



FAW JIEFANG GROUP CO., LTD

Annual Report 2025

March 2026



Section I Important Notes, Contents and Definitions

The Board of Directors, the Directors, and Senior Management of the Company guarantee that the contents of this Annual Report are true, accurate, and complete, that there are no false records, misleading statements, or material omissions, and that they shall bear individual and joint legal liability.

Li Sheng, the person in charge of the Company, Yu Changxin, the person in charge of accounting work, and Yang Li, the person in charge of the accounting organization (chief accountant), hereby declare and guarantee the authenticity, accuracy, and completeness of the financial report in this Annual Report.

Except for the following directors, other directors attended the board meeting to review the annual report in person

Names of Directors Not Present in Person	Positions of Directors Not Present in Person	Reasons for Not Present in Person	Name of the Trustee
Yu Changxin	Director	Work	Li Sheng
Han Fangming	Independent director	Work	Mao Zhihong

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

The Company has described in detail the possible risks and countermeasures for its future development in the section of Management Discussion and Analysis. Investors are kindly requested to pay attention to

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

The profit distribution plan approved by this meeting of the Board of Directors is as follows: based on a total of 4,921,280,975 shares, a cash dividend of CNY 0.45 per 10 shares (tax inclusive) shall be distributed to all shareholders, with no bonus shares distributed (tax inclusive), and no conversion of capital reserves into share capital.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

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List of Documents for Future Reference

1. Financial statements signed and sealed by the person in charge of the Company, the person in charge of accounting and the person in charge of the accounting organization (chief accountant).
2. The original audit report bearing the seal of the accounting firm and the signatures and seals of the certified public accountants.
3. Originals of all company documents and announcements publicly disclosed on the website designated by China Securities Regulatory Commission in the reporting period.

Interpretation

Item	Refers to	Definition
Company, the Company, FAW Jiefang	Refers to	FAW JIEFANG GROUP CO., LTD/FAW Jiefang Group Co., Ltd.
Jiefang Limited	Refers to	FAW Jiefang Automotive Co., Ltd.
Jiefang Group International	Refers to	FAW Jiefang Group International Automobile Co., Ltd.
Tanzania Ltd.	Refers to	Jiefang Motors Tanzania Ltd.
FAW Group	Refers to	China FAW Group Co., Ltd.
FAW	Refers to	China FAW Co., Ltd.
FAW Car	Refers to	FAW Car Co., Ltd.
FAW Bestune	Refers to	FAW Bestune Auto Co., Ltd.
Finance company	Refers to	First Automobile Finance Co., Ltd.
Harbin Light Company	Refers to	FAW Harbin Light-Automobile Co., Ltd.
FAW-HONGTA	Refers to	FAW-HONGTA Yunnan Automobile 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.
SASAC	Refers to	State-owned Assets Supervision and Administration Commission of the State Council
Ministry of Finance	Refers to	Ministry of Finance of the People's Republic of China
China Securities Regulatory Commission	Refers to	China Securities Regulatory Commission (CSRC)
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
Securities Law	Refers to	Securities Law of the People's Republic of China
Articles of Association	Refers to	Articles of Association of FAW Jiefang Group Co., Ltd.
Reporting Period	Refers to	January 1, 2025 – December 31, 2025
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 Information

Stock abbreviation	FAW Jiefang	Stock code	000800
Stock exchanges on which shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	FAW JIEFANG GROUP CO., LTD/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	Li Sheng		
Registered address	No.2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province		
Zip code of registered address	130011		
History of changes in registered address of the Company	In 2020, the Company carried out major asset restructuring, and the registered address was changed from No. 4888 Weishan Road, High-tech Industrial Development Zone, Changchun City, Jilin Province to No. 2259 Dongfeng Street, Automobile Development Zone, Changchun City, Jilin Province.		
Office address	No.2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province		
Postal code of office address of the Company	130011		
Company website	www.fawjiefang.com.cn		
E-mail	faw0800@fawjiefang.com.cn		

II. Contact Person and Contact Information

	Secretary of the Board of Directors	Securities Affairs Representative
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Name	Yu Changxin (Acting)	Yang Yuxin
Address	No.2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province	No.2259, Dongfeng Street, Changchun Automobile Development Zone, Jilin Province
Tel.	0431-80918881 0431-80918882	0431-80918881 0431-80918882
Fax	0431-80918883	0431-80918883
E-mail	faw0800@fawjiefang.com.cn	faw0800@fawjiefang.com.cn

III. Information Disclosure and Keeping Location

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

IV. Changes in Registration

Unified Social Credit Code	91220101244976413E
Changes in the Company's principal business since listing	In 2020, the Company completed major asset restructuring, and changed its main business from research, development, production, and sales of passenger cars to research, development, production, and sales of commercial vehicles.
Changes in controlling shareholders in the past	<p>1. In June 2011, FAW, the original controlling shareholder of the Company, carried out major business restructuring, and founded China FAW Co., Ltd. as the main sponsor in order to improve the corporate governance structure and establish a modern enterprise system. FAW transferred all its shares from the Company into FAW, and the two parties completed the equity registration and transfer procedures in April 2012. After the equity transfer, the total share capital of the Company did not change and remained at 1,627,500,000 shares. FAW Car Co., Ltd. holds 862,983,689 shares of the Company, accounting for 53.03% of the total shares, and is the controlling shareholder of the Company. The actual controller does not change and is still the SASAC.</p> <p>2. In March 2020, the China Securities Regulatory Commission approved major asset restructuring project of the Company. The</p>

	Company issued 2,982,166,212 shares directly to FAW to pay the price difference for the major asset restructuring. After the issuance, the total share capital of the Company increased to 4,609,666,212 shares. FAW Car Co., Ltd. holds 3,845,149,901 shares of the Company, accounting for 83.41% of the total shares, and is the controlling shareholder of the Company. The Company's actual controller is still SASAC.
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V. Other Relevant Data

Accounting firm hired by the Company

Name of Accounting Firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Office address of the accounting firm	17-20/F, Tower A, Zhonghai International Center, Building 7, Yard 5, Anding Road, Chaoyang District, Beijing
Name of the accountants	Xu Peimei, Liu Chongjun

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

Applicable Not applicable

Name of Sponsor Institution	Office Address of Sponsor Institution	Name of Sponsor Representative	Continuous Supervision Period
China International Capital Corporation Limited	27th and 28th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing, P.R. China	Chen Yiliang, Yue Conglu	October 21, 2024 - December 31, 2025

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

Applicable Not applicable

Name of Financial Advisor	Office Address of Financial Advisor	Name of Financial Advisor's Sponsor Representatives	Continuous Supervision Period
China Securities Co., Ltd.	10/F, Taikang Group Tower, Building 1, Yard 16, Jinghui Street, Chaoyang	Liu Minghao, Zhang Bohua	April 29, 2025 – December 31, 2026

	District, Beijing		
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VI. Main Accounting Data and Financial Indicators

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

Yes No

	2025	2024	Increase or Decrease Compared to That of Last Year	2023
Operating income (CNY)	62,678,001,039.04	58,581,106,258.53	6.99%	64,324,640,770.64
Net profit attributable to shareholders of the listed company (CNY)	724,545,159.90	622,427,699.65	16.41%	806,096,685.30
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (CNY)	16,432,698.28	-570,328,153.34	102.88%	-83,315,836.30
Net cash flows from operating activities (CNY)	2,685,032,432.66	-5,850,286,307.05	145.90%	4,089,673,393.78
Basic earnings per Share (CNY/share)	0.1472	0.1266	16.27%	0.1805
Diluted earnings per Share (CNY/share)	0.1472	0.1266	16.27%	0.1805
Weighted average return on equity	2.73%	2.45%	Increased by 0.28%	3.44%
	End of 2025	End of 2024	Increase or Decrease Compared with That at the End of Last Year	End of 2023
Total assets (CNY)	72,505,798,266.39	72,749,219,016.61	-0.33%	68,085,842,451.70
Net assets attributable to shareholders of the listed company (CNY)	26,471,578,740.78	26,317,926,062.66	0.58%	24,801,954,142.49

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

Yes No

The lowest of the Company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses during the reporting period is negative.

