accounts receivable and contract assets

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

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

A. Notes receivable

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

B. Accounts receivable

- Aging portfolio

C. Contract assets

- Aging portfolio

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

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

the number of days overdue from the credit expiration date.

Other receivables

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

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

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

Long-term receivables

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

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

Finance lease receivables

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

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

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

Debt investment and other debt investments

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

Assessment of significant increase in credit risk

The Company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date so as to determine the relative change in the default risk of financial instruments in

the expected duration and evaluate whether the credit risk of financial instruments has increased significantly since the initial recognition.

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

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

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

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

Credit-impaired financial assets

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

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

Presentation of provision for expected credit loss

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Company remeasures the expected credit loss on each balance sheet date; the increased or reversed amount of the loss provision arising therefrom shall be included in the current profits and losses as impairment losses or gains. The

loss provision of the financial assets measured at amortized cost is used to offset their book value presented in the balance sheet. For the debt investment measured at fair value with its changes included in other comprehensive income, the Company recognizes its loss provision in other comprehensive income, which will not offset the book value of the financial assets.

Write-off

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

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

(6) Transfer of financial assets

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

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

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

(7) Offset of financial assets and financial liabilities

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

12. Notes receivable

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

13. Accounts receivable

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

14. Receivables financing

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

15. Other receivables

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

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

16. Contract assets

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

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

For the determination method and accounting method of the Company for the expected credit loss of the contract assets, refer to 11 “Financial instruments” in V “Significant Accounting Policies and Accounting Estimates” of Section X - Financial Report.

17. Inventories

(1) Classification of inventories

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

(2) Valuation method for inventories sent out

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

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

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

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

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

(4) Inventory system

The Company adopts the perpetual inventory system.

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

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

18. Long-term receivables

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

19. Long-term equity investments

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

(1) Recognition of initial investment cost

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

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

(2) Subsequent measurement and recognition of profit or loss

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

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

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

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

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

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

relevant assets or liabilities of the investee when the equity method is terminated. Other changes in owner's equity related to the original equity investment shall be transferred into current profit and loss.

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

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

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

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

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

Significant influence refers to the power of the investor to participate in making decisions on the financial and operating policies of the investee, but cannot control or jointly control with other parties over the preparation of these policies. The possibility of exerting significant influence on the investee is determined by considering the

influence of the voting shares of the investee directly or indirectly held by the investor and the influence when it is assumed that the potential voting rights executable for the current period held by the investor and other parties are converted into the equity of the investee, including the influence of the warrants, stock options and corporate bonds which can be converted in the current period issued by the investee.

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

(4) Impairment test method and impairment provision methods

For investments to subsidiaries, associated enterprises and joint ventures, the method of provision for asset impairment is described in 36 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section X - Financial Report.

20. Investment properties

Measurement mode of investment properties: cost method

Depreciation or amortization method

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

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

For the investment real estate which is subsequently measured with the cost mode, the method of drawing asset impairment is described in 36 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section X - Financial Report.

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

21. Fixed assets

(1) Recognition conditions

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

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

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

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

(2) Depreciation method

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

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

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

(3) For the impairment test method and provision for impairment of fixed assets, please refer to 36 Others in V Significant accounting policies and accounting estimates of Section X - Financial report.

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

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

(5) Disposal of fixed assets

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

22. Construction in progress

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

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

For the method of provision for asset impairment of construction in progress, refer to 36 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section X - Financial Report.

23. Intangible Assets**(1) Service life and its determination basis, estimate, amortization method or review procedure**

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

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

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

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

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

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

For the method of provision for asset impairment of the intangible assets, refer to 36 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section X - Financial Report.

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

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

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

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

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

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

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

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

24. Impairment of long-term assets

The asset impairment of long-term equity investment to subsidiaries, associated enterprises and joint ventures, investment real estate subsequently measured by the cost model, fixed assets, projects under construction, right-of-

use assets, intangible assets, etc. (except for inventories, deferred income tax assets and financial assets) is recognized with the following methods:

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

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

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

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

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

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

25. Long-term deferred expenses

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

26. Contract liabilities

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

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

27. Employee compensation

(1) Accounting method of short-term compensation

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

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

Short-term compensation

In the accounting period when employees provide services, the Company recognizes the employee wages, bonuses, social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability, and includes them in current profits and losses or relevant asset costs.

(2) Accounting method of post-employment benefits

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

Defined contribution plan

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

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

Defined benefit plan

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

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

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

(3) Accounting method of dismissal welfare

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

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

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

Other long-term employee benefits provided by the Company to the employees satisfying the conditions for classifying as a defined contributions plan are accounted for in accordance with the above requirements relating to defined contribution plan. The benefits that meet the requirements of the defined benefit plan are treated in accordance with the provisions of the plan. However, the “changes caused by remeasurement of net liabilities or net

assets of the defined benefit plan” in relevant employee compensation costs are included in current profits and losses or relevant asset costs.

28. Provisions

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

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

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

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

29. Share-based payment

(1) Types of share-based payment

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

(2) Determination methods for fair value of equity instruments

The Company recognizes the fair value of equity instruments such as granted options with an active market according to the quotation of the active market. The Company recognizes the fair value of equity instruments such as granted options without active market by using the option pricing model. The following factors are considered in the selected option pricing model: A. exercise price of options; B. validity period of options; C. current price of underlying shares; D. expected fluctuation ratio of stock price; E. expected dividends of shares; F. risk-free interest rate within the validity period of options.

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

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

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

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

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

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

If, during the vesting period, the granted instruments are canceled (except for those canceled because of failure to meet the non-market conditions of the vesting conditions), the Company shall accelerate the vesting of the granted

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

(5) Restricted shares

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

30. Income

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

(1) General principles

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

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

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

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

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

For performance obligations performed at a certain time point, the Company shall confirm the income at the time point when the customer gains control rights of the relevant goods or services. In determining whether a customer

has obtained the control rights of the goods or services, the Company shall take the following signs into consideration:

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

The right of the Company to receive the consideration due to the transfer of goods or services to the customer (and the right depends on factors other than the passage of time) is taken as a contractual asset, and the provision for impairment of the contractual assets are based on the expected credit losses (please refer to 11 “Financial Instruments” in V “Significant Accounting Policies and Accounting Estimates” of Section X - Financial Report). The Company’s unconditional (subject only to the passage of time) right to collect consideration from customers shall be presented as receivables. The Company’s obligations to transfer goods or services to the customer due to customer consideration received or receivable shall be defined as contract liabilities.

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

(2) Specific methods

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

Similar businesses adopt different operating models involving different revenue recognition methods and measurement methods: None

31. Contract cost

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

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

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

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

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

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

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

32. Government subsidies

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

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

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

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

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

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

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

33. Deferred income tax assets and deferred income tax liabilities

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

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

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

- (1) The initial recognition of goodwill or the initial recognition of assets or liabilities incurred in a transaction that is neither a business combination nor affects the accounting profit or taxable income at the time of the transaction (except for individual transactions where the assets and liabilities initially recognized result in equal amounts of taxable temporary differences and deductible temporary differences);
- (2) Concerning the taxable temporary difference related to the investment of subsidiaries, joint ventures and associated enterprises, the time of reversal of the temporary difference can be controlled and the temporary difference is unlikely to be reversed in the foreseeable future.

The Company recognizes a deferred tax asset for the carry-forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be

available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

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

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

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

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

- (1) The taxpayer within the Company has the legal rights to settle the income tax assets and income tax liabilities in the current period by net amount;
- (2) Deferred income tax assets and deferred tax liabilities are associated with the income taxes imposed by the same taxation authority on the same taxpayer within the Company.

34. Lease

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

Identification of lease

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

The Company acting as the lessee

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

For the accounting policies of the right-of-use assets, see 36 “Others” in V “Significant Accounting Policies and Accounting Estimates” of Section X - Financial Report.

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

Short-term lease

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

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

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

Low-value asset lease

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

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

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

Lease change

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

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

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

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

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

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

Finance lease

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

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

Operating lease

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

Lease change

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

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

If the change of finance lease is not taken as a separate lease for accounting treatment, the Company shall treat the changed lease under the following circumstances respectively: ① If the change takes effect on the commencement date of the lease and the lease will be classified as an operating lease, the Company will take it as a new lease for accounting treatment from the effective date of the lease change, and take the net investment in the lease before the effective date of the lease change as the book value of the leased asset. ② If the change takes effect on the commencement date of the lease and the lease will be classified as a finance lease, the Company shall carry out accounting treatment in accordance with the provisions of the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments on modifying or renegotiating the contract.

35. Changes in significant accounting policies and accounting estimates

(1) Change in significant accounting policies

Applicable Not applicable

(2) Change in significant accounting estimates

Applicable Not applicable

(3) Adjustment of relevant items in the financial statements at the beginning of the year after the first implementation of the new accounting standards since 2024

Applicable Not applicable

36. Others

(1) Fair value measurement

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

The Company measures related assets or liabilities at fair value, assuming that the sale of an asset or the transfer of liability is conducted in major markets for relevant assets or liabilities in an orderly transaction. If the major market is not provided, the transaction shall be assumed to be performed in the most favorable market for relevant assets or liabilities. Major markets (or most favorable markets) are the markets where the Company can enter on the

measurement date. The Company uses the assumptions used by market participants to maximize their economic benefits when they price the asset or liability.

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

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

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

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

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

(2) Work safety cost and maintenance & renovation cost

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

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

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

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

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

(3) Repurchase of shares

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

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

(4) Significant accounting judgment and estimate

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

Classification of financial assets

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

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

When evaluating whether the contractual cash flow of financial assets is consistent with the basic loan arrangement, the Company has the following main judgments: May the principal change in the time distribution or amount in the

duration due to prepayment and other reasons? Does the interest include only the time value of money, credit risk, other basic borrowing risks, and consideration for costs and profits? For example, does the amount of prepayment only reflect the unpaid principal and interest based on the outstanding principal, as well as reasonable compensation paid due to early termination of the contract?

Measurement of expected credit losses on accounts receivable

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

Development expenditures

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

Deferred Income tax assets

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

Estimated liabilities

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

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

(5) Right-of-use assets

① Recognition conditions of right-of-use assets

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

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

② Depreciation method of right-of-use assets

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

③ For the impairment test methods and impairment provision methods of right-of-use assets, please refer to 36 "Others" in V "Significant Accounting Policies and Accounting Estimates" of Section X - Financial Report.

(6) Asset impairment

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

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

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

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

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

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

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

VI. Taxes

1. Main taxes and tax rates

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

Disclosure of different corporate income tax rates for taxable entities

Name of Taxpayer	Income Tax Rate
The Company	25%

Jiefang Limited	15%
Wuxi Dahao Power Co., Ltd.	25%
FAW Jiefang (Qingdao) Automotive Co., Ltd.	25%
FAW Jiefang Dalian Diesel Engine Co., Ltd.	15%
FAW Jiefang Austria R&D Co., Ltd.	24%
FAW Jiefang Automotive Sales Co., Ltd.	25%
FAW Jiefang Uni-D (Tianjin) Technology Industry Co., Ltd.	25%

2. Tax preference

(1) Income tax

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

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

(2) VAT

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

VII. Notes to Items in Consolidated Financial Statements

1. Monetary capital

Unit: CNY

Item	Ending balance	Opening balance
Bank deposit	16,908,983,571.44	8,849,319,921.20
Other monetary capital	22,152,057.29	24,815,735.14
Deposit in finance companies	8,678,069,325.92	14,046,575,246.78
Total	25,609,204,954.65	22,920,710,903.12
Including: total amount deposited abroad	7,721,619.78	11,941,864.29

Other description

Details of restricted monetary capital are as follows:

Unit: CNY

Item	Ending balance	Opening balance
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Security deposit for three types of personnel	28,321,219.94	27,839,503.40
Housing maintenance fund	22,152,057.29	22,103,193.44
Court freezing		725,230.81
Total	50,473,277.23	50,667,927.65

2. Notes receivable

(1) Classified presentation of notes receivable

Unit: CNY

Item	Ending balance	Opening balance
Commercial acceptance notes	110,591,432.00	44,626,048.13
Total	110,591,432.00	44,626,048.13

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

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Percentage	Amount	Provision proportion		Amount	Percentage	Amount	Provision proportion	
Including:										
Notes receivable with provision for bad debts by portfolio	110,785,000.00	100.00%	193,568.00	0.17%	110,591,432.00	44,841,286.30	100.00%	215,238.17	0.48%	44,626,048.13
Including:										
Commercial acceptance bill	110,785,000.00	100.00%	193,568.00	0.17%	110,591,432.00	44,841,286.30	100.00%	215,238.17	0.48%	44,626,048.13
Total	110,785,000.00	100.00%	193,568.00	0.17%	110,591,432.00	44,841,286.30	100.00%	215,238.17	0.48%	44,626,048.13

Category name of provision for bad debt reserve by combination:

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion

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Within 1 year	110,785,000.00	193,568.00	0.17%
Total	110,785,000.00	193,568.00	

Description of the basis for determining this portfolio:

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

Applicable Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 1, 2024	215,238.17			215,238.17
Balance on January 1, 2024 in the current period				
Provision in the current period	-21,670.17			-21,670.17
Balance as at June 30, 2024	193,568.00			193,568.00

Basis for stage division and proportion of bad debt provision

Explanation of significant changes in the book balance of accounts receivable with changes in loss provisions in the current period:

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

Provision for bad debts in the current period:

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Commercial acceptance bill	215,238.17	-21,670.17				193,568.00
Total	215,238.17	-21,670.17				193,568.00

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

Applicable Not applicable

3. Accounts receivable

(1) Disclosure by aging

Unit: CNY

Aging	Ending book balance	Beginning Book Balance
Within 1 year (including 1 year)	11,601,111,284.82	1,841,405,361.88
Including: 0-6 months	11,412,392,138.61	1,761,474,596.90
7-12 months	188,719,146.21	79,930,764.98
1-2 years	46,137,240.71	61,551,354.54
2-3 years	127,524,339.01	121,453,806.43

Over 3 years	133,000,637.42	137,477,637.42
3-4 years	36,423,000.00	44,736,900.00
4-5 years	4,291,899.94	454,999.94
Over 5 years	92,285,737.48	92,285,737.48
Total	11,907,773,501.96	2,161,888,160.27

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

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Percentage	Amount	Provision proportion		Amount	Percentage	Amount	Provision proportion	
Accounts receivable with provision for bad debts on an individual basis	85,331,549.22	0.72%	85,331,549.22	100.00%	0.00	89,811,549.22	4.15%	89,811,549.22	100.00%	0.00
Including :										
Accounts receivable with provision for bad debts by portfolio	11,822,441,952.74	99.28%	113,808,812.02	0.96%	11,708,633,140.72	2,072,076,611.05	95.85%	82,690,441.28	3.99%	1,989,386,169.77
Including :										
Total	11,907,773,501.96	100.00%	199,140,361.24	1.67%	11,708,633,140.72	2,161,888,160.27	100.00%	172,501,990.50	7.98%	1,989,386,169.77

Category name for provision for bad debts by individual item:

Unit: CNY

Name	Opening balance		Ending balance			
	Book balance	Provision for Bad Debts	Book balance	Provision for Bad Debts	Provision proportion	Reasons for Provision
Jiangsu Xinrui New Energy Vehicle Technology Co., Ltd.	37,612,001.70	37,612,001.70	37,612,001.70	37,612,001.70	100.00%	It is highly probable that the amounts will not be recovered
Zhejiang Hanglun Ligang Trading Co., Ltd.	8,581,536.83	8,581,536.83	8,581,536.83	8,581,536.83	100.00%	It is highly probable that the amounts will not be recovered
Putian New Energy Automotive (Shandong) Co., Ltd.	8,156,900.00	8,156,900.00	3,676,900.00	3,676,900.00	100.00%	It is highly probable that the amounts will not be recovered
Dalian Qingfeng Bus Co., Ltd.	8,043,264.87	8,043,264.87	8,043,264.87	8,043,264.87	100.00%	It is highly probable that the amounts will not be recovered
Beijing Hotan Automobile Modification Co., Ltd.	7,436,520.00	7,436,520.00	7,436,520.00	7,436,520.00	100.00%	It is highly probable that the amounts will not be recovered
Changchun Xiongtu New Energy Vehicle	6,230,500.00	6,230,500.00	6,230,500.00	6,230,500.00	100.00%	It is highly