Yes No

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

1. Differences in Net Profits and Net Assets in the Financial Report Are Disclosed Simultaneously according to the International Accounting Standards and China Accounting Standards

Applicable Not applicable

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

2. Differences in Net Profits and Net Assets in the Financial Report Disclosed Simultaneously according to Foreign Accounting Standards and China Accounting Standards

Applicable Not applicable

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

VIII. Seasonal Main Financial Indicators

Unit: CNY

	Q1	Q2	Q3	Q4
Operating income	14,341,057,158.45	13,737,647,899.62	15,917,165,202.83	18,682,130,778.14
Net profit attributable to shareholders of the listed company	29,053,517.40	-9,397,707.01	352,485,860.96	352,403,488.55
Net profit attributable to	-217,959,758.04	-158,677,881.14	227,194,986.46	165,875,351.00

shareholders of the listed company after deducting non-recurring profits and losses				
Net cash flows from operating activities	411,504,965.08	7,223,784,055.63	-4,122,534,937.24	-827,721,650.81

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

Yes No

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

Applicable Not applicable

Unit: CNY

Item	Amount in 2025	Amount in 2024	Amount in 2023	Description
Profits or losses on disposal of non-current assets (including the write-off part of the provision for impairment of assets made)	142,942,964.74	-2,556,987.30	192,669,498.68	It refers to the net gain on disposal of non-current assets.
Government subsidies included in the current profit or loss (except those closely related to the Company's normal operations, conforming to the State policies and regulations and enjoyed in line with the specified standards, and having	590,619,645.87	618,258,791.46	546,340,041.28	

a continuous impact on the profit or loss of the Company)				
Gains and losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains and losses from disposal of financial assets and financial liabilities, other than those arising from effective hedging activities related to the Company's normal business operations.	44,920,688.34			This refers to the investment income arising from the disposal of held-for-trading financial assets.
Reversal of impairment provision for receivables subject to separate impairment test	2,272,859.28	65,749,100.00	9,205,923.40	The reversal of impairment provision for receivables subject to separate impairment test.
Net current profit and loss of the subsidiary acquired in business combination involving entities under common control from the beginning of the period to the combination date		132,844,483.67	65,274,736.52	
Non-operating income and expenses other than the above	75,982,891.68	76,695,007.35	173,374,447.46	The net non-operating income and expenses.
Other losses and profits conforming to the definition of non-recurring profit and loss		469,265,324.69	100,996,378.33	
Less: amount affected by income tax	148,638,053.67	130,656,414.24	176,245,495.71	
Amount affected by minority shareholder's equity	-11,465.38	36,843,452.64	22,203,008.36	

(after-tax)				
Total	708,112,461.62	1,192,755,852.99	889,412,521.60	--

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

Applicable Not applicable

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

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

Applicable Not applicable

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

The Company is a commercial vehicle manufacturer that produces heavy, medium and light trucks, and buses, as well as core components such as engines, transmissions and axles, and has a complete manufacturing system covering raw materials, core components, key large assemblies and complete vehicles. The products of the Company are mainly used in market segments such as traction, cargo carrying, dumping, special purposes, highway passenger transport, bus passenger transport, etc., and the Company also provides standardized and customized commercial vehicle products. The Company is committed to becoming a provider of green and intelligent transportation solutions that is “First in China, World-class,” focusing on its core product lines, adhering to innovation-driven and transformation-driven approaches, and building a pioneering advantage. During the reporting period, the Company’s principal business, products, and business model did not undergo any significant changes.

The Company has strategically established five major vehicle production bases nationwide in Changchun, Qingdao, Guanghan, Liuzhou, and Foshan, creating a production capacity model featuring “primary-auxiliary coordination with flexible complementarity,” with a total annual production capacity of 418 thousand vehicles, including: the Changchun Base at 153 thousand vehicles, the Qingdao Base at 200 thousand vehicles, the Guanghan Base at 40 thousand vehicles, the Liuzhou Base at 20 thousand vehicles, and the Foshan Base at 5 thousand vehicles. In recent years, the Company has steadfastly pursued technology leadership and business innovation as key strategic directions for development, proactively accelerating the optimization and adjustment of its production capacity structure, closely aligning with critical development trends such as product premiumization and new energy transformation, while continuously optimizing resource allocation and advancing intelligent upgrades. Through a series of effective initiatives, the Company has successfully built multiple advanced manufacturing bases at the industry-leading level, not only demonstrating the Company’s outstanding production and manufacturing capabilities but also establishing prominent technological and competitive advantages in the commercial vehicle sector, laying a solid foundation for the Company’s sustained market leadership.

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

Applicable Not applicable

Production and sales of complete vehicles

Unit: Vehicle

	Production			Sales Quantity		
	This Reporting Period	Same Period of Last Year	Year-on-year Increase and Decrease	This Reporting Period	Same Period of Last Year	Year-on-year Increase and Decrease
By vehicle type						
Medium/Heavy truck	245,173	209,830	16.84%	254,743	214,037	19.02%
Light-duty truck	26,520	38,227	-30.62%	25,109	36,462	-31.14%
Bus	116	614	-81.11%	148	579	-74.44%
Total	271,809	248,671	9.30%	280,000	251,078	11.52%

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

Applicable Not applicable

The production and sales volumes of buses decreased compared with the same period last year, mainly due to factors such as the adoption of a build-to-order production model and fierce industry competition; the production and sales volumes of light trucks decreased compared with the same period last year, primarily affected by industry competition and product structure.

Construction of parts and components supporting system

Regarding the development of the parts supporting system, the Company is committed to continuously building FAW Jiefang's "international procurement competitiveness," and strives to enhance the risk prevention and control capabilities and overall resilience of the supply chain. Centering on the needs of the market, customers, and various industries, the Company continuously improves its resource platforms to promote resource openness and market-oriented competition. Currently, the three major core assemblies—engines, transmissions, and axles—for the Company's main vehicle models are primarily self-produced. Core component resources have been systematically laid out across medium- and heavy-duty trucks, new energy vehicles, light

and mini trucks, and overseas operations to enhance supply chain diversity and risk resilience. By strengthening tiered and classified supplier management, clarifying cooperation strategies for resources at each level, and deepening collaboration with outstanding domestic and international suppliers, the Company has further enhanced the stability and responsiveness of its supply chain. At the same time, guided by product technology and quality leadership as well as scientific and effective process management, the Company implements product lifecycle quality control, strengthens process supervision and preventive risk control over suppliers, and promotes supplier capability improvement, thereby ensuring vehicle quality and market reputation, and systematically enhancing the resilience and security level of the industrial chain.

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

Applicable Not applicable

Automobile finance business performed by the Company

Applicable Not applicable

Business related to new energy vehicles performed by the Company

Applicable Not applicable

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

Unit: CNY

Product Category	Production Capacity	Production	Sales Volume	Sales Revenue
Commercial vehicles	The Company's existing production capacity can meet the demand for new energy commercial vehicles.	37,899	45,063	18,360,546,826.48

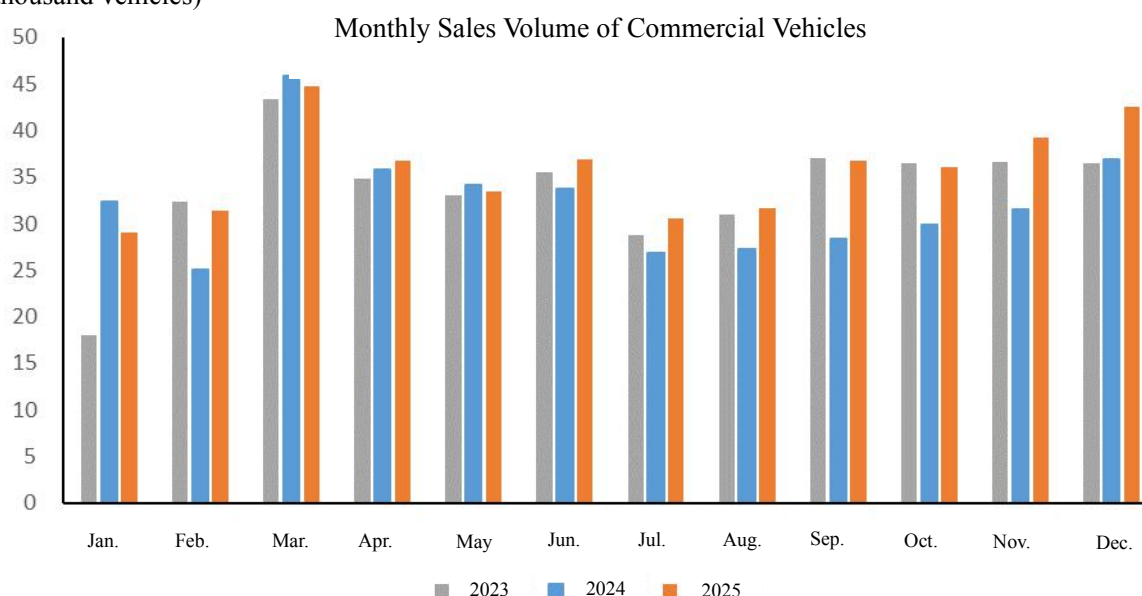
II. Industry of the Company in the Reporting Period

In 2025, the macroeconomy remained in a period of adjustment, with the annual GDP growth rate at 5.0%. The commercial vehicle industry was in a phase of recovery and growth, with total market sales reaching 4.296 million vehicles, a year-on-year increase of 10.9%. Among them, the annual demand for medium- and heavy-duty trucks was 1.27 million vehicles, a year-on-year increase of 23.4%. The growth in the domestic market was driven by products from the

previous demand cycle peak reaching their replacement cycle, coupled with the elimination policy for old trucks, which generated significant replacement demand, bringing cyclical benefits to industry participants. The growth in overseas markets was mainly driven by the active expansion of Chinese commercial vehicle companies, with significant improvements in product competitiveness and brand influence, leading to an increase in the market share of Chinese enterprises overseas. Against the backdrop of overall industry demand growth, the Company outperformed the industry trend.

In 2025, changes in industry structure became more pronounced. Among them, the overseas market grew by 17.2%, with a growth rate exceeding that of 2024; the new energy vehicle sector, driven by both policy and market forces, grew beyond industry expectations; while smart vehicles, constrained by technology and regulations, have not yet formed a significant market scale, user demand for intelligent applications remains strong. The development trends in segmented industries are fully aligned with the Company's three strategic directions of "Technology Jiefang, Green Jiefang, and International Jiefang".

(10 thousand vehicles)



Note: Industry data sourced from China Association of Automobile Manufacturers

2025 was a year in which the government introduced a high number of industry policies and regulations, with a core focus on key areas such as market access, trade-in programs, and new energy vehicle support.

In terms of market access, the Implementation Measures for Self-Inspection of Road Motor

Vehicle Products took effect on January 1, 2025. The measures stipulate that enterprises meeting self-inspection standards may independently complete certain inspection items and assume responsibility for the results, thereby optimizing product certification processes. This measure directly improved the efficiency of commercial vehicle product declarations, strengthened corporate responsibility, and reduced compliance costs. On July 1, 2025, the Implementation Rules for the Entrusted Installation Management of Upper Bodies for Truck-Type Road Motor Vehicles officially came into effect. These rules require that body modifications for flatbed, fence, van, and dump trucks be uniformly declared by the vehicle manufacturers, who also assume quality responsibility. This compels vehicle manufacturers to standardize the modification process and implement full-process quality control.

Regarding trade-in programs, in March 2025, the Ministry of Transport, the National Development and Reform Commission, and the Ministry of Finance jointly issued the Notice on Implementing the Scrapping and Renewal of Aging Commercial Freight Vehicles, supporting the scrapping and replacement of operational trucks meeting China III and China IV emission standards, and accelerating the renewal of a batch of high-standard, low-emission operational trucks. Financial support was provided for the early scrapping of old operational trucks, the early scrapping and replacement with new trucks meeting China VI emission standards or new energy trucks, and the purchase of eligible new energy trucks alone. This policy became the main driver of heavy-duty truck sales growth in 2025, directly boosting domestic sales.

In terms of new energy vehicle support, the State Council decided to implement a “two-year exemption and two-year reduction” policy for new energy vehicles from 2024 to 2027. The exemption from purchase tax for new energy commercial vehicles continued throughout 2025, effectively promoting the rapid growth and volume increase of new energy commercial vehicles.

III. Analysis of Core Competitiveness

The Company adheres to the corporate vision of “being the most proud commercial vehicle enterprise and the most trustworthy commercial vehicle brand”, the mission of “becoming the China’s first and world-class provider of green and intelligent transportation solutions and building a more prosperous society”; 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 rapidly enhances product competitiveness and service levels.