Co., Ltd.						probable that the amounts will not be recovered
Zhonghe Shunyang Supply Chain Management (Jilin) Co., Ltd.	5,643,600.00	5,643,600.00	5,643,600.00	5,643,600.00	100.00%	It is highly probable that the amounts will not be recovered
Shuozhou Jinsheng Automobile Trading Co., Ltd.	1,822,961.43	1,822,961.43	1,822,961.43	1,822,961.43	100.00%	It is highly probable that the amounts will not be recovered
FAW Jingye Engine Co., Ltd.	1,820,957.23	1,820,957.23	1,820,957.23	1,820,957.23	100.00%	It is highly probable that the amounts will not be recovered
Xinjiang Jingyang Optoelectronic Co., Ltd.	1,179,590.41	1,179,590.41	1,179,590.41	1,179,590.41	100.00%	It is highly probable that the amounts will not be recovered
Yulin Jiayu Jiefang Automobile Sales Co., Ltd.	971,012.59	971,012.59	971,012.59	971,012.59	100.00%	It is highly probable that the amounts will not be recovered
Shenyang Jinbei Vehicle Manufacturing Co.,	889,279.05	889,279.05	889,279.05	889,279.05	100.00%	It is highly probable

Ltd.						that the amounts will not be recovered
Dalian Baofeng Automobile Sales Co., Ltd.	496,200.00	496,200.00	496,200.00	496,200.00	100.00%	It is highly probable that the amounts will not be recovered
Jilin Zhuzhan Automobile Trading Co., Ltd.	484,400.00	484,400.00	484,400.00	484,400.00	100.00%	It is highly probable that the amounts will not be recovered
Liangshan Huatai Trading Co., Ltd.	349,190.00	349,190.00	349,190.00	349,190.00	100.00%	It is highly probable that the amounts will not be recovered
Zhejiang Baoding Automobile Sales Co., Ltd.	80,035.12	80,035.12	80,035.12	80,035.12	100.00%	It is highly probable that the amounts will not be recovered
Yancheng Zhongwei Bus Co., Ltd.	13,599.99	13,599.99	13,599.99	13,599.99	100.00%	It is highly probable that the amounts will not be recovered
Total	89,811,549.22	89,811,549.22	85,331,549.22	85,331,549.22		

Category name of provision for bad debt reserve by combination:

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Within 1 year	11,601,251,660.16	36,483,173.47	0.31%
1-2 years	46,286,880.31	4,873,137.07	10.53%
2-3 years	127,527,339.01	36,002,428.22	28.23%
3-4 years	36,420,000.00	25,494,000.00	70.00%
Over 4 years	10,956,073.26	10,956,073.26	100.00%
Total	11,822,441,952.74	113,808,812.02	

Description of the basis for determining this portfolio:

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

Applicable Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 1, 2024	5,230,492.48	77,459,948.80	89,811,549.22	172,501,990.50
Balance on January 1, 2024 in the current period				
Provision in the current period	31,252,680.99	-134,310.25		31,118,370.74
Reversal in the Current Period			4,480,000.00	4,480,000.00
Balance as at June 30, 2024	36,483,173.47	77,325,638.55	85,331,549.22	199,140,361.24

The basis for dividing each stage and the provision ratio for bad debts: In the first and second stages, bad debts are provisioned based on the aging, with provision ratios of 0.31% for less than 1 year, 10.53% for 1-2 years, 28.23% for 2-3 years, 70.00% for 3-4 years, 100% for more than 4 years, and 100% for the third stage.

Explanation of significant changes in the book balance of accounts receivable with changes in loss provisions in the current period:

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

Provision for bad debts in the current period:

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Accounts receivable	172,501,990.50	31,118,370.74	4,480,000.00			199,140,361.24

Total	172,501,990.50	31,118,370.74	4,480,000.00			199,140,361.24
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Important provision for bad debts recovered or reversed in the current period:

Unit: CNY

Name of Unit	Amount Recovered or Reversed	Reason for reversal	Recovery Method	Basis of determining the proportion of provision for original bad debts and its rationality
Putian New Energy Automotive (Shandong) Co., Ltd.	4,480,000.00	Recovery of amounts due	Bank transfers and bank acceptance bills	Provision by individual item
Total	4,480,000.00			

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

Unit: CNY

Name of Unit	Ending Balance of Accounts Receivable	Ending balance of contractual assets	Ending balance of accounts receivable and contractual assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt provision for accounts receivable and impairment provision for contractual assets
China FAW Group Import & Export Co., Ltd.	7,446,827,018.24		7,446,827,018.24	62.45%	21,870,950.49
Jiefang Times New Energy Technology Co., Ltd.	801,428,696.29		801,428,696.29	6.72%	2,133,786.12
Customer 1	135,543,758.77		135,543,758.77	1.14%	650,610.04
Customer 2	133,348,265.55		133,348,265.55	1.12%	640,071.67
Customer 3	120,546,009.26		120,546,009.26	1.01%	578,620.85
Total	8,637,693,748.11		8,637,693,748.11	72.44%	25,874,039.17

4. Contract assets

(1) Contractual assets

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Provision for Bad Debts	Book Value	Book balance	Provision for Bad Debts	Book Value

Contract assets	17,304,189.41	827,747.54	16,476,441.87	18,023,563.08	440,706.26	17,582,856.82
Total	17,304,189.41	827,747.54	16,476,441.87	18,023,563.08	440,706.26	17,582,856.82

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

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Percentage	Amount	Provision proportion		Amount	Percentage	Amount	Provision proportion	
Including:										
Provision for bad debts made by portfolio	17,304,189.41	100.00%	827,747.54	4.78%	16,476,441.87	18,023,563.08	100.00%	440,706.26	2.45%	17,582,856.82
Including:										
Total	17,304,189.41	100.00%	827,747.54	4.78%	16,476,441.87	18,023,563.08	100.00%	440,706.26	2.45%	17,582,856.82

Category name for provision for bad debts by portfolio: Provision for bad debts by portfolio

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Within 1 year	12,925,381.71	50,672.69	0.39%
1-2 years	2,216,880.70	44,397.79	2.00%
2-3 years	2,161,927.00	732,677.06	33.89%
Total	17,304,189.41	827,747.54	

Description of the basis for determining this portfolio:

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

Applicable Not applicable

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 1, 2024	60,935.81	379,770.45		440,706.26
Balance on January 1, 2024 in the current period				
Provision in the current period	-10,263.12	397,304.40		387,041.28
Balance as at June 30, 2024	50,672.69	777,074.85		827,747.54

The basis for dividing each stage and the provision ratios for bad debts: In the first and second stages, bad debts are provisioned based on the aging, with provision ratios of 0.39% for less than 1 year, 2% for 1-2 years, and 33.89% for 2-3 years.

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

5. Receivables financing

(1) Presentation of receivables financing by category

Unit: CNY

Item	Ending balance	Opening balance
Bank acceptance bill	8,448,273,887.92	4,878,126,972.73
Total	8,448,273,887.92	4,878,126,972.73

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

Unit: CNY

Item	Derecognized Amount at the End of the Period	Amount not Derecognized at the End of the Period
Bank acceptance bill	12,453,690,012.18	
Total	12,453,690,012.18	

(3) Other notes

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

The Company has no bank acceptance bills with the impairment provision by individual item. As of June 30, 2024, the Company believes that the bank acceptance bills held have no material credit risk and do not bring material losses as a result of a bank default.

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

6. Other receivables

Unit: CNY

Item	Ending balance	Opening balance
Other receivables	1,176,699,147.26	1,309,376,221.57
Total	1,176,699,147.26	1,309,376,221.57

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

Unit: CNY

Nature	Ending book balance	Beginning Book Balance
Current account	1,026,906,667.11	1,191,301,022.21
Claim payment	201,066,386.23	192,151,504.78
Margin, deposit	29,150,613.20	41,422,562.20
Reserve fund	14,610,173.13	621,409.08
Total	1,271,733,839.67	1,425,496,498.27

2) Disclosure by aging

Unit: CNY

Aging	Ending book balance	Beginning Book Balance
Within 1 year (including 1 year)	480,764,061.68	571,985,195.12
Including: 0-6 months	424,374,904.73	556,407,667.28

7-12 months	56,389,156.95	15,577,527.84
1-2 years	677,734,290.71	764,590,667.17
2-3 years	27,453,816.42	1,331,719.31
Over 3 years	85,781,670.86	87,588,916.67
3-4 years	4,534,974.84	3,713,565.73
4-5 years	18,990.89	149,607.62
Over 5 years	81,227,705.13	83,725,743.32
Total	1,271,733,839.67	1,425,496,498.27

3) Disclosure by the method of provision for bad debts

☑Applicable ☐Not applicable

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Percentage	Amount	Provision proportion		Amount	Percentage	Amount	Provision proportion	
Provision for bad debts made by individual item	59,879,639.41	4.71%	59,879,639.41	100.00%		59,879,639.41	4.20%	59,879,639.41	100.00%	
Including:										
Provision for bad debts made by portfolio	1,211,854,200.26	95.29%	35,155,053.00	2.90%	1,176,699,147.26	1,365,616,858.86	95.80%	56,240,637.29	4.12%	1,309,376,221.57
Including:										
Total	1,271,733,839.67	100.00%	95,034,692.41	7.47%	1,176,699,147.26	1,425,496,498.27	100.00%	116,120,276.70	8.15%	1,309,376,221.57

Category name for provision for bad debts by individual item:

Unit: CNY

Name	Opening balance		Ending balance			Reasons for Provision
	Book balance	Provision for Bad Debts	Book balance	Provision for Bad Debts	Provision proportion	
Changchun Finance Bureau	37,820,100.00	37,820,100.00	37,820,100.00	37,820,100.00	100.00%	It is highly probable that the amounts will not be recovered
The People's Government of Dalian Municipality	20,500,000.00	20,500,000.00	20,500,000.00	20,500,000.00	100.00%	It is highly probable that the amounts will not be recovered
Wuxi Large Cargo Port Lifting and Transportation Co., Ltd.	542,293.00	542,293.00	542,293.00	542,293.00	100.00%	It is highly probable that the amounts will not be recovered
FAW Jingye Automobile Co., Ltd.	199,194.30	199,194.30	199,194.30	199,194.30	100.00%	It is highly probable that the amounts will not be recovered
Beijing Torchstar Automation Technology Co., Ltd.	198,000.00	198,000.00	198,000.00	198,000.00	100.00%	It is highly probable that the amounts will not be recovered
Chongqing Jinhua Automobile Brake Corporation	154,539.47	154,539.47	154,539.47	154,539.47	100.00%	It is highly probable that the amounts will not be recovered
Nanjing Xinpu Electromechanical Equipment Manufacturing Co., Ltd.	135,000.00	135,000.00	135,000.00	135,000.00	100.00%	It is highly probable that the amounts will not be recovered
Hunan Changji	119,600.00	119,600.00	119,600.00	119,600.00	100.00%	It is highly

Technology Development Co., Ltd.						probable that the amounts will not be recovered
Others	210,912.64	210,912.64	210,912.64	210,912.64	100.00%	It is highly probable that the amounts will not be recovered
Total	59,879,639.41	59,879,639.41	59,879,639.41	59,879,639.41		

Category name of provision for bad debt reserve by combination:

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Aging portfolio	1,211,854,200.26	35,155,053.00	2.90%
Total	1,211,854,200.26	35,155,053.00	

Description of the basis for determining this portfolio:

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

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 1, 2024	12,941,288.00	43,299,349.29	59,879,639.41	116,120,276.70
Balance on January 1, 2024 in the current period				
Provision in the current period	-2,549,132.62	-18,536,451.67		-21,085,584.29
Balance as at June 30, 2024	10,392,155.38	24,762,897.62	59,879,639.41	95,034,692.41

Basis for stage division and proportion of bad debt provision

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

Applicable Not applicable

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

Provision for bad debts in the current period:

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or	Charge-off or	Others	

			reversal	write-off	
Other receivables	116,120,276.70	-21,085,584.29			95,034,692.41
Total	116,120,276.70	-21,085,584.29			95,034,692.41

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

Unit: CNY

Name of Unit	Nature of Payment	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending Balance of Provision for Bad Debts
Customer 1	Funds for land purchase and reserve	660,862,800.00	1-2 years	51.97%	660,862.80
Customer 2	New energy vehicle sales subsidies	163,210,700.00	Less than 1 year or more than 5 years	12.83%	50,927,475.80
Customer 3	Funds for land purchase and reserve	73,634,578.00	Within 1 year	5.79%	2,245,854.63
Customer 4	New energy vehicle sales subsidies	49,557,522.13	1-2 years	3.90%	12,543,008.85
Customer 5	Security deposit for migrant workers, etc.	26,061,584.00	2-3 years	2.05%	
Total		973,327,184.13		76.54%	66,377,202.08

7. Advance payment

(1) Presentation of advance payment by aging

Unit: CNY

Aging	Ending balance		Opening balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	267,306,591.11	65.05%	438,665,956.06	63.60%
1-2 years	71,083,258.55	17.30%	155,704,502.78	22.58%
2-3 years	55,479,496.33	13.50%	75,007,663.59	10.88%
Over 3 years	17,040,130.75	4.15%	20,242,975.23	2.94%
Total	410,909,476.74		689,621,097.66	

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

Name of Debtor	Book balance (CNY)	Proportion in Total Advance Payment (%)	Reason for non-settlement
China FAW Group Import & Export Co., Ltd.	55,798,125.30	13.58%	Undue settlement period
RiseSun MGL	36,757,493.13	8.95%	Undue settlement period
FAW Mold Manufacturing Co., Ltd.	11,760,095.26	2.86%	Undue

			settlement period
Zhongqi Jiaojian Group Co., Ltd.	9,100,600.00	2.21%	Undue settlement period
Total	113,416,313.69	27.60%	

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

The advance payments with top five closing balance classified by the prepaid parties in the current period is CNY 205,484,568.55, accounting for 50.01% of the total closing balance of advance payments.

Other description:

8. Inventories

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

(1) Classification of inventories

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment Provision of Inventories or Contract Performance Costs	Book Value	Book balance	Impairment Provision of Inventories or Contract Performance Costs	Book Value
Raw material	353,998,484.32	32,812,348.28	321,186,136.04	346,085,168.15	33,387,013.66	312,698,154.49
Goods in process	597,577,155.21	16,536,596.69	581,040,558.52	449,087,779.38	14,783,370.86	434,304,408.52
Goods in stock	4,325,914,842.85	92,622,110.99	4,233,292,731.86	6,221,152,433.69	178,277,353.30	6,042,875,080.39
Revolving material	89,949,816.14	5,607,440.20	84,342,375.94	96,527,196.36	1,940,234.71	94,586,961.65
Others	2,516,172,327.36	155,750,226.18	2,360,422,101.18	2,488,739,701.04	162,232,949.94	2,326,506,751.10
Total	7,883,612,625.88	303,328,722.34	7,580,283,903.54	9,601,592,278.62	390,620,922.47	9,210,971,356.15

(2) Impairment provision of inventories and contract performance costs

Unit: CNY

Item	Opening balance	Increase in the Current Period		Decrease in the Current Period		Ending balance
		Provision	Others	Reverse or Charge-off	Others	
Raw material	33,387,013.66	324,565.07		899,230.45		32,812,348.28
Goods in	14,783,370.86	2,286,338.53		533,112.70		16,536,596.69

process					
Goods in stock	178,277,353.30	58,840,807.68		144,496,049.99	92,622,110.99
Revolving material	1,940,234.71	3,667,809.29		603.80	5,607,440.20
Others	162,232,949.94	11,160,037.34		17,642,761.10	155,750,226.18
Total	390,620,922.47	76,279,557.91		163,571,758.04	303,328,722.34

9. Long-term receivables due within 1 year

Unit: CNY

Item	Ending balance	Opening balance
Long-term receivables due within 1 year	229,571,360.00	222,664,624.89
Total	229,571,360.00	222,664,624.89

(1) Debt investments due within one yearApplicable Not applicable**(2) Other debt investments due within one year**Applicable Not applicable**10. Other current assets**

Unit: CNY

Item	Ending balance	Opening balance
Input VAT	226,934,626.73	398,062,687.06
Input VAT to be certified	506,612,542.16	625,978,432.77
Prepaid income tax		8,048,695.40
Total	733,547,168.89	1,032,089,815.23

Other description:

11. Investment in other equity instruments

Unit: CNY

Project Name	Opening balance	Gains included in other comprehensive incomes in the current period	Losses included in other comprehensive incomes in the current period	Cumulative gains included in other comprehensive incomes at the end of the current	Cumulative losses included in other comprehensive incomes at the end of the current period	Dividend income recognized in the current period	Ending balance	Reason for being designated as being measured at fair value and changes included in other comprehensive incomes
--------------	-----------------	---	--	--	--	--	----------------	---

				period				
REFIRE	480,780,000.00						480,780,000.00	
Total	480,780,000.00						480,780,000.00	

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

12. Long-term receivables

(1) Long-term receivables

Unit: CNY

Item	Ending balance			Opening balance			Discount Rate Range
	Book balance	Provision for Bad Debts	Book Value	Book balance	Provision for Bad Debts	Book Value	
Sales of goods by installment	385,726,758.23	13,590,621.63	372,136,136.60	365,224,533.59	10,528,655.43	354,695,878.16	
Long-term receivables due within 1 year	-242,420,744.80	-12,849,384.80	-229,571,360.00	-232,504,099.49	-9,839,474.60	-222,664,624.89	
Total	143,306,013.43	741,236.83	142,564,776.60	132,720,434.10	689,180.83	132,031,253.27	