1. In terms of product R&D: the Company has built the most powerful and complete independent R&D system in China, covering forward-looking technology, engines, transmissions, axles, and complete vehicles, forming an efficient and collaborative R&D team of more than 3,000 people. The Company possesses five core capabilities: technological innovation, performance development, lean design, pilot testing, and test certification, and has established five technical platforms: energy-saving and environmental protection, safety and comfort, reliability and durability, electronic control and intelligence, and materials and processes. It is the only commercial vehicle enterprise in China that masters world-class complete vehicle and three major powertrain core technologies, and has passed ISO9001 and IATF16949 quality system certifications. It also serves as a national-level independent automobile product R&D and test certification base. The Company has established Changchun as its global R&D headquarters, with R&D capabilities for light-, medium-, and heavy-duty trucks in Qingdao; engine R&D bases in Wuxi and Dalian; and advanced technology R&D departments in Steyr, Austria, Munich, Germany, and Yokohama, Japan, creating a global R&D layout spanning “four countries and nine locations.” In recent years, by accurately grasping the needs of segmented markets, the Company has successfully developed ten core product technology advantages, including system fuel efficiency, extended oil change intervals, lightweight design, independent major assemblies, independent electronic control, independent aftertreatment, new energy, intelligent driving, extended warranty, and maintenance-free features.

2. Marketing and procurement: The Company has established a fully functional marketing service system. The marketing service network, consisting of three marketing centers—Changchun Medium- and Heavy-Duty Trucks, Qingdao Medium- and Heavy-Duty Trucks, and Light-Duty Trucks—comprises nearly 1,000 dealers, more than 2,000 service stations, over 70 spare parts centers, and nearly 230 spare parts dealers, covering more than 260 prefecture-level cities nationwide. The coverage rate in cities with a capacity of over 1,000 vehicles is 97.1%, and the national average service radius is 48.5 kilometers, reaching a leading level in the industry, providing users with 24/7 efficient and high-quality services. The Company is committed to integrating global high-quality resources to provide a strong guarantee for the high reliability of Jiefang trucks. In recent years, the Company has become strategic partners with top enterprises at home and abroad, including Huawei, Knorr-Bremse, ZF, Shell, Bosch, CATL, VOSS, China Unicom, CATARC, and Xiamen C&D.

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 operates five major vehicle manufacturing bases in Changchun, Qingdao, Guanghan, Liuzhou, and Foshan, with a production capacity of 418 thousand vehicles. It also maintains three major assembly bases in Changchun, Wuxi, and Dalian, independently mastering the core competitiveness and production capabilities of engines, transmissions, and axles in the smart powertrain domain, with product competitiveness at an advanced level. Among these facilities, Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd. features three major series—Aowei, Bowei, and Jinwei—achieving world-class manufacturing standards. The Company is deeply engaged in four key areas: smart vehicles, new energy, connected vehicles, and the aftermarket, having established six new business bases in Suzhou, Nanjing, Tianjin, Wuxi, Shijiazhuang, and Foshan.

4. Overseas: The Company implements the “SPRINT 2030” internationalization strategy and makes every effort to expand overseas markets. At present, its exports cover more than 100 countries and regions worldwide, forming a multi-level layout with Southeast Asia, Africa, Latin America, the Middle East, Eastern Europe, and Central Asia as the foundation, while gradually penetrating the high-end markets of Japan, South Korea, and Europe. The Company continues to accelerate its global presence. In 2025, it launched five major product brands—Cortron, Dortron, Litron, Pitron, and Botron—implementing the “multi-brand operation” strategic initiative. At present, the Company has 120 core dealers and more than 300 service providers worldwide. The Company has established overseas subsidiaries in countries such as South Africa and Tanzania, and exports models including CH, CP, DP, LR and others, among which it firmly ranks first in the medium- and heavy-duty truck market share in South Africa. At the same time, it continues to accelerate overseas localized operations. In 2025, it fully initiated the establishment of subsidiaries in Uzbekistan, Indonesia, Vietnam, Saudi Arabia, and other countries, to fully support the implementation of the Company’s internationalization strategy.

5. New energy: Its product portfolio covers five major lines: tractors, dump trucks, cargo trucks, SPVs and buses. These product lines encompass three major technological routes: EVs, FCVs and hybrid vehicles, achieving full coverage of key segment markets for new energy commercial vehicles, such as steel mills, coal and slag. Product development adheres to a user-

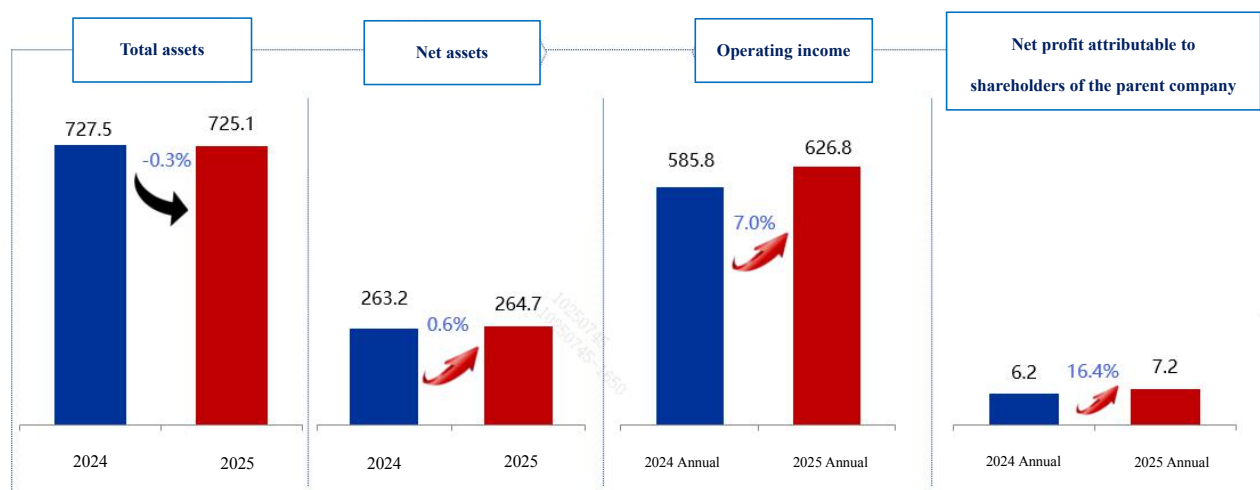
oriented approach, aiming to meet market demand and address user pain points. It focuses on the “three-low and one-high” core competitiveness - low cost, low self-weight, low energy consumption, and high reliability - as well as differentiated competitiveness characterized by long endurance, low-temperature resistance, high intelligence, and high comfort, continuously iterating and upgrading its products and technologies. In terms of core technology, the Company has achieved integration across three critical areas: vehicle architecture, vehicle control software, and assembly interface. This integration significantly improves development efficiency. The Company harnesses technologies such as efficient energy recovery and scenario-based calibration to significantly reduce energy consumption. Moreover, the application of assembly technology incorporates a dual-wheel drive system that combines independent core assemblies with external high-quality social resources, enabling complementary advantages. Through the continuous exploration and application of new products, new technologies, and new processes, the Company has consistently maintained technological leadership and product excellence in the new energy market, achieving leapfrog growth for three consecutive years.