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

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Percentage	Amount	Provision proportion		Amount	Percentage	Amount	Provision proportion	
Including:										
Provision for bad debts made by portfolio	385,726,758.23	100.00%	13,590,621.63	3.52%	372,136,136.60	365,224,533.59	100.00%	10,528,655.43	2.88%	354,695,878.16
Including:										
Total	385,726,758.23	100.00%	13,590,621.63	3.52%	372,136,136.60	365,224,533.59	100.00%	10,528,655.43	2.88%	354,695,878.16

Category name of provision for bad debt reserve by combination:

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Long-term receivables	385,726,758.23	13,590,621.63	3.52%
Total	385,726,758.23	13,590,621.63	

Description of the basis for determining this portfolio:

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

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses over the Entire Duration (no Credit Impairment)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 1, 2024	10,528,655.43			10,528,655.43
Balance on January 1, 2024 in the current period				
Provision in the current period	3,061,966.20			3,061,966.20
Balance as at June 30, 2024	13,590,621.63			13,590,621.63

Basis for stage division and proportion of bad debt provision

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

Unit: CNY

Category	Opening balance	Change in the Current Period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Long-term receivables	10,528,655.43	3,061,966.20				13,590,621.63
Total	10,528,655.43	3,061,966.20				13,590,621.63

Other description:

13. Long-term equity investment

Unit: CNY

Investee	Opening balance (book value)	Open ing balanc e of impair ment provisi on	Increase/Decrease in the current period								Ending balance (book Value)	Ending balance of impair ment provisio n	
			Additional Investment	Reduc ed Invest ment	Investment gains or losses recognized under the equity method	Adjustment to other comprehensiv e income	Chang es in other equity	Cash dividends and profits declared to pay	Impair ment Provisi on	Others			
I. Joint ventures													
Jiefang Times New Energy Technology Co., Ltd.	41,528,982.67				-4,168,278.12							37,360,704.55	
Subtotal	41,528,982.67				-4,168,278.12							37,360,704.55	
II. Associated enterprises													
First Automobile Finance Co., Ltd.	4,337,808,758.45				192,765,866.35	-96,836.64						4,530,477,788.16	
Changchun Automotive Test Center Co., Ltd.	700,656,627.27				16,536,148.61							717,192,775.88	
Sanguard Automobile Insurance Co., Ltd.	171,795,598.71				2,127,273.48	5,679,897.29						179,602,769.48	
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	87,942,751.83				1,048,764.72							88,991,516.55	
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	43,464,086.43				3,705,053.58				6,500,530.62			40,668,609.39	
FAW Jiefang Fujie (Tianjin)	36,982,856.24				2,767,497.43						296,019.25	40,046,372.92	

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Technology Industry Co., Ltd.												
Foshan Diyi Yuan New Energy Technology Co., Ltd.	33,214,745.08				-1,206,715.23						32,008,029.85	
Changchun Wabco Automotive Control System Co., Ltd.	16,197,563.58				509,482.42						16,707,046.00	
SmartLink												
Suzhou Zhito Technology Co., Ltd.												
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.			4,900,000.00		-96,679.59						4,803,320.41	
Subtotal	5,428,062,987.59		4,900,000.00		218,156,691.77	5,583,060.65		6,500,530.62		296,019.25	5,650,498,228.64	
Total	5,469,591,970.26		4,900,000.00		213,988,413.65	5,583,060.65		6,500,530.62		296,019.25	5,687,858,933.19	

The recoverable amount is the net amount of the fair value after deducting the disposal expenses

Applicable Not applicable

The recoverable amount is the present value of the expected future cash flow

Applicable Not applicable

Reason for apparent discrepancies between the foregoing information and the information used in the impairment test or external information in the previous year: None

Reason for apparent discrepancies between the information used in the Company's impairment test of the previous year and the actual situation in the current year: None

Other description

14. Investment properties

(1) Investment properties measured at cost

Applicable Not applicable

Unit: CNY

Item	Houses and Buildings	Land use right	Project under construction	Total
I. Original book value				
1. Opening balance	72,815,332.95	7,474,052.82		80,289,385.77
2. Increase in the current period	1,070,465.65			1,070,465.65
(1) Purchase				
(2) Transfer from inventories/fixed assets/construction in progress	1,070,465.65			1,070,465.65
(3) Increase due to business combination				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
(3) Reversal of intangible assets				
(4) Transferred to fixed assets				
4. Ending balance	73,885,798.60	7,474,052.82		81,359,851.42
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	31,844,973.90	1,394,416.34		33,239,390.24
2. Increase in the current period	1,790,858.86	75,820.98		1,866,679.84
(1) Provision or amortization	1,651,949.76	75,820.98		1,727,770.74
(2) Transfer-in of				

intangible assets			
(3) Transfer-in of fixed assets	138,909.10		138,909.10
3. Decrease in the current period			
(1) Disposal			
(2) Other transfer-out			
(3) Reversal of intangible assets			
(4) Transferred to fixed assets			
4. Ending balance	33,635,832.76	1,470,237.32	35,106,070.08
III. Impairment provision			
1. Opening balance			
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			
(1) Disposal			
(2) Other transfer-out			
4. Ending balance			
IV. Book value			
1. Ending book value	40,249,965.84	6,003,815.50	46,253,781.34
2. Beginning book value	40,970,359.05	6,079,636.48	47,049,995.53

The recoverable amount is the net amount of the fair value after deducting the disposal expenses

Applicable Not applicable

The recoverable amount is the present value of the expected future cash flow

Applicable Not applicable

Reason for apparent discrepancies between the foregoing information and the information used in the impairment test or external information in the previous year: None

Reason for apparent discrepancies between the information used in the Company's impairment test of the previous year and the actual situation in the current year: None

Other description:

15. Fixed assets

Unit: CNY

Item	Ending balance	Opening balance
Fixed assets	11,462,225,947.74	11,372,570,486.81
Disposal of fixed assets	8,058,712.36	7,715,678.77
Total	11,470,284,660.10	11,380,286,165.58

(1) Situation of fixed assets

Unit: CNY

Item	Houses and Buildings	Machinery equipment	Transportation equipment	Electronic equipment	Office equipment	Others	Total
I. Original book value							
1. Opening balance	6,307,772,400.65	17,908,866,291.78	166,206,037.96	722,265,738.13	63,384,017.87	1,375,757,179.01	26,544,251,665.40
2. Increase in the current period	112,366,495.27	904,785,475.77	6,977,807.08	21,555,883.67	1,574,045.55	12,010,554.66	1,059,270,262.00
(1) Purchase		1,912,599.52	-600.00	4,422,111.94	88,495.57	94,949.99	6,517,557.02
(2) Transfer from construction in progress	112,366,495.27	902,825,686.08	6,978,407.08	15,463,475.80	1,485,549.98	11,915,604.67	1,051,035,218.88
(3) Increase due to business combination							
(4) Other increases		47,190.17		1,670,295.93			1,717,486.10
3. Decrease in the current period	205,990,581.41	80,673,898.98	1,348,369.48	13,367,435.47	969,489.60	590,704.64	302,940,479.58
(1) Disposal or retirement	204,897,842.70	68,118,026.91	1,348,369.48	12,881,107.10	486,509.22	590,704.64	288,322,560.05
(2) Other decreases	1,092,738.71	12,555,872.07		486,328.37	482,980.38		14,617,919.53
4. Ending balance	6,214,148,314.51	18,732,977,868.57	171,835,475.56	730,454,186.33	63,988,573.82	1,387,177,029.03	27,300,581,447.82
II. Accumulated depreciation							
1. Opening balance	2,484,933,288.21	10,793,027,418.15	125,224,299.82	567,928,108.63	44,591,287.54	1,130,691,908.67	15,146,396,311.02
2. Increase in the current period	151,013,045.56	632,877,246.88	7,558,204.18	52,483,347.31	2,880,318.11	30,356,658.39	877,168,820.43
(1) Provision	151,013,045.56	632,872,183.02	7,558,204.18	50,011,368.54	2,763,797.81	30,356,658.39	874,575,257.50
(2) Other increases		5,063.86		2,471,978.77	116,520.30		2,593,562.93
3. Decrease in the current period	121,015,799.77	73,342,805.62	1,306,097.59	13,314,795.23	944,910.65	569,393.44	210,493,802.30
(1) Disposal or retirement	120,872,229.63	65,141,974.38	1,306,097.59	12,828,466.86	467,403.23	569,393.44	201,185,565.13
(2) Other decreases	143,570.14	8,200,831.24		486,328.37	477,507.42		9,308,237.17
4. Ending balance	2,514,930,534.00	11,352,561,859.41	131,476,406.41	607,096,660.71	46,526,695.00	1,160,479,173.62	15,813,071,329.15
III. Impairment provision							
1. Opening balance	12,344.37	22,288,724.08			43,047.04	2,940,752.08	25,284,867.57
2. Increase in the current period							

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(1) Provision							
3. Decrease in the current period					696.64		696.64
(1) Disposal or retirement					696.64		696.64
4. Ending balance	12,344.37	22,288,724.08			42,350.40	2,940,752.08	25,284,170.93
IV. Book value							
1. Ending book value	3,699,205,436.14	7,358,127,285.08	40,359,069.15	123,357,525.62	17,419,528.42	223,757,103.33	11,462,225,947.74
2. Beginning book value	3,822,826,768.07	7,093,550,149.55	40,981,738.14	154,337,629.50	18,749,683.29	242,124,518.26	11,372,570,486.81

(2) Temporary idle fixed assets

Unit: CNY

Item	Original book value	Accumulated depreciation	Impairment Provision	Book Value	Remarks
Machinery equipment	257,610,681.21	232,976,866.13	6,661,184.75	17,972,630.33	
Transportation equipment	865,190.88	850,040.38		15,150.50	
Electronic equipment	7,450.00	7,450.00			
Office equipment	77,872.15	75,536.00	267.95	2,068.20	
Others	7,463,031.82	6,575,247.44	802,534.08	85,250.30	
Total	266,024,226.06	240,485,139.95	7,463,986.78	18,075,099.33	

(3) Fixed assets without property ownership certificates

Unit: CNY

Item	Book Value	Reasons for failure to obtain the certificate
Guanghan base project	277,262,782.14	The property ownership certificate will be applied for after the final account audit upon completion of the project
Project of exiting the city and entering the industrial park	264,710,957.08	It is a new plant, and the information is incomplete and currently being processed.

Other description

(4) Impairment testing of fixed assetsApplicable Not applicable**(5) Disposal of fixed assets**

Unit: CNY

Item	Ending balance	Opening balance
Houses and Buildings	19,398.36	44,864.97
Machinery equipment	6,205,551.58	5,776,946.67
Means of transport	126,838.43	125,020.45
Electronic equipment	6,317.27	12,316.70
Office equipment	47,113.83	132,249.55
Others	1,653,492.89	1,624,280.43
Total	8,058,712.36	7,715,678.77

Other description:

16. Construction in progress

Unit: CNY

Item	Ending balance	Opening balance
Project under construction	750,571,700.84	816,484,299.18
Total	750,571,700.84	816,484,299.18

(1) Construction in progress

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment Provision	Book Value	Book balance	Impairment Provision	Book Value
New and reconstructed investment project	139,946,680.69	1,945,416.12	138,001,264.57	109,030,761.94	1,945,416.12	107,085,345.82
Technical transformation investment project	612,625,933.46	55,497.19	612,570,436.27	709,454,450.55	55,497.19	709,398,953.36
Total	752,572,614.15	2,000,913.31	750,571,700.84	818,485,212.49	2,000,913.31	816,484,299.18

(2) Changes in important construction in progress in the current period

Unit: CNY

Project Name	Budget	Opening balance	Increase in the Current Period	Amount transferred to fixed assets in the current period	Other Decreases in the Current Period	Ending balance	Proportion of accumulated investment in constructions to budget	Project Progress	Cumulative amount of capitalized interest	Including: Capitalized interest amount during the current period	Capitalization rate of interest in current period	Capital source
R&D capacity improvement project of FAW Jiefang Qingdao Base	651,579,440.00	216,719,303.35	146,054,477.28			362,773,780.63	55.68%	82.76%				Others
Business Integrating and Technology Upgrading for Light Vehicle Chassis in the Complete Vehicle	227,508,500.00	13,655,092.51	67,921,039.94			81,576,132.45	43.82%	42.69%				Others

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Division of FAW Jiefang Qingdao Project												
Faw Jiefang Wuxi R&D Base Construction Project	423,550,000.00	12,690,733.03	50,379,907.99			63,070,641.02	14.89%	29.97%				Others
Technical transformation project of integrated heavy duty AMT gearbox	898,000,000.00	232,307,221.17	354,815,082.61	545,665,813.79		41,456,489.99	65.71%	77.83%				Others
Project of exiting the city and entering the industrial park	936,068,800.00	19,204,724.39				19,204,724.39	71.53%	93.70%				Others
E-Axle Assembly Pilot Line Project	39,000,000.00	19,024,778.76				19,024,778.76	48.78%	48.78%				Others
Drivetrain	36,800,000.00	15,994,328.04	1,363,497.74			17,357,825.78	47.17%	47.17%				Other

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n Assembl y NVH Bench Laborato ry AC Motor Dynamo meter Project												s
FAW Jiefang south new energy base project	413,800,000.00	48,893,985.90	33,435,894.87	70,215,478.66		12,114,402.11	54.83%	54.83%				Other s
New energy product introduct ion and smart logistics upgrade project	79,820,000.00	10,322,123.89	1,330,045.51			11,652,169.40	71.27%	94.64%				Other s
Heavy- Duty Vehicle Transmis sion Life Testing Rig Project	20,250,000.00	9,875,983.28	1,432,729.20			11,308,712.48	55.85%	55.85%				Other s
Automat ic Transmis sion Test Rig	19,100,000.00	9,369,998.38	939,138.05			10,309,136.43	53.97%	53.97%				Other s

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Project												
Total	3,745,476,740.00	608,058,272.70	657,671,813.19	615,881,292.45		649,848,793.44						

(3) Impairment testing of projects under construction

Applicable Not applicable

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

Applicable Not applicable

(2) Impairing testing situation of productive biological assets measured at cost model

Applicable Not applicable

(3) Productive biological assets measured at fair value

Applicable Not applicable

18. Oil and gas assets

Applicable Not applicable

19. Right-of-use assets**(1) Right-of-use assets**

Unit: CNY

Item	Houses and Buildings	Machinery equipment	Land	Total
I. Original book value				
1. Opening balance	173,847,035.89	54,778,761.06	17,260,643.29	245,886,440.24
2. Increase in the current period	2,853,545.96	464,977.82		3,318,523.78
(1) Leasing	2,853,545.96	464,977.82		3,318,523.78
3. Decrease in the current period	8,108,767.60			8,108,767.60
(1) Lease expiration	2,416,818.20			2,416,818.20
(2) Other decreases	5,691,949.40			5,691,949.40
4. Ending balance	168,591,814.25	55,243,738.88	17,260,643.29	241,096,196.42
II. Accumulated depreciation				
1. Opening balance	84,424,735.38	10,955,752.21	11,516,065.95	106,896,553.54
2. Increase in the current period	16,663,555.45	5,516,624.25	1,497,009.26	23,677,188.96
(1) Provision	16,663,555.45	5,516,624.25	1,497,009.26	23,677,188.96
3. Decrease in	6,728,827.73			6,728,827.73

the current period				
(1) Disposal				
(2) Lease expiration	2,108,786.72			2,108,786.72
(3) Other decreases	4,620,041.01			4,620,041.01
4. Ending balance	94,359,463.10	16,472,376.46	13,013,075.21	123,844,914.77
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
4. Ending balance				
IV. Book value				
1. Ending book value	74,232,351.15	38,771,362.42	4,247,568.08	117,251,281.65
2. Beginning book value	89,422,300.51	43,823,008.85	5,744,577.34	138,989,886.70

(2) Impairment testing situation of right-of-use assets

Applicable Not applicable

Other description:

20. Intangible Assets**(1) Details of intangible assets**

Unit: CNY

Item	Land use right	Patent rights	Non-patented technology	Software	Total
I. Original book value					
1. Opening balance	2,594,295,359.22		507,713,333.30	565,194,081.77	3,667,202,774.29
2. Increase in the current period			14,370,333.50	39,422,142.50	53,792,476.00
(1) Purchase			8,651,499.88	36,342,701.47	44,994,201.35
(2) Internal R&D			980,512.13		980,512.13
(3) Increase due to business combination					

(4) Other increases			4,738,321.49	3,079,441.03	7,817,762.52
3. Decrease in the current period				11,590,528.41	11,590,528.41
(1) Disposal				6,852,206.92	6,852,206.92
(2) Invalid and derecognized portion					
(3) Other decreases				4,738,321.49	4,738,321.49
4. Ending balance	2,594,295,359.22		522,083,666.80	593,025,695.86	3,709,404,721.88
II. Accumulated amortization					
1. Opening balance	596,783,473.72		338,000,836.46	293,984,683.46	1,228,768,993.64
2. Increase in the current period	27,006,811.89		16,338,264.50	58,057,907.75	101,402,984.14
(1) Provision	27,006,811.89		15,973,233.03	58,057,907.75	101,037,952.67
(2) Other increases			365,031.47		365,031.47
3. Decrease in the current period				7,217,238.39	7,217,238.39
(1) Disposal				6,852,206.92	6,852,206.92
(2) Invalid and derecognized portion					
(3) Other decreases				365,031.47	365,031.47
4. Ending balance	623,790,285.61		354,339,100.96	344,825,352.82	1,322,954,739.39
III. Impairment provision					
1. Opening balance					
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal					
4. Ending balance					
IV. Book value					
1. Ending book value	1,970,505,073.61		167,744,565.84	248,200,343.04	2,386,449,982.49
2. Beginning book value	1,997,511,885.50		169,712,496.84	271,209,398.31	2,438,433,780.65

The proportion of intangible assets formed through internal R&D to the balance of intangible assets at the end of

current period is 0.04%.

21. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets not offset

Unit: CNY

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred Income tax assets	Deductible temporary difference	Deferred Income tax assets
Impairment provision of assets	625,888,003.09	96,276,501.14	677,552,365.56	118,050,995.83
Unrealized profits of internal transactions	173,759,629.21	43,439,907.30	173,759,629.21	43,439,907.30
Deductible losses	9,044,450,556.98	1,532,022,389.07	8,023,847,062.56	1,401,699,212.71
Estimated liabilities	710,046,828.43	103,354,745.17	643,639,504.01	105,676,319.80
Employee compensation payable	92,843,035.71	14,335,508.54	89,862,914.88	15,035,569.66
Accrued expenses	3,203,758,027.14	719,468,267.38	2,823,814,796.43	668,864,711.49
Deferred income	496,791,958.65	105,237,450.29	498,058,268.35	105,908,875.92
Contract liabilities	588,499,925.26	77,214,139.08	477,559,638.17	73,059,220.04
Lease liabilities	51,125,920.36	11,366,598.97	59,027,119.45	12,975,866.73
Total	14,987,163,884.83	2,702,715,506.94	13,467,121,298.62	2,544,710,679.48

(2) Deferred income tax liabilities not offset

Unit: CNY

Item	Ending balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Depreciation of fixed assets with amortization period longer than tax preference period	1,754,981,427.63	319,801,950.36	1,905,769,976.37	344,383,021.84
Accrued interest income	285,536,653.82	44,812,164.74	386,198,421.88	58,128,494.37
Right-of-use assets	49,982,944.28	11,417,515.49	57,431,098.06	12,560,241.88
Total	2,090,501,025.73	376,031,630.59	2,349,399,496.31	415,071,758.09

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

Unit: CNY

Item	Ending Mutual Offset Amount of Deferred Tax Assets and Liabilities	Ending balance of deferred tax assets or liabilities after offset	Opening mutual offset amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offset
Deferred Income tax assets		2,702,715,506.94		2,544,710,679.48

Deferred income tax liabilities		376,031,630.59		415,071,758.09
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(4) Details of unrecognized deferred tax assets

Unit: CNY

Item	Ending balance	Opening balance
Deductible temporary difference	524,871,458.61	577,137,993.79
Deductible losses	240,846,637.93	433,079,936.50
Total	765,718,096.54	1,010,217,930.29

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

Unit: CNY

Year	Ending amount	Beginning balance	Remarks
2026	324,798.62	1,441,940.00	
2027	3,524,136.57	3,524,136.57	
2028	6,764,901.92	201,247,514.48	
2029	31,407,588.07	28,041,132.70	
2032	198,825,212.75	198,825,212.75	
Total	240,846,637.93	433,079,936.50	

Other description

22. Assets with restricted ownership or use right

Unit: CNY

Item	Ending				Beginning			
	Book balance	Book Value	Restriction type	Restriction	Book balance	Book Value	Restriction type	Restriction
Monetary capital	50,473,277.23	50,473,277.23		Housing maintenance fund, security deposit for three types of personnel (Main responsible manager, project manager, and	50,667,927.65	50,667,927.65		Housing maintenance fund, security deposit for three types of personnel and frozen funds

				full-time safety production management personnel of the Construction Organization)				
Total	50,473,277.23	50,473,277.23			50,667,927.65	50,667,927.65		

Other description:

23. Notes payable

Unit: CNY

Category	Ending balance	Opening balance
Commercial acceptance bill	25,947,712,941.61	11,769,864,678.11
Total	25,947,712,941.61	11,769,864,678.11

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

24. Accounts payable

(1) Presentation of accounts payable

Unit: CNY

Item	Ending balance	Opening balance
Payment for goods	17,147,249,872.33	15,746,874,454.72
Project and equipment payment	331,095.28	71,355,989.71
Expenses and others	914,579,261.08	677,340,998.02
Total	18,062,160,228.69	16,495,571,442.45

25. Other payables

Unit: CNY

Item	Ending balance	Opening balance
Dividends payable	171,500.02	171,500.02
Other payables	5,193,749,030.50	5,304,885,545.16
Total	5,193,920,530.52	5,305,057,045.18

(1) Dividends payable

Unit: CNY

Item	Ending balance	Opening balance
Ordinary stock dividends	171,500.02	171,500.02
Total	171,500.02	171,500.02

Other description, including the disclosure of the reasons for not paying the important dividends payable for more than 1 year:

(2) Other payables

1) Presentation of other payables by payment nature

Unit: CNY

Item	Ending balance	Opening balance
Expenses payable	3,533,091,016.38	3,611,643,900.11
Margin, deposit	237,654,900.20	310,785,014.96
Project funds payable	1,416,756,262.19	1,296,325,132.82
Repurchase obligations of restricted shares	6,246,851.73	86,131,497.27
Total	5,193,749,030.50	5,304,885,545.16

2) Other significant payables with aging over 1 year or overdue

Unit: CNY

Item	Ending balance	Reasons for not being repaid or carried over
Eisenmann (Shanghai) Co., Ltd.	15,722,294.45	Project not completed
Hangzhou HIK Robot Co., Ltd.	14,314,364.40	Project not completed
FAW Mold Manufacturing Co., Ltd.	11,480,090.27	Project not completed
Jilin Hongze Construction Engineering Co., Ltd.	11,429,681.82	Project not completed
Wuhan Li'ao Automation Co., Ltd.	8,670,040.00	Project not completed
Total	61,616,470.94	

The other payables of the top five closing balances classified by the other payable parties in the current period are CNY 174,691,000.20, accounting for 3.36% of the total closing balance of other payables.

26. Advance receipts

(1) Presentation of advance receipts

Unit: CNY

Item	Ending balance	Opening balance
Rental fee	715,111.97	641,221.46
Total	715,111.97	641,221.46

27. Contract liabilities

Unit: CNY

Item	Ending balance	Opening balance
Payment for goods	537,992,732.13	1,863,445,370.73
Others	578,358,281.86	555,703,269.04
Contract liabilities included in other current liabilities	-60,702,098.17	-214,456,037.00
Total	1,055,648,915.82	2,204,692,602.77

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

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
I. Short-term compensation	296,724,446.00	2,037,364,590.82	1,837,942,253.12	496,146,783.70
II. Post-employment benefits-defined contribution plan	16,284,549.40	319,124,786.63	328,212,281.77	7,197,054.26
III. Dismissal welfare	38,420,889.80	11,011,318.43	21,286,177.44	28,146,030.79
IV. Other benefits due within one year	50,609,999.99		21,659,867.99	28,950,132.00
Total	402,039,885.19	2,367,500,695.88	2,209,100,580.32	560,440,000.75

(2) Presentation of short-term compensation

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
1. Wages, bonuses, allowances and subsidies		1,470,590,674.49	1,286,614,267.92	183,976,406.57
2. Employee welfare expenses		97,868,160.35	97,868,160.35	
3. Social insurance premiums	3,927,312.53	178,184,058.90	180,911,647.03	1,199,724.40
Including: medical insurance premiums	3,927,312.53	167,121,573.85	169,849,161.98	1,199,724.40
Work-related injury insurance premiums		9,437,602.77	9,437,602.77	
Maternity insurance premium		1,624,882.28	1,624,882.28	
4. Housing provident fund		234,197,241.76	234,197,241.76	
5. Labor union funds and employee education funds	292,797,133.47	56,524,455.32	38,350,936.06	310,970,652.73
Total	296,724,446.00	2,037,364,590.82	1,837,942,253.12	496,146,783.70

(3) Presentation of defined contribution plan

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
1. Basic endowment insurance	13,909,612.19	214,562,327.32	228,471,939.51	

2. Unemployment insurance premiums	2,374,937.21	6,976,071.75	9,351,008.96	
3. Payment of enterprise annuity		97,586,387.56	90,389,333.30	7,197,054.26
Total	16,284,549.40	319,124,786.63	328,212,281.77	7,197,054.26

Other description

29. Taxes payable

Unit: CNY

Item	Ending balance	Opening balance
VAT	42,773,492.98	33,868,153.98
Corporate income tax	24,512,846.83	12,652,169.68
Individual income tax	6,698,386.44	44,332,949.39
Urban maintenance and construction tax	1,451,357.79	1,563,765.87
Property tax	8,153,574.92	12,070,417.66
Land use tax	4,260,011.07	4,302,440.45
Education surcharges	3,508,165.78	3,588,461.26
Other taxes	15,015,489.84	16,844,015.03
Total	106,373,325.65	129,222,373.32

Other description

30. Non-current liabilities due within one year

Unit: CNY

Item	Ending balance	Opening balance
Lease liabilities due within one year	14,750,421.22	27,171,195.40
Total	14,750,421.22	27,171,195.40

Other description:

31. Other current liabilities

Unit: CNY

Item	Ending balance	Opening balance
Taxes to be written off	60,702,098.17	214,456,037.00
Total	60,702,098.17	214,456,037.00

Other description:

32. Lease liabilities

Unit: CNY

Item	Ending balance	Opening balance
Lease payment	52,833,724.20	61,122,271.61
Unrecognized financing charges	-2,559,782.51	-3,457,062.08
Lease liabilities due within one	-14,750,421.22	-27,171,195.40

year		
Total	35,523,520.47	30,494,014.13

Other notes: The interest of lease liabilities accrued is CNY 1.0792 million from January to June in 2024.

33. Long-term employee compensation payable

(1) Long-term employee compensation payable

Unit: CNY

Item	Ending balance	Opening balance
I. Post-employment welfare - net liabilities of defined benefit plan	645,190,132.01	667,280,000.00
II. Dismissal welfare	91,239,962.81	94,708,523.04
Long-term employee compensation payable due within one year	-57,096,162.79	-89,030,889.79
Total	679,333,932.03	672,957,633.25

34. Estimated liabilities

Unit: CNY

Item	Ending balance	Opening balance	Reason
Pending litigation	8,594,661.90	7,321,618.04	Product quality disputes
Product quality assurance	684,163,548.30	711,161,690.70	Expenses for return, replacement and repair
Others	17,226,995.29	17,226,995.29	Labor social security
Total	709,985,205.49	735,710,304.03	

Other description, including important assumptions and estimation descriptions related to important estimated liabilities:

35. Deferred income

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance	Reason
Government subsidies	2,983,678,367.53	111,030,641.83	134,400,820.98	2,960,308,188.38	
Total	2,983,678,367.53	111,030,641.83	134,400,820.98	2,960,308,188.38	

Other description:

36. Share capital

Unit: CNY

Opening balance	Increase/Decrease (+/-)					Ending balance
	Issue of New Shares	Bonus shares	Share Transferred from Accumulation	Others	Subtotal	

				Fund			
Total shares	4,636,485,668.00				-12,621,954.00	-12,621,954.00	4,623,863,714.00

Other description:

37. Capital reserves

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Capital premium (stock premium)	9,341,522,399.02		67,262,691.54	9,274,259,707.48
Other capital reserves	1,001,896,552.71	605,418.43		1,002,501,971.14
Total	10,343,418,951.73	605,418.43	67,262,691.54	10,276,761,678.62

Other description, including increase/decrease in the current period and reasons for change:

- (1) The capital reserve (share premium) decreased by CNY 67,262,691.54 in the current period due to the repurchase and cancellation of equity incentive shares of the Company.
- (2) The capital reserve (other capital reserves) increased by CNY 605,418.43 in the current period due to the recognition of share-based payment expenses during the vesting period of the Company's equity incentive plan.

38. Treasury shares

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Treasury shares	86,131,497.27		79,884,645.54	6,246,851.73
Total	86,131,497.27		79,884,645.54	6,246,851.73

Other description, including increase/decrease in the current period and reasons for change:

39. Other comprehensive incomes

Unit: CNY

Item	Opening balance	Amount Incurred in Current Period						Ending balance
		Amount incurred before income tax in the current period	Less: Current Profits or Losses Transferred from Other Comprehensive Income Recorded in the Previous Period	Less: Current Retained Earnings Transferred from Other Comprehensive Income Recorded in the Previous Period	Less: income tax expenses	After-tax amount attributable to parent company	After-tax amount attributable to minority shareholders	
I. Other	-8,735,366.35					5,679,897.29		-3,055,469.06

comprehensive incomes that cannot be reclassified into profits or losses								
Including : changes arising from re-measurement of the defined benefit plan	-9,210,000.00							-9,210,000.00
Other comprehensive incomes that cannot be reclassified into profit or loss under the equity method	474,633.65					5,679,897.29		6,154,530.94
II. Other comprehensive incomes that will be reclassified into profits or losses	221,256.25					-363,765.87		-142,509.62
Including : other comprehensive incomes that can be reclassified into profits or losses under the equity	375,337.28					-96,836.64		278,500.64

method								
Translation difference in foreign currency financial statements	-154,081.03					-266,929.23		-421,010.26
Total other comprehensive incomes	-8,514,110.10					5,316,131.42		-3,197,978.68

Other description, including the adjustment of the effective part of cash flow hedging profit or loss transferred to the initially recognized amount of the hedged item:

40. Special reserves

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Work safety cost	319,314,527.85	6,016,604.46	15,216,437.91	310,114,694.40
Total	319,314,527.85	6,016,604.46	15,216,437.91	310,114,694.40

Other description, including increase/decrease in the current period and reasons for change:

41. Surplus reserves

Unit: CNY

Item	Opening balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Statutory surplus reserve	2,792,881,825.16			2,792,881,825.16
Discretionary surplus reserves	297,526,491.71			297,526,491.71
Total	3,090,408,316.87			3,090,408,316.87

Description of surplus reserve, including increase/decrease and reasons for change in the current period:

42. Undistributed profits

Unit: CNY

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	6,191,777,512.32	5,460,939,601.36
Undistributed profits at the beginning of the current period after adjustment	6,191,777,512.32	5,460,939,601.36
Add: net profit attributable to owners of parent company in the current period	478,251,870.50	401,336,302.35

Less: ordinary stock dividends payable	693,579,557.10	
Undistributed profits at the end of the period	5,976,449,825.72	5,862,275,903.71

Details of adjustment to undistributed profits at the beginning of period:

- 1) The retroactive adjustment of the Accounting Standards for Business Enterprises and its relevant new regulations impacts the opening undistributed profit by CNY 0.00.
- 2) The undistributed profit at the beginning of the period affected by changes in accounting policies is CNY 0.00.
- 3) The undistributed profit at the beginning of the period affected by correction of significant accounting errors is CNY 0.00.
- 4) The change in combination scope caused by the same control impacts the opening undistributed profit by CNY 0.00.
- 5) Other adjustments affect the opening undistributed profit by CNY 0.00 in total.

43. Operating income and operating cost

Unit: CNY

Item	Amount Incurred in Current Period		Amount Incurred in the Previous Period	
	Income	Cost	Income	Cost
Main business	34,781,334,502.47	32,601,996,683.55	32,139,093,286.21	29,929,907,291.11
Other business	820,958,136.99	650,423,218.46	875,568,627.92	660,616,486.91
Total	35,602,292,639.46	33,252,419,902.01	33,014,661,914.13	30,590,523,778.02

Other description

Information related to the transaction price allocated to the remaining performance obligations: The income corresponding to the performance obligations that have been signed but not yet fulfilled or completed at the end of the reporting period is CNY 578,358,281.86, of which CNY 289,179,140.93 is expected to be recognized in 2024 and CNY 289,179,140.93 is expected to be recognized in 2025.