IV. Analysis of Main Business

1. Overview

The year 2025 marked the conclusion of the 14th Five-Year Plan period. Driven by factors such as the China IV replacement policy, robust overseas demand, and rapid growth in the new energy vehicle sector, the commercial vehicle market showed signs of recovery. At the same time, however, this recovery brought about new challenges, including accelerated industry transformation, sharp structural divergence, and intensifying multi-dimensional competition. In the face of significant market shifts and profound structural changes, all employees of the Company rose to the challenge, forging ahead with determination and commitment. Through relentless efforts, they successfully delivered on the key priorities for the year, achieving solid results that demonstrated both resilience and capability. As of December 31, 2025, the total assets of the Company reached CNY 72.51 billion, and the net assets attributable to shareholders of the listed company amounted to CNY 26.47 billion. In 2025, the Company achieved operating revenue of CNY 62.68 billion and a net profit attributable to shareholders of the listed company of CNY 720 million. The Company sold a total of 280 thousand complete vehicles in 2025, up 11.5% year on year, including 255 thousand medium- and heavy-duty trucks, up 19.0% year on

year, 45 thousand new energy vehicles, up 184.3% year on year, and 60 thousand vehicles exported overseas, up 5.2% year on year, maintaining steady growth.



Unit: CNY 100 million

In 2025, the Company's key initiatives were as follows:

(1) Adhering to a customer-centric approach and achieving breakthroughs in marketing transformation and capability enhancement

Strengthened customer operations and established an effective “million-customer base”. Established the FAW Jiefang customer data platform and built a tiered and categorized operational system. Carried out the “Dream Partner” special program, achieving a total of over 1 million sales leads. Solidified problem resolution, achieving a customer issue closed-loop resolution rate of 99%. Accelerated channel transformation, increased the introduction and cultivation of new forces, and effectively revitalized channels. Advanced the layout of directly-operated stores, driven visits and direct connections by commercial office personnel, and enhanced engagement with secondary dealer networks. Improved the dealer evaluation system, providing effective support for channel strategy adjustments.

(2) Strengthening product and technology leadership to strongly support the market-leading position

① Product leadership

Deeply practicing the “Product is King” philosophy, vigorously promoting projects such as product commonization and J7 serialization, dynamically optimizing the product portfolio, and

accelerating the construction of product-leading advantages of “having what others don’t have, and being superior in what others have.”

Medium- and Heavy-duty Trucks: J168 achieved the first launch of tractor units and the rollout of trial-produced dump trucks. J177 completed the development of brand-new interiors and a flat floor; J408 completed verification and entered production. Launched over 140 traditional products, including the J6P Upgrade 3.0, further consolidating the Company’s market position.

Light-duty Vehicles: Accelerated iteration, launching over 40 traditional light truck derivative models and over 50 new energy light truck derivative models. Released Yuetu mini-trucks and pickup products, covering multiple powertrains including pure electric, NG (Natural Gas), and ICE (Internal Combustion Engine).

New Energy: Developed 2026 models of medium- and heavy-duty vehicles, released the Lantu 3.0 platform, and launched over 100 products throughout the year, such as in-house electric drive axles, economical batteries, and optimized wiring harnesses, strongly supporting market leadership.

Powertrain: In the traditional field, focused on launching 2 engine products, with core indicators such as efficiency and durability ranking first-class in the industry. In the new energy field, heavy-duty electric drive axles and electric drive transmissions were launched in small batches, with electric drive axle efficiency and electric drive transmission dynamic performance leading the industry.

Intelligent Vehicles: In high-speed scenarios, completed matching for 3 L2 models and passed the regulatory filing for L2 combined assisted driving; completed L2++ product development and the launch of trial products for 3 express delivery customers. In low-speed scenarios, completed development and verification of L4 closed-campus products; started ICV (Intelligent Connected Vehicle) product testing and operation at Tianjin Port.

Internet of Vehicles (IoV): Completed the release and launch of the Jiefangxing New Energy Integrated Edition APP, completing the new energy IoV product matrix; intelligent diagnosis and repair created predictive maintenance and difficult fault detection, improving users’ intelligent service experience and maintenance efficiency; Overseas IoV completed function development and platform deployment for fleet management and operation platforms.

Product Commonization: Achieved standardization of key components for engines and powertrains in medium- and heavy-duty vehicles, promoted commonization across traditional, new energy, and overseas sectors, and achieved the industry-leading position for Jiefang new energy tractor units.

② Technology leadership

The Company has made breakthroughs in nearly a hundred key core technologies across the three major fields of traditional, new energy, and intelligent connected vehicles, and has ranked first in the China Commercial Vehicle Innovation Index for eight consecutive years. Officially released 4 smart powertrain domain products, including GS280 and ER260, and their core technologies, fully demonstrating innovative achievements in the powertrain field. The high-stability low-platinum membrane electrode technology for fuel cells and the digital and intelligent precision manufacturing technology for drive motor assemblies won the second and third prizes of the China Machinery Industry Science and Technology Award; the heavy-duty M platform China VI SCR technology and surface technology for key J7 chassis components won the Grand Prize and Second Prize of the China FAW Technology Innovation Award.

(3) Firmly adhering to quality as the foundation, achieving significant results in the three-year quality breakthrough action

Focusing on building a solid quality reputation for the Jiefang brand, firmly consolidating the quality foundation, and creating a quality-leading advantage. In terms of physical quality, targeting the year-on-year reduction of external quality loss per vehicle and claim frequency, the Company focused on key platform projects, promoted quality planning during the development process, rapidly solved problems in the early stage of mass production, and ensured the mature launch of new products. For key delivery models such as overseas, new energy, and major customer vehicles, the Company implemented batch release management and specialized short-distance road test audits to effectively guarantee product delivery quality. Launched quality breakthroughs involving all staff, all processes, and all factors. Adhered to closing the loop thoroughly across systems, processes, and rules, resulting in a significant improvement in physical quality and user perceived quality.

(4) Determinedly winning the four major breakthrough battles, strongly supporting the improvement of operational quality and growth

Domestic No. 1 Battle for Traditional Vehicles: Medium- and heavy-duty trucks leveraged dual-base advantages, implemented strategies such as key market improvement and core region breakthroughs, and promoted volume growth in markets like express delivery and ports. Domestic sales of traditional medium- and heavy-duty trucks ranked first in China for ten consecutive years; terminal market share in 12 provinces including Hebei, Shanghai, and Henan ranked strongly at the top.

Overseas Market Catch-up and Volume Increase Battle: Accelerated the implementation of the “SPRINT 2030” internationalization strategy, and planned the construction of 8 overseas subsidiaries. Created a highly competitive product portfolio, with export sales volume reaching a new high; deepened localized operations and accelerated market layout. Built a brand-new overseas network, and new progress was made in the layout of Jiefang’s international transformation.

New Energy Leapfrog Growth Battle: Firmly positioned as “No. 1 in the new energy transformation of traditional vehicle enterprises” in the commercial vehicle industry. Focused on core scenarios such as steel mills and coal mines, strengthened products, channels, models, and customer operations, solidified the foundation, and created differentiated competitiveness. Sales of new energy medium- and heavy-duty trucks remained leading in the industry throughout the year.

Cost Reduction, Revenue Expansion, and Profit Improvement Battle: Centered on the “three consciousnesses” of “operating consciousness, responsibility consciousness, and proactive consciousness,” and thoroughly implemented the “11614” work methodology. Established a refined management system. Implemented upgraded management and control for large costs and expenses. Through R&D-procurement integration, production-sales synergy, and business-finance integration, all staff in all domains achieved extreme cost reduction. Synergized efforts from three dimensions: material cost reduction, expense compression, and revenue expansion, to build a value creation system for the entire process and multiple links.

(5) Eight key tasks were effectively advanced, providing a solid guarantee for the Company’s development

Deepened reform to unleash potential. Completed marketing reform. Built marketing assault teams and launched the “Million-Yuan Salary” incentive. Fully stimulated the combat

effectiveness of front-line teams. Integrated manufacturing achieved unification of resources and decision-making; constructed an overseas business management system, and completed the process construction of the four core business areas of marketing, sales, service, and channels, achieving key breakthroughs from scratch.

Fully promoted project-based management. Established a project decoding flow mechanism, targeting “operating goal achievement + medium and long-term capability building.” Systematically planned company-level key projects. Innovated project management models. Built a project center management platform to improve management synergy efficiency. Improved the project evaluation and incentive mechanism to fully stimulate the breakthrough momentum of project teams.

Strengthened strategic management. Completed over 30 key insight projects, over 130 issues of major information newsletters, and over 10 issues of market analysis monthly reports. Strengthened joint venture cooperation. Promoted the implementation of equity investment projects and strategic cooperation projects. Released the “100-Billion-Yuan Financial Pool”, providing stronger momentum for long-term development. Strengthened brand unification and “Dual Carbon” management. The “Jiefang” brand won the “Excellent Product Brand” awarded by the State-owned Assets Supervision and Administration Commission; the Company obtained the first product carbon footprint certificate for commercial vehicles issued by the China Quality Certification Center.

Vigorously grasped digital and intelligent transformation, coordinately promoted nearly 40 major digital and intelligent projects, with 8 systems successfully launched and over 20 systems completing integration and optimization. Deepened data governance and application, completed the construction of 80+ analysis models and over 10 AI scenario applications such as “Jiefang Xiaoge,” and further leveraged data value.

Strengthened the building of talent teams, deepened the “merit-based promotion and demotion” mechanism for cadre talents, and conducted evaluations and re-evaluations of high-skilled talents. For key fields such as new energy and overseas, introduced professional technical talents; assembled marketing assault teams, and established talent selection, cultivation, and incentive mechanisms.

In terms of integrated manufacturing, regarding supply and procurement, centered on the

“Three-Year Quality Breakthrough Action,” promoted the improvement of supply quality, strengthened supply guarantee resilience, proactively planned for new energy resources, and diversified reserves; in terms of engineering technology, improved the layout of emerging industries, with over 10 key investment projects successfully completing feasibility study approvals and over 10 investment projects completed; in terms of product SOP (Start of Production) preparation, production preparation projects for key platforms were successfully put into operation; in terms of intelligent manufacturing technology, coordinately promoted technical collaborative reserves, successfully forming over 370 technical accumulations such as vision-guided assembly; in terms of production logistics, strengthened delivery assurance and made every effort to enhance demand guarantee capabilities.

Strengthened capital operations, strengthened Market Value Management, enhanced the management of participating companies, improved the governance effectiveness of the “three boards” (Shareholders’ Meeting, Board of Directors, and Supervisory Board), solidified the foundation for standardized operations, and fully supported external directors in performing their duties. Jiefang Limited increased capital in the joint venture Jiefang Times, and by building the brand-new leasing business brand “Jing E-Lease,” drove the transformation of China’s commercial vehicle industry toward green and integrated solutions. Additionally, the Company has maintained high-quality information disclosure and received an A-level evaluation for information disclosure from the Shenzhen Stock Exchange for five consecutive years. Strengthened brand building in the capital market, comprehensively shaped a positive image in the capital market, and boosted investor confidence.

Enhanced safety safeguarding capabilities. In terms of safety and environmental protection, the Company implemented the production safety responsibility system for all staff, deepened the integrated construction of the EHS (Safety, Environment, and Energy) system, thoroughly implemented the green development philosophy, vigorously promoted energy saving, low carbon, and resource recycling, and rapidly implemented the Dual Carbon strategy; in terms of compliance risk auditing, formulated and launched the “Prioritizing Four Dimensions and Building Foundation with Four Chains” strategy, and coordinately promoted quality and efficiency improvements in the four major fields of rule of law, risk control, compliance, and auditing; in terms of confidentiality management, followed the “1134” work approach, implemented the “410” commercial secret project, continuously improved the capabilities of the

confidentiality management system, and achieved the “Three-Tier Security” goals for state secrets, work secrets, and business secrets.

2. Revenues and Costs

(1) Composition of operating income

Unit: CNY

	2025		2024		Year-on-Year Increase and Decrease
	Amount	Proportion in Operating Income	Amount	Proportion in Operating Income	
Total operating income	62,678,001,039.04	100%	58,581,106,258.53	100%	6.99%
By industries					
Automobile industry	62,678,001,039.04	100.00%	58,581,106,258.53	100.00%	6.99%
By products					
Commercial vehicles	58,087,328,191.81	92.68%	54,019,490,190.05	92.21%	7.53%
Spare parts and others	4,590,672,847.23	7.32%	4,561,616,068.48	7.79%	0.64%

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

Applicable Not applicable

Unit: CNY

	Operating income	Operating Costs	Gross Profit Rate	Increase/D decrease of Operating Income over the Same Period of Last Year	Increase/D decrease of Operating Cost over the Same Period of Last Year	Increase/D decrease of Gross Profit Rate over the Same Period of Last Year
By industries						
Automobile industry	62,233,813,433.10	58,029,080,171.90	6.76%	9.60%	8.42%	Increased by 1.02%

By products						
Commercial vehicles	58,087,328,191.81	54,478,254,386.87	6.21%	7.53%	6.37%	Increased by 1.02%
Spare parts and others	4,146,485,241.29	3,550,825,785.03	14.37%	50.12%	53.81%	Decreased by 2.05%

The main business data of the Company for the latest year, adjusted according to the statistical criteria at the end of the reporting period, in the event of any adjustment to the statistical criteria of the Company's main business data during the reporting period

Applicable Not applicable

(3) Whether physical sales revenue of the Company is greater than the labor service revenue

Yes No

Industry Classification	Item	Unit	2025	2024	Year-on-Year Increase and Decrease
Automobile industry	Sales quantity	10 thousand vehicles	28.00	25.11	11.52%
	Production output	10 thousand vehicles	27.18	24.87	9.30%
	Storage amount	10 thousand vehicles	1.10	1.92	-42.60%

Note: The above figures are based on statistical criteria.

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

Applicable Not applicable

The decrease in inventory was mainly due to factors such as increased sales volume.

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

Applicable Not applicable

(5) Composition of operating cost

Industry Classification

Unit: CNY

Industry Classification	Item	2025		2024		Year-on-Year Increase and Decrease
		Amount	Proportion in Operating Cost	Amount	Proportion in Operating Cost	
Automobile industry	Material cost	56,270,200,000.00	96.58%	48,826,962,758.10	88.92%	15.24%
	Others	1,991,838,619.09	3.42%	6,081,113,765.33	11.08%	-67.25%

Product Classification

Unit: CNY

Product Classification	Item	2025		2024		Year-on-Year Increase and Decrease
		Amount	Proportion in Operating Cost	Amount	Proportion in Operating Cost	
Commercial vehicles	Commercial vehicles	54,478,254,386.87	93.51%	51,214,832,226.59	93.27%	6.37%
Spare parts and others	Spare parts and others	3,783,784,232.22	6.49%	3,693,244,296.84	6.73%	2.45%

Note: None

(6) Whether the consolidation scope is changed in the reporting periodYes No

On September 4, 2025, the Company invested in establishing Jiefang Best Co., Ltd.