Information related to variable consideration in the Contract:

Other description

44. Taxes and surcharges

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Urban maintenance and construction tax	8,735,866.96	19,546,313.81
Education surcharges	6,239,901.02	14,049,726.20
Property tax	36,577,269.48	27,465,239.54
Land use tax	21,263,435.84	17,742,508.40
Vehicle and vessel use tax	55,080.14	51,933.49
Stamp duty	32,322,074.63	30,606,438.19

Environmental protection tax	320,082.33	427,254.80
Others	-144,396.20	-47,844.63
Total	105,369,314.20	109,841,569.80

Other description:

45. Administrative expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	435,912,218.49	554,575,877.44
Repair cost of fixed assets	74,393,472.71	86,296,341.73
Depreciation cost	70,160,216.19	62,859,036.45
Amortization of intangible assets	42,960,831.97	45,228,775.75
Labor outsourcing fee	19,200,519.52	20,600,631.57
Information system service fee	15,385,298.95	18,919,334.81
Sewage charge	7,020,968.97	9,479,418.73
Kinetic energy and workshop heating cost	16,359,943.57	15,614,154.67
Publicity fee	733,152.88	2,792,288.47
Test and inspection fee	8,512,181.61	5,943,937.13
Others	49,127,040.10	48,851,266.17
Total	739,765,844.96	871,161,062.92

Other description

46. Sales expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Product quality assurance fee	354,345,170.32	372,020,904.40
Employee compensation	261,388,918.42	230,992,397.31
Storage fee	54,530,428.75	49,482,396.12
Promotion fee	2,072,688.58	5,652,694.61
Packing cost	63,410,413.70	36,501,913.05
Business publicity fee	7,335,461.53	5,491,042.24
Travel expense	42,282,800.13	32,468,745.00
Sales service fee	7,063,389.32	7,172,990.92
Rental fee	25,362,533.68	23,305,950.67
Insurance premium	376,867.84	2,116,210.71
Others	17,298,425.55	9,617,573.30
Total	835,467,097.82	774,822,818.33

Other description:

47. R&D expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
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Material procurement and consumption	58,713,565.00	83,066,490.71
Fuel and power	30,352,085.23	37,703,182.12
Employee compensation	762,070,442.14	781,461,814.17
Depreciation and amortization	127,558,615.73	123,318,628.06
Technological development	21,371,901.93	55,353,771.51
Test and inspection fee	54,071,350.93	80,965,496.03
Road testing expense	48,592,572.48	44,968,204.89
Others	32,852,743.53	41,210,116.05
Total	1,135,583,276.97	1,248,047,703.54

Other description

48. Financial expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Interest income	-330,521,706.02	-332,873,373.32
Net actuarial interest	395,666.67	463,219.03
Handling charge of financial institutions	213,654.95	62,645.64
Interest expense	1,431,811.40	2,201,462.83
Exchange gain or loss	178,734.27	-134,786.41
Others	-66,474,373.18	-85,382,599.83
Total	-394,776,211.91	-415,663,432.06

Other description

49. Other income

Unit: CNY

Sources of other income	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Government subsidies	209,501,338.40	193,604,585.44
Service charges of individual income tax withholding	2,035,928.98	2,051,784.67
Additional tax credit of VAT	142,242,391.94	
Total	353,779,659.32	195,656,370.11

50. Investment income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Income from long-term equity investments accounted for using the equity method	213,988,413.65	234,054,148.54
Others	-112,101,568.99	-100,436,268.67
Total	101,886,844.66	133,617,879.87

Other description

51. Credit impairment loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bad debt losses of notes receivable	21,670.17	-69,181.55
Bad debt losses of accounts receivable	-26,638,370.74	-32,194,937.26
Bad debt losses of other receivables	21,085,584.29	-288,813.51
Bad debt losses of long-term receivables	-3,061,966.20	-2,927,793.76
Total	-8,593,082.48	-35,480,726.08

Other description

52. Asset impairment loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
I. Inventory falling price loss and contract performance cost impairment loss	-76,279,557.91	-35,182,158.70
II. Impairment loss of contract assets	-387,041.28	-142,013.25
Total	-76,666,599.19	-35,324,171.95

Other description:

53. Income from assets disposal

Unit: CNY

Sources of income from assets disposal	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Gains from disposal of fixed assets	746,088.82	98,132,494.11

54. Non-operating income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount included in current non-recurring profits and losses
Unpayable amount recognized	11,378,406.14	581,828.00	11,378,406.14
Income from compensation, liquidated damages and penalties	6,971,354.67	7,871,739.74	6,971,354.67
Gains from damage and retirement of non-current assets	46,052.83	695,112.91	46,052.83
Others	9,710,410.31	393,806.14	9,710,410.31
Total	28,106,223.95	9,542,486.79	28,106,223.95

Other description:

55. Non-operating expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount included in current non-recurring profits and losses
Donation	2,978,920.00	2,000,000.00	2,978,920.00
Losses from damage and retirement of non-current assets	989,080.93	1,297,109.63	989,080.93
Expenditure of liquidated damages and penalties	-210,191.05	435,083.63	-210,191.05
Others	24,732.00	69,570.55	24,732.00
Total	3,782,541.88	3,801,763.81	3,782,541.88

Other description:

56. Income tax expenses**(1) Statement of income tax expenses**

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Current income tax expenses	42,733,093.07	42,401,718.66
Deferred income tax expense	-197,044,954.96	-245,467,038.39
Total	-154,311,861.89	-203,065,319.73

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

Unit: CNY

Item	Amount Incurred in Current Period
Total profits	323,940,008.61
Income tax expense calculated at statutory/applicable tax rate	80,985,002.15
Effect of different tax rates applied to subsidiaries	-12,357,345.92
Effect of adjustment to income tax of previous periods	-25,280,791.16
Effect of non-deductible costs, expenses and losses	550,302.01
Effects of deductible temporary differences or deductible losses of deferred income tax assets unrecognized in the current period	841,613.84
Profit or loss of joint ventures and associated enterprises calculated by equity method	-51,587,576.03
Tax effect of R&D expenses plus deduction (to be listed with “-”)	-134,396,432.98

Tax effect of unrecognized deductible losses and deductible temporary difference	-13,066,633.80
Others	
Income tax expenses	-154,311,861.89

Other description

57. Other comprehensive incomes

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

58. Items of cash flow statement

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bank interest	397,148,937.72	
Collection and payment	8,170,165.98	9,286,574.17
Government subsidies received	184,296,132.42	89,195,336.75
Deposits received	9,510,303.41	
Rental fee received	963,013.62	2,874,590.58
Fines and indemnities received	3,043,576.01	4,419,145.87
Recovery of reserve funds	468,225.38	538,760.42
Refund of handling fees	884,632.38	803,868.95
Other current accounts	161,576,775.16	534,529,346.19
Total	766,061,762.08	641,647,622.93

Description of other cash received related to operating activities:

Other cash paid related to operating activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Out-of-pocket expenses	491,987,715.82	494,020,512.30
Current account	451,612,329.19	455,747,557.22
Donations	2,978,920.00	2,000,000.00
Total	946,578,965.01	951,768,069.52

Description of other cash payments related to operating activities:

(2) Cash related to investing activities

Other cash received related to investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Interest received		368,529,711.02

Total		368,529,711.02
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Description of other cash received related to investing activities:

(3) Cash related to financing activities

Other cash paid related to financing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Amount paid to repay lease liabilities	11,981,702.80	19,709,605.31
Total	11,981,702.80	19,709,605.31

Description of other cash payments related to financing activities:

Changes in liabilities arising from financing activities

Applicable Not applicable

59 Supplementary information to cash flow statement

(1) Supplementary information to cash flow statement

Unit: CNY

Supplementary information	Amount in the current period	Amount of the Previous Period
1. Reconciliation of net profit to cash flows from operating activities:		
Net Profit	478,251,870.50	401,336,302.35
Add: impairment provision of assets	85,259,681.67	70,804,898.03
Depreciation of fixed assets, depletion of oil and gas assets and productive biological assets	888,228,121.73	806,546,681.57
Depreciation of right-of-use asset	796,214.19	5,115,821.82
Amortization of intangible assets	50,898,373.61	52,772,614.33
Amortization of long-term deferred expenses		
Losses from disposal of fixed assets, intangible assets and other long-term assets (incomes to be listed with "-")	-746,088.82	-98,132,494.11
Loss from retirement of fixed assets (incomes to be listed with "-")	989,080.93	1,297,109.63
Loss from changes in fair value (incomes to be listed with "-")		
Financial expenses (incomes to be listed with "-")	-317,865,186.72	-330,682,164.07
Investment losses (incomes to be listed with "-")	-101,886,844.66	-133,617,879.87
Decrease of deferred income tax assets (increase to be listed with "-")	-158,004,827.46	-248,346,478.93
Increases of deferred income tax liabilities (decrease to be listed with "-")	-39,040,127.50	1,005,800.22
Decrease in inventories (increase to be listed with "-")	1,630,687,452.61	-1,448,702,170.39

Decrease in operating receivables (increase to be listed with “-”)	-14,800,044,542.39	-9,607,002,028.80
Increase in operating items payable (decrease to be listed with “-”)	16,555,976,890.53	17,346,803,689.10
Others	-32,570,012.60	-105,040,323.41
Net cash flows from operating activities	4,240,930,055.62	6,714,159,377.47
2. Significant investment and financing activities not involving cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible corporate bonds within one year		
Fixed assets acquired under financial lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	25,239,787,245.83	26,430,438,475.01
Less: opening balance of cash	22,483,844,553.59	20,697,669,726.18
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	2,755,942,692.24	5,732,768,748.83

(2) Composition of cash and cash equivalents

Unit: CNY

Item	Ending balance	Opening balance
I. Cash	25,239,787,245.83	22,483,844,553.59
II. Cash equivalents		
VI. Balance of ending cash and cash equivalents	25,239,787,245.83	22,483,844,553.59

60 Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: CNY

Item	Foreign Currency Balance at the End of the Period	Exchange rate	Ending Balance Converted into CNY
Monetary capital			
Including: USD			
EUR	1,007,820.69	7.6617	7,721,619.78
HKD			
Accounts receivable			
Including: USD			
EUR			
HKD			
Long-term loans			
Including: USD			
EUR			

HKD

Other description:

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

Applicable Not applicable

61. Lease

(1) The Company acting as the lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Lease expenses for simplified short-term leases or low-value asset leases

Applicable Not applicable

Item	Amount incurred in the current period (CNY)
Short-term lease expense	20,698,594.18
Low-value asset lease expense	
Variable lease payments not included in the measurement of lease liabilities	
Total	20,698,594.18

Circumstances involving sale and leaseback transactions

(2) The Company acting as the lessor

Operating lease with the Company acting as the lessor

Applicable Not applicable

Financing lease with the Company acting as the lessor

Applicable Not applicable

Yearly undiscounted lease receipts for the next five years

Applicable Not applicable

Reconciliation Statement for Undiscounted Lease Receipts and Net Lease Investments

(3) Profits and losses of financing lease sales recognized as a manufacturer or distributor

Applicable Not applicable

VIII. R&D Expenditures

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
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Including: Expensed R&D expenditure	1,135,583,276.97	1,248,047,703.54
Capitalized R&D expenditure	113,944,595.36	

1. R&D projects eligible for capitalization

Unit: CNY

Item	Opening balance	Increase in the Current Period		Decrease in the Current Period		Ending balance
		Internal development expenditures	Others	Recognized as intangible assets	Transferred to current profits and losses	
9130102303		404,305.77				404,305.77
9130012317		980,512.13		980,512.13		
A2205	5,393,345.15	9,826,144.18				15,219,489.33
A2207	9,870,532.31	11,292,856.19				21,163,388.50
A2208	12,756,268.49	8,556,661.39				21,312,929.88
A2209	26,396,041.18	1,849,888.88				28,245,930.06
A2305	12,547,492.73	16,144,515.66				28,692,008.39
A2306	16,094,984.19	10,183,762.22				26,278,746.41
A2307	2,723,108.10	13,618,283.59				16,341,391.69
A2308	12,945,847.92	16,023,783.19				28,969,631.11
T2208	8,944,559.08	10,512,100.27				19,456,659.35
T2209	2,201,651.44	3,180,522.13				5,382,173.57
T2303		752,935.81				752,935.81
XC2411020		1,553,097.79				1,553,097.79
XC2411030		1,339,911.45				1,339,911.45
XC2411089		760,229.42				760,229.42
XC2411098		5,889,217.40				5,889,217.40
XC2411107		1,075,867.89				1,075,867.89
Total	109,873,830.59	113,944,595.36		980,512.13		222,837,913.82

Significant capitalized R&D projects

Item	R&D progress	Expected completion time	Expected generation method of economic benefits	Time point of capitalization starting	Specific basis for capitalization starting
9130102303	The review of sample boxes has completed and the current stage is the stage of product freezing for production	April 30, 2025	Production and sales	June 24, 2024	Being adopted by consideration and decision-making at the project review

	preparation start				meeting
9130012317	The trial production of sample machines has completed and the current stage is the stage of design and verification	June 30, 2024	Production and sales	January 24, 2024	Being adopted by consideration and decision-making at the project review meeting
A2205	Production preparation start	June 30, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2207	Production preparation start	June 30, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2208	Production preparation start	June 30, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2209	Trial production stage	May 31, 2024	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2305	Engineering design and verification stage	February 28, 2026	Production and sales	March 31, 2023	Being adopted by consideration and decision-making at the project review meeting

A2306	Engineering design and verification stage	December 31, 2024	Production and sales	March 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2307	Engineering design and verification stage	February 28, 2026	Production and sales	March 31, 2023	Being adopted by consideration and decision-making at the project review meeting
A2308	Engineering design and verification stage	March 31, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
T2208	Engineering design and verification stage	March 31, 2026	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
T2209	Trial production stage	December 31, 2024	Production and sales	January 31, 2023	Being adopted by consideration and decision-making at the project review meeting
T2303	The production preparation start has completed, and the current stage is the stage of product freezing and trial production	December 31, 2024	Production and sales	June 24, 2024	Being adopted by consideration and decision-making at the project review meeting
XC2411020	The design scheme	December 31,	Production	February 1,	Being adopted

	freezing has completed, and the current stage is the stage of design and verification	2024	and sales	2024	by consideration and decision-making at the project review meeting
XC2411030	The design scheme freezing has completed, and the current stage is the stage of design and verification	December 31, 2024	Production and sales	February 1, 2024	Being adopted by consideration and decision-making at the project review meeting
XC2411089	The design scheme freezing has completed, and the current stage is the stage of design and verification	September 30, 2024	Production and sales	March 1, 2024	Being adopted by consideration and decision-making at the project review meeting
XC2411098	The project approval has completed, and the current stage is the stage for trial production	November 30, 2024	Production and sales	January 24, 2024	Being adopted by consideration and decision-making at the project review meeting
XC2411107	The trial production of sample machines has completed, and the current stage is the stage of development for machinery combined with sample machines A and B	December 31, 2024	Production and sales	March 1, 2024	Being adopted by consideration and decision-making at the project review meeting

IX. Changes in Consolidation Scope

(1) Business merger under different control

(1) Profits or losses arising from remeasurement of equity held before the purchase date at fair value

Whether there are transactions that achieve the business merger through multiple transactions and obtain control during the reporting period

Yes No

2. Others: None

X. Equity in Other Entities

1. Equity in subsidiaries

(1) Composition of the enterprise group

Unit: CNY

Name of subsidiary	Registered Capital	Principal business place	Registered address	Nature of business	Share proportion		Way of acquisition
					Direct	Indirect	
Jiefang Limited	10,803,012,510.01	Changchun	Changchun	Vehicle manufacturing	100.00%		Business merger under common control
FAW Jiefang (Qingdao) Automotive Co., Ltd.	802,000,000.00	Qingdao	Qingdao	Vehicle manufacturing and sales	100.00%		Business merger under common control
FAW Jiefang Dalian Diesel Engine Co., Ltd.	1,400,000,000.00	Dalian	Dalian	Automotive engine manufacturing	100.00%		Business merger under common control
Wuxi Dahao Power Co., Ltd.	38,094,059.61	Wuxi	Wuxi	Manufacturing of automotive components and accessories	100.00%		Business merger under common control
FAW Jiefang Austria R&D Co., Ltd.	15,765,000.00	Austria	Austria	Technology research and development	100.00%		Business merger under common control
FAW Jiefang Automotive Sales Co., Ltd.	200,000,000.00	Changchun	Changchun	Vehicle sales	100.00%		Establishment by investment
FAW Jiefang Uni-D (Tianjin) Technology Industry Co., Ltd.	90,000,000.00	Tianjin	Tianjin	Technical services and other services	100.00%		Establishment by investment

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

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

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

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

Other description:

2. Equities in joint ventures or associated enterprise

(1) Important joint ventures or associated enterprises

Name of Joint Ventures or Associated Enterprises	Principal business place	Registered address	Nature of business	Share proportion		Accounting Treatment Method for Investment in Joint Ventures or Associated Enterprises
				Direct	Indirect	
First Automobile Finance Co., Ltd.	Changchun	Changchun	Financial services	21.84%		Equity method
Sanguard Automobile Insurance Co., Ltd.	Changchun	Changchun	Financial insurance	17.50%		Equity method
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun	Changchun	Industrial manufacturing	40.00%		Equity method
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Changchun	Changchun	Industrial manufacturing	21.81%		Equity method
Changchun Wabco Automotive Control System Co., Ltd.	Changchun	Changchun	Manufacturing of automotive components and accessories	40.00%		Equity method
Suzhou Zhito Technology Co., Ltd.	Suzhou	Suzhou	Research and experimental development	25.68%		Equity method
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Tianjin	Tianjin	Software and information technology services	10.00%		Equity method
SmartLink	Nanjing	Nanjing	Software and information technology services	35.00%		Equity method

Foshan Diyi Yuan New Energy Technology Co., Ltd.	Foshan	Foshan	Manufacturing and technical services	45.00%		Equity method
Changchun Automotive Test Center Co., Ltd.	Changchun	Changchun	Technical services	14.63%		Equity method
Jiefang Times New Energy Technology Co., Ltd.	Shijiazhuang	Shijiazhuang	Technical services and other services	50.00%		Equity method
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	Wuxi	Wuxi	Engineering and technology research and experiment development	49.00%		Equity method

Explanation of the fact that the shareholding proportion in joint ventures or associated enterprises is different from the proportion of voting rights: there is no difference between the shareholding proportion and the proportion of voting rights.