On November 9, 2025, the Company invested in establishing Jiefang Saudi Arabia Co., Ltd.

(7) Significant changes or adjustments in business, products or services of the Company in the reporting periodApplicable Not applicable

(8) Information about main customers and main suppliers

Information about main customers of the Company

Total sales amount of the top five customers (CNY)	7,103,406,449.57
Proportion of total sales amount of the top five customers in total annual sales amount	11.33%
Proportion of sales of related parties in total annual sales of the top five customers	6.31%

Information about the top 5 customers of the Company

S/N	Customer Name	Sales (CNY)	Proportion in Total Annual Sales
1	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	2,186,929,424.18	3.49%
2	Jiefang Times New Energy Technology Co., Ltd.	1,768,437,137.19	2.82%
3	Customer 1	1,286,027,709.58	2.05%
4	Customer 2	944,508,236.99	1.51%
5	Customer 3	917,503,941.63	1.46%
Total	--	7,103,406,449.57	11.33%

Other information about main customers

Applicable Not applicable

Information about main suppliers of the Company

Total purchase amount of the top five suppliers (CNY)	17,279,466,433.88
Proportion of total purchase amount of the top five suppliers in total annual purchase amount	30.71%
Proportion of the purchase amount of related parties in the total annual purchase amount of the top five suppliers	5.53%

Information about the top 5 suppliers of the Company

S/N	Name of Supplier	Purchase Amount (CNY)	Proportion in Total Annual Purchase Amount
1	Supplier 1	7,205,922,828.84	12.81%
2	Supplier 2	6,058,998,703.54	10.77%

3	China FAW Group Co., Ltd.	1,556,426,935.91	2.77%
4	Fawer Auto Parts Co., Ltd.	1,554,626,359.24	2.76%
5	Supplier 3	903,508,616.35	1.61%
Total	--	17,279,483,443.88	30.71%

Other information about main suppliers

Applicable Not applicable

3. Cost

Unit: CNY

	2025	2024	Year-on-Year Increase and Decrease	Description of Major Changes
Sales expenses	1,333,918,967.92	1,273,327,595.92	4.76%	
Administrative expenses	1,440,144,286.03	1,780,652,477.10	-19.12%	
Financial expenses	-602,876,102.30	-805,971,666.64	25.20%	
R&D expenses	2,283,177,259.70	2,409,485,641.76	-5.24%	

4. R&D Investment

Applicable Not applicable

Name of Main R&D Projects	Project Purpose	Project Progress	Proposed Objectives	Expected Impact on the Company's Future Development
J7 Series Derivative Models Development Project	To respond to competition from imported vehicles and joint venture products, the Company follows the "domestic first, world-class"	Verification phase	Maintain the high-end positioning of products, pursue excellent quality, and improve product quality continuously in the efficient long-distance trunk express market, create greater	Strongly support FAW Jiefang's strategic goal of becoming a "domestic first, world-class" enterprise, and contribute highly

	enterprise development strategy, fully and independently develops a domestic high-end heavy-duty truck benchmark, and achieves a new leap in the quality of domestically produced trucks.		value for users, expand the market capacity of high-end vehicle products year by year, realize double sales volume, and lead the industry development.	competitive products to the Company's product layout during the 15th Five-Year Plan period.
JH6 series expanded models development project	In the current situation where JH6 products have been on the market for eight years, it is urgent to upgrade the JH6 platform to ensure the leading competitiveness of the Jiefang brand.	Production Ramp-up Phase	Targeting core markets such as general freight, express freight, fresh agricultural products (Green Channel), and urban construction muck transport, the Company maintains the mid-to-high-end positioning of its products. By optimizing complete vehicle reliability, comfort, and TCO (Total Cost of Ownership), it strengthens the advantages of highway vehicles in the mid-to-high-end market and renews the brand image of engineering vehicles.	Enhance the competitiveness of FAW Jiefang Qingdao medium- and heavy-duty vehicle product lines, and contribute highly competitive products to the Company's product layout for the 15th Five-Year Plan period.
Light-duty New Energy Lingtu BEV (Battery Electric Vehicle) Product Development Project	To respond to the trend of electrification, the Company continuously improves the high-end attributes of FAW Jiefang light trucks, develops a new energy exclusive platform,	Development phase	Targeting markets such as express delivery, express freight, supermarkets, and resources, the Company completed the development of a new energy BEV exclusive platform. By improving reliability, introducing new interior and exterior	Lay the foundation for the Company's overall new energy transformation, enhance the core competitiveness of new energy light truck products, and

	and supports the enhancement of the core competitiveness of complete vehicle products.		styling, reducing power consumption, and increasing the intelligent experience, it enhances the Company's new energy light truck product advantages, achieves rapid sales growth, and creates an industry benchmark.	contribute highly competitive products to the Company's product layout for the 15th Five-Year Plan development.
Fuel Cell Product Development Project	Develop fuel cell products, achieve full coverage of the three major technology routes, meet the requirements for demonstration operation subsidies, continuously expand demonstration application scenarios for fuel cell products, and support the volume growth of new energy products.	Development phase	Cover typical scenarios of the "3+2" fuel cell demonstration city clusters, complete the development of full-series products including fuel cell tractor units, fuel cell cargo trucks, fuel cell special purpose vehicles, and fuel cell logistics vehicles, jointly apply for demonstration operation projects with mainstream fuel cell system partners, build an in-house fuel cell brand, and achieve batch sales and operation of fuel cell products.	Complete the layout of the three major technology routes, reserve fuel cell product development technology, support the development of in-house fuel cell products, achieve industry leadership in the Company's fuel cell products, establish FAW Jiefang's benchmark image in the new energy industry, and support the Company's continuous leadership in the new energy track.
Jiefang intelligent driving product development project	Develop ADAS (Advanced Driver Assistance Systems) and closed-area high-level autonomous driving commercial vehicle products	Development phase	Develop intelligent vehicle series products, realize aided driving in trunk logistics scenarios and high-level intelligent driving in multiple restricted-region scenarios such as ports	Through the commercial operation of emerging industries in multiple scenarios, the Company's in-

	based on customer needs, so as to help Jiefang realize the commercialization of the intelligent vehicle industry in a short period.		and plants, and develop full-stack intelligent driving software and hardware core technologies by itself to create independent core competitiveness.	house R&D capability and competitiveness in the autonomous driving field are continuously improving, and operational experience is rapidly accumulated, supporting the Company's strategic transformation to become a "China's first, world-class" green and intelligent transportation solution provider.
Network Security Management System Consulting Project	Address compliance requirements of domestic and international regulations regarding vehicle information security and software update management systems.	Construction stage	Establish the corresponding management system according to national mandatory standards, while meeting domestic and international system certification requirements.	Ensure that all new platform vehicle models submitted for regulatory filing will meet vehicle type approval requirements.
Vehicle Infotainment System Standardization Project	By promoting the platformization of the IVI (In-Vehicle Infotainment) system, improve product update efficiency and empower the	Development phase	Develop mid-to-high-end IVI platform products to enhance the value features of the vehicle's intelligent experience; develop a family-style HMI (Human-Machine Interface), a combination	Create user operation touchpoints on the IVI system to enhance the competitiveness and brand influence of the