Basis for holding less than 20% of voting rights but with significant influence, or holding 20% or more of voting rights but without significant influence: The Company holds 17.50% of the shares of Sanguard Automobile Insurance Co., Ltd., but it sends one director to the latter according to the Articles of Association of the latter, so the Company can exert significant influence on Sanguard Automobile Insurance Co., Ltd. The Company holds 10.00% of the shares of Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., but it sends three directors to the latter according to the Articles of Association of the latter, so the Company can exert significant influence on Jiefang Fujie (Tianjin) Technology Industry Co., Ltd. The Company holds 14.63% of the shares of Changchun Automotive Test Center Co., Ltd., but it sends one director to the latter according to the Articles of Association of the latter, so the Company can exert significant influence on Changchun Automotive Test Center Co., Ltd.

(2) Main financial information of important joint ventures

Unit: CNY

	Ending Balance/Amount Incurred in Current Period	Opening Balance/Amount Incurred in Previous Period
	Jiefang Times New Energy Technology Co., Ltd.	Jiefang Times New Energy Technology Co., Ltd.
Current assets	226,424,018.04	107,060,648.01
Including: Cash and cash equivalents	61,208,846.42	23,493,644.57
Non-current assets	202,724,472.32	180,155,847.21
Total assets	429,148,490.36	287,216,495.22
Current liabilities	139,732,848.41	40,887,314.87
Non-current liabilities	214,694,232.87	163,271,215.01
Total liabilities	354,427,081.28	204,158,529.88

Minority equity		
Equity attributable to shareholders of the parent company	74,721,409.08	83,057,965.34
Shares of net assets calculated as per the shareholding proportion	37,360,704.55	41,528,982.67
Adjustments		
--Goodwill		
--Unrealized profits from internal transactions		
--Others		
Book value of equity investment to joint ventures	37,360,704.55	41,528,982.67
The fair value of equity investment in joint ventures with a public offer		
Operating income	217,004,793.22	23,610,012.53
Financial expenses	4,666,304.22	-786,426.54
Income tax expenses		283.87
Net Profit	-8,336,556.25	-6,942,034.66
Net profit from discontinued operations		
Other comprehensive incomes		
Total comprehensive income	-8,336,556.25	-6,942,034.66
Dividends received from joint ventures in the current year		

Other description

(3) Main financial information on important associated enterprises

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Unit: CNY

	Ending Balance/Amount Incurred in Current Period										
	First Automobile Finance Co., Ltd.	Sanguard Automobile Insurance Co., Ltd.	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun Wabco Automotive Control System Co., Ltd.	FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	SmartLink	Foshan Diyi Yuan New Energy Technology Co., Ltd.	Changchun Automotive Test Center Co., Ltd.	Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.
Current assets	82,826,458,285.51	1,735,189,182.46	236,934,530.42	41,976,542.95	314,811,659.63	388,730,442.01	840,177,519.67	129,573,143.85	77,950,576.34	1,971,968,649.47	11,914,216.94
Non-current assets	85,912,913,739.17	680,384,942.50	59,013,028.84	22,535,665.99	50,342,316.54	79,350,893.35	789,129,965.77	198,944,967.72	602,067.31	1,785,145,939.47	53,529,536.46
Total assets	168,739,372,024.68	2,415,574,124.96	295,947,559.26	64,512,208.94	365,153,976.17	468,081,335.36	1,629,307,485.44	328,518,111.57	78,552,643.65	3,757,114,588.94	65,443,753.40
Current liabilities	146,422,969,364.73	405,603,134.71	73,746,945.12	22,747,940.94	174,660,490.17	105,149,543.23	959,088,478.01	326,180,678.01	9,408,260.47	107,789,515.82	635,077.58
Non-current liabilities	235,156,602.55	975,510,294.37			3,991,562.83	956,704,669.63	267,471,267.83	61,168,800.88	0.00	124,016,501.99	55,053,185.81
Total liabilities	146,658,125,967.28	1,381,113,429.08	73,746,945.12	22,747,940.94	178,652,053.00	1,061,854,212.86	1,226,559,745.84	387,349,478.89	9,408,260.47	231,806,017.81	55,688,263.39
Net Assets	22,081,246,057.40	1,034,460,695.88	222,200,614.14	41,764,268.00	186,501,923.17	-593,772,877.50	402,747,739.60	-58,831,367.32	69,144,383.18	3,525,308,571.13	9,755,490.01
Minority equity	1,316,124,588.85						223,155.56	-3,150,336.43		448,173,439.46	
Equity attributable to shareholders of the parent company	20,765,121,468.55	1,034,460,695.88	222,200,614.14	41,764,268.00	186,501,923.17	-593,772,877.50	402,524,584.04	-55,681,030.89	69,144,383.18	3,077,135,131.67	9,755,490.01
Shares of net assets calculated as per the shareholding proportion	4,534,957,172.88	181,030,621.78	88,880,245.66	16,705,707.20	40,668,609.39	-152,480,874.94	40,252,458.40	-19,488,360.81	31,114,972.43	450,184,869.76	4,780,190.10
Adjustments	-4,479,384.72	-1,427,852.30	111,270.89	1,338.80		152,480,874.94	-206,085.48	19,488,360.81	893,057.42	267,007,906.12	23,130.31
--Goodwill											
--Unrealized profits from							-153,628.00				

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internal transactions											
--Others	-4,479,384.72	-1,427,852.30	111,270.89	1,338.80		152,480,874.94	-52,457.48	19,488,360.81	893,057.42	267,007,906.12	23,130.31
Book value of equity investment in associated enterprises	4,530,477,788.16	179,602,769.48	88,991,516.55	16,707,046.00	40,668,609.39		40,046,372.92		32,008,029.85	717,192,775.88	4,803,320.41
Fair value of equity investment in associated enterprises with public offer											
Operating income	3,281,892,190.25	386,083,038.36	296,638,967.53	40,259,066.14	789,746,319.57	85,033,872.89	965,490,898.85	193,932,427.03		318,704,117.24	
Net Profit	986,191,282.57	17,220,710.15	2,621,911.81	1,270,359.13	16,990,982.18	-81,676,062.89	23,985,548.31	-27,586,993.78	-2,681,589.41	113,197,008.93	-244,509.99
Net profit from discontinued operations											
Other comprehensive incomes	-443,405.41	35,550,850.22									
Total comprehensive income	985,747,877.16	52,771,560.37	2,621,911.81	1,270,359.13	16,990,982.18	-81,676,062.89	23,985,548.31	-27,586,993.78	-2,681,589.41	113,197,008.93	-244,509.99
Dividends received from associated enterprises in the current year					6,500,530.62						

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	Opening Balance/Amount Incurred in Previous Period									
	First Automobile Finance Co., Ltd.	Sanguard Automobile Insurance Co., Ltd.	FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Changchun Wabco Automotive Control System Co., Ltd.	FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Suzhou Zhito Technology Co., Ltd.	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	SmartLink	Foshan Diyi Yuan New Energy Technology Co., Ltd.	Changchun Automotive Test Center Co., Ltd.
Current assets	60,775,261,687.53	1,702,254,232.36	269,973,515.28	34,757,850.89	357,052,308.05	435,005,995.30	2,019,060,250.13	175,926,690.46	74,360,794.55	1,905,889,144.98
Non-current assets	113,266,395,863.62	876,220,650.46	61,635,140.40	24,179,782.51	49,442,981.99	86,241,055.85	845,687,497.81	183,160,633.97	1,980,391.85	1,778,261,365.48
Total assets	174,041,657,551.15	2,578,474,882.82	331,608,655.68	58,937,633.40	406,495,290.04	521,247,051.15	2,864,747,747.94	359,087,324.43	76,341,186.40	3,684,150,510.46
Current liabilities	152,572,057,589.80	409,136,482.45	111,751,776.05	18,443,724.53	205,065,072.99	127,443,900.05	2,188,704,666.79	286,751,551.15	2,530,641.78	148,517,574.12
Non-current liabilities	373,433,560.68	1,187,649,264.86			2,108,533.06	905,831,430.48	301,718,046.26	90,779,279.56		123,521,374.14
Total liabilities	152,945,491,150.48	1,596,785,747.31	111,751,776.05	18,443,724.53	207,173,606.05	1,033,275,330.53	2,490,422,713.05	377,530,830.71	2,530,641.78	272,038,948.26
Net Assets	21,096,166,400.67	981,689,135.51	219,856,879.63	40,493,908.87	199,321,683.99	-512,028,279.38	374,325,034.89	-18,443,506.28	73,810,544.62	3,412,111,562.20
Minority equity	1,212,589,189.69							-1,056,387.18		448,669,357.62
Equity attributable to shareholders of the parent company	19,883,577,210.98	981,689,135.51	219,856,879.63	40,493,908.87	199,321,683.99	-512,028,279.38	374,325,034.89	-17,387,119.10	73,810,544.62	2,963,442,204.58
Shares of net assets calculated as per the shareholding proportion	4,342,434,077.83	171,795,598.71	87,942,751.83	16,197,563.58	43,464,086.43	-131,488,862.14	37,432,503.49	-6,085,491.68	33,214,745.08	433,551,594.53
Adjustments	-4,625,319.38					131,488,862.14	-449,647.25	6,085,491.68		267,105,032.74
--Goodwill										
--Unrealized profits from internal transactions							-449,647.25			
--Others	-4,625,319.38					131,488,862.14		6,085,491.68		267,105,032.74
Book value of equity investment in associated enterprises	4,337,808,758.45	171,795,598.71	87,942,751.83	16,197,563.58	43,464,086.43		36,982,856.24		33,214,745.08	700,656,627.27
Fair value of equity investment in										

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associated enterprises with public offer										
Operating income	3,209,535,678.73	436,757,499.61	290,397,008.90	29,994,307.74	688,788,120.17	35,847,499.57	1,389,765,322.96	159,572,163.42		240,465,225.12
Net Profit	1,165,863,071.10	22,325,313.14	4,167,069.20	-916,143.61	14,884,160.46	-94,145,183.33	18,284,853.78	-36,269,129.74	-233,646.64	70,700,030.55
Net profit from discontinued operations										
Other comprehensive incomes	1,185,724.65	15,630,049.55								
Total comprehensive income	1,167,048,795.75	37,955,362.69	4,167,069.20	-916,143.61	14,884,160.46	-94,145,183.33	18,284,853.78	-36,269,129.74	-233,646.64	70,700,030.55
Dividends received from associated enterprises in the current year		4,835,877.87			6,892,912.77					

Other description

(4) Excess losses incurred by joint ventures or associated enterprises

Unit: CNY

Name of Joint Ventures or Associated Enterprises	Unrecognized Losses Accumulated in Prior Periods	Unrecognized Losses in the Current Period (or Net Profit Shared in the Current Period)	Accumulated Unrecognized Losses at the End of the Current Period
Suzhou Zhito Technology Co., Ltd.	131,488,862.14	52,509,372.59	183,998,234.73
SmartLink	6,085,491.68	10,344,079.45	16,429,571.13

Other description

XI. Government subsidies**1. Government subsidies recognized at the receivable amount at the end of the reporting period**Applicable Not applicable

Reasons for failing to receive the expected amount of government subsidies at the expected time point

Applicable Not applicable**2. Liability items with government subsidies**Applicable Not applicable**3. Government subsidies included in the current profit or loss**Applicable Not applicable

Unit: CNY

Account item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Government subsidies	209,501,338.40	193,604,585.44

Other description: none

XII. Risks Related to Financial Instruments**1. Various risks arising from financial instruments**

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

(1) Risk management objectives and policies

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

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

- Credit risk

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

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

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

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

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

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

The accounts receivable of the top five customers account for 72.44% of the total accounts receivable of the Company. Other receivables of the top five companies with debts account for 76.54% of the total other receivables of the Company.

- Liquidity risk

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

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

The sources of the Company's working capital include funds generated from operating activities, bank loans and other loans. As of June 30, 2024, the unused bank loan amount of the Company is CNY 10.291 billion.

- Market risk

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

Interest rate risk

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

Sensitivity analysis on interest rate risk:

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

The Company had no interest-bearing debts such as bank loans as of June 30, 2024.

Exchange rate risk

Exchange rate risk refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to change in foreign exchange rate. Exchange rate risk may come from financial instruments denominated in a foreign currency other than the recording currency.

The foreign exchange risk borne by the Company is mainly related to euros. Main business activities of the Company are settled in CNY, except that the subsidiary established in Austria holds assets settled in EUR. The balance of Company's assets and liabilities were all in CNY as of June 30, 2024, except a small amount of monetary capitals including the balance in EUR. Therefore, the Company does not believe that the exchange rate risk faced is significant.

(2) Capital management

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

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

The Company monitors the capital structure based on the asset-liability ratio (i.e. total liabilities divided by total assets). As of June 30, 2024, the Company's asset-liability ratio is 69.68%.

2. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

(2) Financial assets derecognized due to transfer

Applicable Not applicable

(3) Financial assets with continuous involvement in asset transfer

Applicable Not applicable

Other description

XIII. Disclosure of Fair Value

1. Ending fair value of assets and liabilities measured at fair value

Unit: CNY

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Ongoing fair value measurement	--	--	--	--
(I) Other equity instrument investments			480,780,000.00	480,780,000.00
Total assets continuously measured at fair value			480,780,000.00	480,780,000.00
II. Non-continuous fair value measurement	--	--	--	--

2. Basis for determination of market prices for continuous and non-continuous level I measurement items at fair value

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

3. Valuation techniques and qualitative and quantitative information about key parameters of items subject to continuous and non-continuous level II fair value measurement

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

4. Valuation techniques and qualitative and quantitative information about key parameters of items subject to continuous and non-continuous level III fair value measurement

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

5. Others

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

XIV. Related Parties and Related Party Transactions

1. Parent company of the Company

Name of Parent Company	Registered address	Nature of business	Registered Capital	Shareholding Proportion of the Parent Company in the Company	Proportion of Voting Rights of the Parent Company in the Company
FAW	Changchun	Production and sales of automobiles and parts	7,800,000.00	66.19%	66.19%

Description of the parent company of the Company: The ultimate controlling party of the Company is FAW Group.

Other description: The registered capital of the parent company has not changed during the reporting period.

2. Subsidiaries of the Company

For details of subsidiaries of the Company, see Section 10 of the Notes to the Financial Report, V Interests in other entities, 1.

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

For details of the significant joint ventures or associated enterprises of the Company, see Section 10 of the Notes to the Financial Report, X Interests in other entities, 2.

Other joint ventures or associated enterprises that have related party transactions with the Company in the current period or in the previous period, resulting in balance, are as follows:

Name of Joint Ventures or Associated Enterprises	Relationship with the Company
First Automobile Finance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party
Sanguard Automobile Insurance Co., Ltd.	Associated enterprise of the Company, the same

	ultimate controlling party
Changchun Automotive Test Center Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
Changchun Wabco Automotive Control System Co., Ltd.	Associated enterprise of the Company
Suzhou Zhito Technology Co., Ltd.	Associated enterprise of the Company
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Associated enterprise of the Company
SmartLink	Associated enterprise of the Company
Foshan Diyi Yuan New Energy Technology Co., Ltd.	Associated enterprise of the Company
Jiefang Times New Energy Technology Co., Ltd.	Joint enterprise of the Company
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	Associated enterprise of the Company

Other description: none

4. Information on other related parties

Names Of Other Related Parties	Relationship between Other Related Parties and the Company
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party
Changchun FAW Automobile Culture Communication Co., Ltd.	The same ultimate controlling party
FAW Changchun Automobile Trading Service Co., Ltd.	The same ultimate controlling party
FAW Asset Management Co., Ltd.	The same ultimate controlling party
FAW Foundry Co., Ltd.	The same ultimate controlling party
FAW Zhixing Technology (Nanjing) Co., Ltd.	The same ultimate controlling party
FAW Logistics Co., Ltd.	The same ultimate controlling party
FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	The same ultimate controlling party
FAW Logistics (Qingdao) Co., Ltd.	The same ultimate controlling party
FAW Logistics (Chengdu) Co., Ltd.	The same ultimate controlling party
FAW Mold Manufacturing Co., Ltd.	The same ultimate controlling party
FAW Harbin Light Automobile Co., Ltd.	The same ultimate controlling party
Changchun Faw Service Trade Co., Ltd.	The same ultimate controlling party
FAW Forging (Jilin) Co., Ltd.	The same ultimate controlling party
FAW (Dalian) International Logistics Co., Ltd.	The same ultimate controlling party
Sanguard Automobile Insurance Co., Ltd.	The same ultimate controlling party
Wuxi Sawane Spring Co., Ltd.	The same ultimate controlling party
Qiming Information Technology Co., Ltd.	The same ultimate controlling party
Hainan Tropical Automobile Test Co., Ltd.	The same ultimate controlling party
FAW Changchun Comprehensive Utilization Co., Ltd.	Other related parties
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Other related parties
FAW Changchun Communication Technology Co.,	Other related parties

Ltd.	
Changchun FAW United Casting Company	Other related parties
Changchun FAWAY Automobile Components Co., Ltd.	Other related parties
Changchun FAWSN Group Co., Ltd.	Other related parties
Changchun Yidong Clutch Co., Ltd.	Other related parties
Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	Other related parties
FAW Jingye Engine Co., Ltd.	Other related parties
FAW Jilin Automobile Co., Ltd.	Other related parties
FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	Other related parties
Cinda FAW Commercial Factoring Co., Ltd.	Other related parties
Wuxi CRRC New Energy Automobile Co., Ltd.	Other related parties
Shandong Pengxiang Automobile Co., Ltd.	Other related parties
United Fuel Cell System R&D (Beijing) Co., Ltd.	Other related parties
Jilin Checheng Garden Hotel Co., Ltd.	Other related parties
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Other related parties
Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	Other related parties
Grammer Vehicle Parts (Harbin) Co., Ltd.	Other related parties
Fawer Auto Parts Co., Ltd.	Other related parties

Other description:

5. Related transactions

(1) Related transactions of purchasing or selling goods and providing or receiving labor services

Statement of goods purchase/reception of labor services

Unit: CNY

Related Parties	Content of Related Transaction	Amount Incurred in Current Period	Approved Transaction Amount	Is the Transaction Amount Exceeded	Amount Incurred in the Previous Period
China FAW Group Corporation Limited	Goods purchase and reception of labor services	168,278,364.51	360,000,000.00	No	155,846,981.56
FAW Harbin Light Automobile Co., Ltd.	Goods purchase and reception of labor services	34,043,954.78	138,020,000.00	No	32,547,680.87
FAW Logistics Co., Ltd.	Goods purchase and reception of labor services	132,075,955.87	495,900,000.00	No	195,120,017.33
FAW Logistics (Qingdao) Co., Ltd.	Goods purchase and reception of labor services	190,769,196.12	426,220,000.00	No	119,111,915.14

FAW Foundry Co., Ltd.	Goods purchase and reception of labor services	384,030,084.81	931,140,000.00	No	413,071,742.20
FAW Forging (Jilin) Co., Ltd.	Goods purchase and reception of labor services	132,632,358.53	557,310,000.00	No	191,850,549.63
China FAW Group Import & Export Co., Ltd.	Goods purchase and reception of labor services	114,352,745.51	375,350,000.00	No	62,900,925.02
Qiming Information Technology Co., Ltd.	Goods purchase and reception of labor services	37,009,622.81	194,010,000.00	No	72,665,910.12
Changchun Automotive Test Center Co., Ltd.	Goods purchase and reception of labor services	6,343,840.40	119,170,000.00	No	22,796,281.44
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Goods purchase and reception of labor services	159,432,158.11	235,580,000.00	No	35,812,164.45
FAW Changchun Ansteel Steel Processing and Distribution Co., Ltd.	Goods purchase and reception of labor services	198,996,257.45	516,630,000.00	No	156,577,508.70
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Goods purchase and reception of labor services	227,909,641.46	502,720,000.00	No	101,309,325.27
SmartLink	Goods purchase and reception of labor services	115,585,042.51	302,560,000.00	No	89,982,268.22
Changchun Yidong Clutch Co., Ltd.	Goods purchase and reception of labor services	107,551,528.62	250,180,000.00	No	103,546,734.02
Fawer Auto Parts Co., Ltd.	Goods purchase and reception of labor services	768,424,274.21	1,972,380,000.00	No	751,551,871.30
Changchun FAWSN Group Co., Ltd.	Goods purchase and reception of labor services	286,249,843.64	604,920,000.00	No	280,903,728.09
Changchun FAWAY Automobile Components Co., Ltd.	Goods purchase and reception of labor services	212,166,163.52	585,000,000.00	No	181,104,399.46
FAW Jilin Automobile Co., Ltd.	Goods purchase and reception of labor services	24,828,172.39	251,930,000.00	No	2,367,964.59

Shandong Pengxiang Automobile Co., Ltd.	Goods purchase and reception of labor services	167,405,214.29	723,730,000.00	No	321,749,405.78
Grammer Vehicle Parts (Harbin) Co., Ltd.	Goods purchase and reception of labor services	128,212,162.85	284,590,000.00	No	45,950,885.93
China FAW Group Co., Ltd. and other related parties	Goods purchase and reception of labor services	139,488,038.44	489,900,000.00	No	194,637,679.90

Statement of goods sales/rendering of services

Unit: CNY

Related Parties	Content of Related Transaction	Amount Incurred in Current Period	Amount Incurred in the Previous Period
China FAW Group Import & Export Co., Ltd.	Selling goods and providing services	8,493,521,248.00	6,728,264,167.89
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Selling goods and providing services	568,251,081.37	1,213,457,947.93
SmartLink	Selling goods and providing services	4,181,200.56	66,851,895.14
Jiefang Times New Energy Technology Co., Ltd.	Selling goods and providing services	647,603,840.05	
FAW Changchun Comprehensive Utilization Co., Ltd.	Selling goods and providing services	75,447,154.97	100,636,434.81
China FAW Group Co., Ltd. and other related parties	Selling goods and providing services	76,963,064.64	67,374,869.64

Description of related transactions of purchasing or selling goods and providing or receiving labor services:

(2) Related lease

The Company, as the lessor:

Unit: CNY

Name of Lessee	Type of Leased Assets	Lease Income Recognized in the Current Period	Lease Income Recognized in the Previous Period
Changchun Automotive Test Center Co., Ltd.	Houses and Buildings		1,288,392.99
FAW	Houses and Buildings	774,875.72	1,017,306.92
Fawer Auto Parts Co., Ltd.	Houses and Buildings	197,702.76	197,702.76
FAW Changchun Communication Technology Co., Ltd.	Land	22,018.35	
Shandong Pengxiang Automobile Co., Ltd.	Houses, buildings and land	386,020.18	377,350.46
FAW Changchun Baoyou Steel Processing	Plant	1,059,049.54	

and Distribution Co., Ltd.			
Foshan Diyyuan New Energy Technology Co., Ltd.	Building	48,441.12	

The Company, as the lessee:

Unit: CNY

Name of lessor	Type of Leased Assets	Rental expenses for simplified short-term leases or low-value asset leases		Variable lease payments not included in the measurement of lease liabilities		Rent Paid		Interest Expense on Lease Liabilities Incurred		Increased right-of-use assets	
		Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period	Amount Incurred in Current Period	Amount Incurred in the Previous Period
FAW Group	House and land						2,132,938.00				
FAW	Houses and Buildings					3,839,917.11		112,555.99	22,096.94		
Changchun Automotive Test Center Co., Ltd.	Houses and Buildings						2,335,846.88		55,363.78		

Description of related leases

(3) Remuneration of key management personnel

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Remuneration of key management personnel	5,382,500.00	4,467,250.06

Note 1: Due to the adjustment of statistical caliber, the change occurred in the same period last year.

(4) Other related transactions

Interest income and interest expense

Related Parties	Content of Related Transaction	Amount incurred in the current period (CNY)	Amount incurred in the previous period (CNY)
First Automobile Finance Co., Ltd.	Interest income	61,055,123.68	59,863,417.16

Deposits and interests in finance companies

Project name	Related Parties	Transaction content	Ending balance (CNY)	Ending balance of the previous year (CNY)
Monetary capital	First Automobile Finance Co., Ltd.	Deposits and interests of finance company included in bank deposits	8,678,069,325.92	14,046,575,246.78

Equity investment

Item	Amount incurred in the current period (CNY)	Amount incurred in the previous period (CNY)
Changchun Automotive Test Center Co., Ltd.		670,872,897.94

6. Receivables and payables of related parties**(1) Receivables**

Unit: CNY

Project Name	Related Parties	Ending balance		Opening balance	
		Book balance	Provision for Bad Debts	Book balance	Provision for Bad Debts
Accounts receivable	FAW	443,661.84	2,129.58	2,150,000.00	10,320.00
Accounts receivable	FAW Harbin Light Automobile Co., Ltd.	3,310,192.84	4,601.41	260,081,914.30	261,998.72
Accounts receivable	China FAW Group Import & Export Co., Ltd.	7,446,827,018.24	21,870,950.49	565,045,453.53	1,438,890.29
Accounts receivable	FAW Asset Management Co., Ltd.	874,946.68	456,782.67	454,999.94	454,999.94
Accounts	FAW Hongta	43,106,461.34	11,709,465.17	54,814,238.73	11,781,810.57

receivable	Yunnan Automobile Manufacturing Co., Ltd.				
Accounts receivable	Suzhou Zhito Technology Co., Ltd.	25,032.67	120.16		
Accounts receivable	SmartLink	1,243,517.38	2,755.27	5,106,986.20	5,106.99
Accounts receivable	Jiefang Times New Energy Technology Co., Ltd.	801,428,696.29	2,133,786.12	193,088,998.31	743,368.60
Accounts receivable	Changchun Yidong Clutch Co., Ltd.	1,168,165.53	5,607.19	15,885.93	76.25
Accounts receivable	Fawer Auto Parts Co., Ltd.	66,687.97	320.10		
Accounts receivable	Changchun FAWSN Group Co., Ltd.	19,816.32	95.12		
Accounts receivable	United Fuel Cell System R&D (Beijing) Co., Ltd.	177,876.10	853.81	210,717.10	1,011.44
Accounts receivable	Changchun FAWAY Automobile Components Co., Ltd.	8,670.94	41.62	8,670.94	41.62
Accounts receivable	FAW Jingye Engine Co., Ltd.	1,820,957.23	1,820,957.23	1,820,957.23	1,820,957.23
Accounts receivable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	2,722.49			
Accounts receivable	Shandong Pengxiang Automobile Co., Ltd.	92,917.44		13,086.18	62.81
Accounts receivable	Grammer Vehicle Parts (Harbin) Co., Ltd.	124,587.00		116,052.30	557.05
Accounts receivable	FAW Changchun Comprehensive Utilization Co., Ltd.			24,427.35	117.25
Accounts receivable	Qiming Information Technology Co., Ltd.			131,897.06	633.11
Other receivables	FAW	59,722.27			
Other receivables	FAW Logistics Co., Ltd.	323,318.34	323.32	55,370.79	1,688.81
Other receivables	FAW Foundry Co., Ltd.	2,439.14			
Other	China FAW Group	363,892.85	2,547.25		

receivables	Import & Export Co., Ltd.				
Other receivables	FAW Asset Management Co., Ltd.	386,818.51		3,124,921.61	93,785.11
Other receivables	SmartLink	9,567,968.06	291,823.02	7,597,737.61	231,731.00
Other receivables	FAW Forging (Jilin) Co., Ltd.			23,548.67	718.23
Other receivables	FAW Mold Manufacturing Co., Ltd.			19,983.53	609.50
Other receivables	FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.			1,219.65	37.20
Prepayments	FAW Mold Manufacturing Co., Ltd.	24,958,345.36		12,268,345.36	
Prepayments	China FAW Group Import & Export Co., Ltd.	97,893,842.46		291,602,226.68	
Prepayments	Qiming Information Technology Co., Ltd.	1,300,611.20		2,083,957.10	
Prepayments	Changchun Automotive Test Center Co., Ltd.	29,773,068.93		26,426,263.51	
Prepayments	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	867,810.00		600,000.00	
Prepayments	SmartLink	1,682,000.00		5,473,400.00	
Prepayments	FAW Jilin Automobile Co., Ltd.	3,757,511.16		12,256,098.84	
Prepayments	FAW Foundry Co., Ltd.			20,532.03	

(2) Payables

Unit: CNY

Project Name	Related Parties	Ending book balance	Beginning Book Balance
Accounts payable	FAW	6,188,299.81	29,476,172.06

Accounts payable	FAW Harbin Light Automobile Co., Ltd.	19,833,783.87	65,513,752.89
Accounts payable	Sanguard Automobile Insurance Co., Ltd.	837,164.00	2,822,789.08
Accounts payable	FAW Logistics Co., Ltd.	62,541,066.13	80,290,107.51
Accounts payable	FAW Logistics (Changchun Lushun) Storage and Transportation Co., Ltd.	12,733,958.63	8,629,745.71
Accounts payable	FAW Logistics (Chengdu) Co., Ltd.	971,125.36	
Accounts payable	FAW Logistics (Qingdao) Co., Ltd.	122,291,453.83	104,662,732.36
Accounts payable	FAW (Dalian) International Logistics Co., Ltd.	1,146,147.03	6,942,812.41
Accounts payable	FAW Foundry Co., Ltd.	62,978,613.78	44,286,964.68
Accounts payable	FAW Forging (Jilin) Co., Ltd.	14,995,105.72	76,891,932.23
Accounts payable	FAW Mold Manufacturing Co., Ltd.	198,377.90	1,133,423.20
Accounts payable	China FAW Group Import & Export Co., Ltd.	386,921.09	2,678,724.16
Accounts payable	Qiming Information Technology Co., Ltd.	25,145,671.35	32,857,375.09
Accounts payable	FAW Asset Management Co., Ltd.	452,360.34	226,180.17
Accounts payable	FAW Zhixing Technology (Nanjing) Co., Ltd.	56,300.00	16,200.00
Accounts payable	FAW Changchun Automobile Trading Service Co., Ltd.	252,245.05	2,609,565.02
Accounts payable	Wuxi Sawane Spring Co., Ltd.	2,321,062.19	377,207.77
Accounts payable	Changchun Automotive Test Center Co., Ltd.	238,700.00	6,851,687.59
Accounts payable	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.	1,800.00	
Accounts payable	FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	117,302.64	117,304.27
Accounts payable	Changchun Wabco Automotive Control System Co., Ltd.	9,955,310.52	5,414,883.93
Accounts payable	Suzhou Zhito Technology Co., Ltd.	1,517,123.38	10,237.07
Accounts payable	SmartLink	9,481,061.27	18,624,052.12
Accounts payable	Changchun FAW United Casting Company	2,826,258.25	39,972.52
Accounts payable	Changchun Yidong Clutch Co., Ltd.	80,559,751.91	52,247,878.28
Accounts payable	Fawer Auto Parts Co., Ltd.	410,219,192.48	321,637,528.00

payable			
Accounts payable	Changchun FAWSN Group Co., Ltd.	87,142,731.86	33,612,267.32
Accounts payable	FAW Changchun Communication Technology Co., Ltd.	894,647.22	61,517.85
Accounts payable	Changchun FAWAY Automobile Components Co., Ltd.	149,954,475.86	142,502,192.54
Accounts payable	Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	212,699.82	451,864.50
Accounts payable	Wuxi CRRC New Energy Automobile Co., Ltd.	757,023.75	
Accounts payable	FAW Changchun Comprehensive Utilization Co., Ltd.	177,817.38	2,361,868.60
Accounts payable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	52,137.94	51,837.99
Accounts payable	Shandong Pengxiang Automobile Co., Ltd.	86,134,801.21	95,007,782.33
Accounts payable	Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	279,949.22	326,523.80
Accounts payable	Grammer Vehicle Parts (Harbin) Co., Ltd.	53,590,737.22	10,120,909.07
Accounts payable	Hainan Tropical Automobile Test Co., Ltd.		1,625,476.03
Accounts payable	Changchun FAW International Tendering Co., Ltd.		26,778.00
Accounts payable	FAW Logistics (Foshan) Co., Ltd.		4,293.00
Accounts payable	FAW Group		2,212,607.00
Accounts payable	Dalian Qiming Haitong Information Technology Co., Ltd.		240,000.00
Accounts payable	FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.		178,081.90
Accounts payable	China Unicom Intelligent Network Technology Co., Ltd.		30,249.00
Accounts payable	FAW Changchun Industrial Shuixing Rubber and Plastic Products Co., Ltd.		15,197.33
Other payables	FAW Group	1,557,231.25	
Other payables	FAW	4,185,509.65	95,802,940.17
Other payables	Sanguard Automobile Insurance Co., Ltd.	78,000.00	77,800.00
Other payables	FAW Mold Manufacturing Co., Ltd.	38,494,533.47	17,227,387.87
Other payables	China FAW Group Import & Export Co., Ltd.	14,308,220.88	3,485,617.92

Other payables	Qiming Information Technology Co., Ltd.	14,242,385.77	21,046,660.22
Other payables	Changchun Automotive Test Center Co., Ltd.	778,615.62	26,847,716.00
Other payables	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	15,330,311.40	94,265,971.56
Other payables	FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	2,413,738.39	
Other payables	SmartLink	79,133.00	1,876,477.00
Other payables	Changchun Yidong Clutch Co., Ltd.	455,297.19	
Other payables	Fawer Auto Parts Co., Ltd.	18,670,798.96	10,095,378.21
Other payables	FAW Changchun Communication Technology Co., Ltd.	2,221,042.13	3,062,361.99
Other payables	Shandong Pengxiang Automobile Co., Ltd.	800,000.00	1,040,000.00
Other payables	FAW Hongta Yunnan Automobile Manufacturing Co., Ltd.		134,832,393.40
Other payables	FAW Harbin Light Automobile Co., Ltd.		8,241,822.24
Other payables	Changchun Faw Service Trade Co., Ltd.		320,000.00
Other payables	Suzhou Zhito Technology Co., Ltd.		10,000.00
Other payables	FAW Asset Management Co., Ltd.		3,925.62
Contract liabilities	China FAW Group Import & Export Co., Ltd.	9,195,426.75	4,057,439.29
Contract liabilities	FAW Asset Management Co., Ltd.	20,698.19	
Contract liabilities	Changchun Faw Service Trade Co., Ltd.	5,193,035.42	28,117,018.95
Contract liabilities	Suzhou Zhito Technology Co., Ltd.	176,990.83	334,400.00
Contract liabilities	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	4,094,899.58	
Contract liabilities	Jiefang Times New Energy Technology Co., Ltd.	19,003.50	
Contract liabilities	FAW Changchun Comprehensive Utilization Co., Ltd.	1,124,205.71	2,463,687.98
Contract liabilities	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.		309,314,130.28
Contract liabilities	Shandong Pengxiang Automobile Co., Ltd.		492,721.62
Contract liabilities	FAW Changchun Automobile Trading Service Co., Ltd.		26,830.00
Contract	FAW New Energy Vehicle Sales (Shenzhen)		8,060.00

liabilities	Co., Ltd.		
Accounts received in advance	FAW	387,437.84	
Accounts received in advance	FAW Changchun Automobile Trading Service Co., Ltd.	26,830.00	
Accounts received in advance	Fawer Auto Parts Co., Ltd.	107,748.00	107,748.00
Accounts received in advance	FAW Changchun Communication Technology Co., Ltd.	6,422.03	
Accounts received in advance	Shandong Pengxiang Automobile Co., Ltd.		210,381.00

XV. Share-based Payment

1. General conditions of share-based payments

Applicable Not applicable

Unit: CNY

Grantee category	Shares granted in the current period		Shares exercised in the current period		Shares unlocked in the current period		Shares invalidated in the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Manager					13,107,301.00	50,594,181.86	15,479,987.00	97,950,033.45
Total					13,107,301.00	50,594,181.86	15,479,987.00	97,950,033.45

Stock options or other equity instruments outstanding at the end of the current period

Applicable Not applicable

Other description

2. Equity-settled share-based payment

Applicable Not applicable

Unit: CNY

Measures for determining the fair value of equity instruments on the grant date	Restricted shares are determined according to the closing price on the grant date, and stock options are determined according to the B-S option pricing model.
Important parameters of fair value of equity instruments on the grant date	Quoted prices in active markets
Basis for determining the number of exercisable	The Company determines the number according to the

equity instruments	Proposal on the Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD. (Draft) and Its Summary, the Proposal on the Regulations for the Implementation Assessment of Restricted Share Incentive Plan of FAW JIEFANG GROUP CO., LTD., the Proposal on the Regulations for Restricted Share Incentive of FAW JIEFANG GROUP CO., LTD., and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Share Incentive Plan.
Reasons for significant differences between current estimates and previous estimates	None
Aggregate amount of equity-settled share-based payment charged to the capital reserve	53,722,176.82
Total expenses recognized by equity-settled share-based payment in the current period	-24,775,825.33

Other description

3. Cash-settled share-based payment

Applicable Not applicable

4. Share-based payment expenses in the current period

Applicable Not applicable

Unit: CNY

Grantee category	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Manager	605,418.43	
Total	605,418.43	

Other description

5. Modification and termination of share-based payment: None

XVI. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

The Company has no other commitments that should be disclosed as of June 30, 2024.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

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

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Subject amount (yuan)	Case Progress
China Pacific Insurance Co., Ltd. Changchun Center Branch	Changchun Yongchun Automobile Shipping Co., Ltd., Zhang Tianbao, FAW Jiefang Automobile Co., Ltd., FAW Jiefang Automobile Co., Ltd. Smart Logistics Branch, Sanguard Automobile Insurance Co., Ltd. Jilin Branch	Traffic accident liability case	Lvyuan District People's Court of Changchun City	2,566,400.00	First instance
Sun Zhongwu	Zaozhuang Jujin Vehicle Co., Ltd., FAW Group	Product liability cases	Yicheng District People's Court of Zaozhuang City	1,580,000.00	First instance
He Zihua, Deng Liwen	Wei Chengtie, Nanning Hongfa Logistics Co., Ltd., FAW Group, Guangxi Jiefang Automobile Trading Co., Ltd.	Traffic accident liability case	Xingning District People's Court of Nanning City	901,417.50	First instance
Jiangxi Lefeng Logistics Co., Ltd.	Shenzhen SF Zhida Network Technology Co., Ltd., FAW Group	Product liability cases	Shangrao Intermediate People's Court	643,091.56	Second instance
Huaiyuan County Smooth Transport Co., Ltd.	Bengbu Huaxin Automobile Sales and Service Co., Ltd., FAW Group	Product liability cases	Yuhui District People's Court of Bengbu City	551,325.93	First instance
Luoyang Nengxin Automobile Transport Co., Ltd.	Luoyang Kayou Automobile Sales and Service Co., Ltd., FAW Group	Product liability cases	Xin'an County People's Court, Henan Province	452,960.30	First instance
Beijing Founder Electronics Co., Ltd.	FAW Jiefang (Qingdao) Automotive Co., Ltd.	Infringement disputes	Beijing Internet Court	400,000.00	First instance

Dong Yan, Shang Jia, Shang Hui, Liu Guoying	Zhang Tianbao, Changchun Yongchun Automobile Shipping Co., Ltd., FAW Logistics Co., Ltd., Sanguard Automobile Insurance Co., Ltd. Jilin Branch, FAW Jiefang Automobile Co., Ltd. Smart Logistics Branch, FAW Jiefang Automobile Co., Ltd.	Traffic accident liability case	Kangping County People's Court of Shenyang City	391,171.05	First instance
Sanming Huatong Jiefang Automobile Sales and Service Co., Ltd.	FAW Group	Product liability cases	Changchun Intermediate People's Court	308,244.66	Second instance
Liu Zhenyu	Zhang Tianbao, Changchun Yongchun Automobile Shipping Co., Ltd., FAW Logistics Co., Ltd., Sanguard Automobile Insurance Co., Ltd. Jilin Branch, FAW Jiefang Automobile Co., Ltd. Smart Logistics Branch, FAW Jiefang Automobile Co., Ltd.	Traffic accident liability case	Kangping County People's Court of Shenyang City	268,262.96	First instance

As of June 30, 2024, the Company has no contingencies other than those mentioned above that should be disclosed.

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

The Company has no important contingencies to be disclosed.

XVII. Events after the Balance Sheet Date

1. Notes on other events after the balance sheet date

The Company had no events after the balance sheet date to be disclosed as of August 29, 2024.

XVIII. Other Significant Matters

1. Annuity plan

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

Main contents of annuity plan are as follows:

- (1) “Enterprise annuity” mentioned in this plan refers to the enterprise supplementary endowment insurance system voluntarily established by the enterprise and its employees according to national policies and regulations on the basis of purchasing the basic endowment insurance and fulfilling the payment obligation according to law, and is an integral part of the enterprise employee compensation and welfare system.
- (2) Organization, management and supervision: Enterprise representatives and employee representatives establish the FAW Enterprise Annuity Council (hereinafter referred to as the Annuity Council) through collective negotiation. The Annuity Council is composed of enterprise and employee representatives, of which not less than one third are employee representatives. The Annuity Council, as the trustee of this plan, is responsible for the operation and management of FAW Group’s enterprise annuity fund.
- (3) Fund raising and payment methods: The expenses required for enterprise annuity are jointly paid by the enterprise and employees.
- (4) Account management: The enterprise annuity fund implements a full accumulation system and is managed by personal accounts. At the same time, enterprise accounts are established to collect unvested rights and interests.
- (5) Fund management: The enterprise annuity fund consists of the following items: ① Enterprise’s payment; ② Employees’ payment; ③ Investment and operation income. The enterprise annuity fund is entrusted to the Annuity Council for management. The enterprise and employee representatives entrust the Company to sign the enterprise annuity fund entrusted management contract with the Annuity Council through collective negotiation, and entrust the Annuity Council for management and market-oriented operation of the enterprise annuity fund collected by this plan.
- (6) Benefit planning and distribution: The employee’s payment and its investment income belong to the employee; the part of enterprise’s payment distributed to the individual account and its investment income belong to the employee as specified, and the part not belonging to the individual is transferred to the enterprise account.
- (7) Payment method of enterprise annuity: ① For the retired employee and the employee completing the retirement procedures, the balance of the annuity personal account can be received at one time (or monthly, in several times or at one time based the balance of the individual account, the individual income tax burden, etc.); ② For the dead, the balance of the individual account of the enterprise annuity can be collected by the legal successor at one time; ③ For the overseas residents, the balance of the personal account of the enterprise annuity may be paid to them at one time according to their requirements.

XIX. Notes to Major Items of Parent Company’s Financial Statements

1 Other receivables

Unit: CNY

Item	Ending balance	Opening balance
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Other receivables	219,864.00	219,864.00
Total	219,864.00	219,864.00

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

Unit: CNY

Nature	Ending book balance	Beginning Book Balance
Current account	459,006.26	459,006.26
Total	459,006.26	459,006.26

2) Disclosure by aging

Unit: CNY

Aging	Ending book balance	Beginning Book Balance
2-3 years	459,006.26	459,006.26
Total	459,006.26	459,006.26

3) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Ending balance					Opening balance				
	Book balance		Provision for Bad Debts		Book Value	Book balance		Provision for Bad Debts		Book Value
	Amount	Percentage	Amount	Provision proportion		Amount	Percentage	Amount	Provision proportion	
Including:										
Provision for bad debts made by portfolio	459,006.26	100.00%	239,142.26	52.10%	219,864.00	459,006.26	100.00%	239,142.26	52.10%	219,864.00
Including:										
Total	459,006.26	100.00%	239,142.26	52.10%	219,864.00	459,006.26	100.00%	239,142.26	52.10%	219,864.00

Category name of provision for bad debt reserve by combination:

Unit: CNY

Name	Ending balance		
	Book balance	Provision for Bad Debts	Provision proportion
Provision for bad debts made by portfolio	459,006.26	239,142.26	52.10%
Total	459,006.26	239,142.26	

Description of the basis for determining this portfolio:

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

Unit: CNY

Provision for Bad Debts	Stage I	Stage II	Stage III	Total
	Expected Credit Losses for the Next 12 Months	Expected credit loss in the duration (credit impairment not occurred)	Expected credit loss for the entire duration (with credit impairment)	
Balance as at January 1, 2024		239,142.26		239,142.26
Balance on January 1, 2024 in the current period				
Balance as at June 30, 2024		239,142.26		239,142.26

Basis for stage division and proportion of bad debt provision

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

Applicable Not applicable

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

Unit: CNY

Name of Unit	Nature of Payment	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending Balance of Provision for Bad Debts
Customer 1	Current account	459,006.26	2-3 years	100.00%	239,142.26
Total		459,006.26		100.00%	239,142.26

2. Long-term equity investment

Unit: CNY

Item	Ending balance			Opening balance		
	Book balance	Impairment Provision	Book Value	Book balance	Impairment Provision	Book Value
Investment in subsidiaries	21,084,445,613.03		21,084,445,613.03	21,084,445,613.03		21,084,445,613.03
Investment in associated enterprises and joint ventures	4,710,080,557.64		4,710,080,557.64	4,509,604,357.16		4,509,604,357.16
Total	25,794,526,170.67		25,794,526,170.67	25,594,049,970.19		25,594,049,970.19

(1) Investment in subsidiaries

Unit: CNY

Investee	Opening balance (book value)	Opening balance of impairme nt provision	Increase/Decrease in the current period				Ending balance (book Value)	Ending balance of impairme nt provision
			Additi onal Invest ment	Redu ced Inves tment	Impair ment Provisi on	Oth ers		
FAW Jiefang Automoti ve Co., Ltd.	21,084,445,613.03						21,084,445,613.03	
Total	21,084,445,613.03						21,084,445,613.03	

(2) Investment in associated enterprises and joint ventures

Unit: CNY

Investor	Opening balance (book value)	Openin g balance of impair ment provisi on	Increase/Decrease in the current period							Ending balance (book Value)	Ending balanc e of impair ment provisi on	
			Additi onal Investme nt	Reduced Investme nt	Investment gains or losses recognized under the equity method	Adjustment to other comprehensive income	Chan ges in other equity	Cash divide nds and profit s declar ed to pay	Impai rment Provi sion			Oth ers
I. Joint ventures												
II. Associated enterprises												
First Automobil e Finance Co., Ltd.	4,337,808,758.45				192,765,866.35	-96,836.64					4,530,477,788.16	
Sanguard Automobil e Insurance Co., Ltd.	171,795,598.71				2,127,273.48	5,679,897.29					179,602,769.48	
Subtotal	4,509,604,357.16				194,893,139.83	5,583,060.65					4,710,080,557.64	
Total	4,509,604,357.16				194,893,139.83	5,583,060.65					4,710,080,557.64	

The recoverable amount is the net amount of the fair value after deducting the disposal expenses

Applicable Not applicable

The recoverable amount is the present value of the expected future cash flow

Applicable Not applicable

Reasons for apparent discrepancies between the foregoing information and the information used in the impairment tests or external information in the previous year

Reasons for apparent discrepancies between the information used in the Company's impairment tests in the previous year and the actual situation in the current year

3. Investment income

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Long-term equity investment income calculated with cost method	353,500,000.00	
Income from long-term equity investments accounted for using the equity method	194,893,139.83	232,563,045.29
Total	548,393,139.83	232,563,045.29

XX. Supplementary Information

1. Breakdown of non-recurring profit or loss of current period

Applicable Not applicable

Unit: CNY

Item	Amount	Description
Profits or losses on disposal of non-current assets	746,088.82	It refers to the net gain on disposal of non-current assets.
Government subsidies included in the current profit or loss (except those closely related to the Company's normal operations, conforming to the State policies and regulations and enjoyed in line with the specified standards, and having a continuous impact on the profit or loss of the Company)	209,501,338.40	
Reversal of impairment provision for receivables subject to separate impairment test	4,480,000.00	It mainly refers to the reversal of impairment provision for receivables subject to separate impairment test.
Non-operating income and expenses other than	24,323,682.07	They mainly refer to the net non-

the above		operating income and expenses
Less: amount affected by income tax	44,675,062.74	
Total	194,376,046.55	--

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

Applicable Not applicable

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

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

Applicable Not applicable

2. Return on net assets and earnings per share

Profit for the Reporting Period	Weighted average return on equity	Earnings per Share	
		Basic earnings per share (CNY/share)	Diluted earnings per share (CNY/share)
Net profit attributable to ordinary shareholders of the Company	1.93%	0.1034	0.1034
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit and loss	1.19%	0.0614	0.0614

3. Differences in accounting data under domestic and foreign accounting standards

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

Applicable Not applicable

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

Applicable Not applicable

(3) Explanation of the reasons for accounting data differences under domestic and foreign accounting standards shall be given, and where data audited by an overseas audit authority has been adjusted based on the differences, the name of the overseas institution shall be indicated.