	upgrade of the vehicle's intelligent experience.		of application software, and a set of standardized interfaces that can be expanded for application across multiple vehicle models.	complete vehicle products through a high-quality experience.
AI Intelligent Assistant Platform Development Project	Build FAW Jiefang's Large Language Model (LLM) and AI agent service platform, targeting key scenarios such as vehicle usage and maintenance, and focusing on creating Jiefang's exclusive AI agent services on the vehicle side.	Development phase	Deploy the Large Language Model (LLM) and AI agent development platform on FAW Jiefang's cloud, build an in-house central model for understanding user intents related to vehicle usage and maintenance, and develop Jiefang's exclusive AI agent services to achieve adaptation and implementation on the IVI (In-Vehicle Infotainment) system.	Enhance intelligent interactive experiences for users, direct customers to FAW Jiefang vehicle products and intelligent connected services, strengthen the connection between the Company and users, and enhance the competitiveness of vehicle products.
Vehicle-Road-Cloud Integration Pilot Project	To respond to the implementation of the national Vehicle-Road-Cloud Integration pilot work, actively participate in the implementation plans of pilot cities, and build a pipeline of the Company's Vehicle-Road-Cloud Integration products.	Development phase	Complete Vehicle-Road-Cloud Integration V2X (Vehicle-to-Everything) terminal verification, demonstrate smart sanitation vehicles within factory areas, and deploy operational vehicles in sanitation scenarios.	Enhance the Company's Intelligent and Connected Vehicle (ICV) product competitiveness and brand influence.
Overseas Internet of Vehicles	To meet the IoV needs of overseas regional dealers,	Development phase	Complete the development and deployment of the IoV	Enhance the digitalization and connectivity

(IoV)	service stations, fleets, drivers and other users, complete the launch of IoV products such as fleet management and operations management in Saudi Arabia.		platform in some overseas regions	competitiveness and service added value of the complete vehicle products in overseas markets. The project will accumulate core capabilities in overseas IoV platform construction, operation and compliance, forming a replicable and scalable model to support the Company's overseas business scale-up and the advancement of its internationalization strategy.
Upgraded transmission product development project	Develop transmission products complying with noise regulations and fuel consumption regulations to improve the competitiveness of complete vehicles.	Development phase	Complete the development of drive axle and AMT products. Improve the comprehensive competitiveness of assembly products to make sure that the comprehensive index is higher than that of main competitive products at home and abroad.	Provide competitive drive axle and AMT transmission products for the Company's vehicle platform, improve the competitiveness of vehicle products, and support the Company to lead the industry continuously.
Engine Upgrade Product	Develop green and low-carbon engine products, improve	Development phase	Complete the development of heavy-duty Natural Gas (NG),	Provide new engine products for the

Development Project	the thermal efficiency of engine products, reduce energy consumption, and support the enhancement of the competitiveness of the complete vehicle products.		heavy-duty diesel, and medium-duty diesel engine products, improve product fuel economy and power performance, and achieve comprehensive competitiveness superior to domestic core competitors.	Company's vehicle platform, enhance the competitiveness of vehicle products, and support the continuous increase of the Company's vehicle product market share.
New Energy Powertrain Product Development Project	Develop BEV (Battery Electric Vehicle) zero-carbon in-house new energy powertrain products to support the enhancement of the competitiveness of new energy complete vehicle products.	Development phase	Complete the development of electric drive axle and electric drive transmission products, achieving comprehensive efficiency superior to domestic core competitors.	Provide new in-house electric drive assembly products for the Company's new energy vehicle platform, supporting the volume growth of new energy vehicles.
New Energy Integrated Thermal Management Technology	Develop a new energy in-house integrated thermal management system with integrated flow channel plate to support the enhancement of the energy consumption competitiveness of new energy complete vehicle products.	Development phase	Complete the development of dual-evaporator refrigeration technology, waste heat utilization technology, and large flow channel plate technology on both the water side and refrigerant side, achieving comprehensive indicators superior to major domestic and international competitors.	Provide in-house integrated thermal management products for the Company's new energy vehicle platform, effectively reducing the energy consumption level of the complete vehicle, and supporting the volume growth and quality improvement of new energy vehicles.

High-Power High-Efficiency Fuel Cell Technology	Develop fuel cell zero-carbon in-house new energy powertrain products with strong power and low hydrogen consumption to support the enhancement of the competitiveness of new energy complete vehicle products.	Development phase	Master core technologies such as high-efficiency and low-cost membrane electrodes, high-mass-transfer and long-life bipolar plates, and temperature-humidity adaptive control, improve product power performance and fuel economy, and achieve comprehensive competitiveness superior to domestic core competitors.	Provide in-house fuel cell assembly products for the Company's new energy vehicle platform, support the competitiveness leadership of new energy vehicles, and seize new opportunities in hydrogen energy development.
Autonomous Factory Logistics Vehicle Technology	Develop an L4 system technology platform for factory logistics, achieve the implementation of unmanned parts transfer scenarios in the factory area, and solidify the in-house development capability for autonomous driving in low-speed scenarios.	Verification phase	Develop a complete solution of fully self-developed drive-by-wire (x-by-wire) chassis, vehicle-side autonomous driving, and cloud control platform, break through technologies such as collaborative planning of small double-trailer towing trains and Vehicle-Road-Cloud collaborative cloud control platform, achieving comprehensive indicators superior to domestic core competitors.	Strongly support the Company's factory intelligent transformation, and form a growth point for the Company's autonomous driving implementation in low-speed scenarios.

Information about R&D personnel of the Company

	2025	2024	Change Ratio
Number of R&D personnel (person)	3,397	3,318	2.38%
Proportion of R&D personnel	17.77%	16.74%	Increased by 1.03%
Educational background structure of R&D personnel			

Doctor's degree	53	48	10.42%
Master's degree	1,190	1,075	10.70%
Bachelor's degree	2,136	2,183	-2.15%
Junior college degree	18	12	50.00%
Age structure of R&D personnel			
Under 30 years old	1,448	1,316	10.03%
30-40 years old	1,165	1,284	-9.27%
41-50 years old	578	524	10.31%
51-60 years old	206	194	6.19%

Information about R&D investment of the Company

	2025	2024	Change Ratio
Amount of R&D Investment (CNY)	2,581,823,001.77	2,800,223,762.41	-7.80%
Proportion of R&D Investment in Operation Income	4.12%	4.78%	Decreased by 0.66%
Capitalization amount of R&D investment (CNY)	298,645,742.07	390,738,120.65	-23.57%
Proportion of capitalized R&D investment in total R&D investment	11.57%	13.95%	Decreased by 2.38%

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

5. Cash Flow

Unit: CNY

Item	2025	2024	Year-on-Year
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			Increase and Decrease
Subtotal of cash inflows from operating activities	62,965,832,664.97	56,111,632,136.74	12.22%
Subtotal of cash outflows from operating activities	60,280,800,232.31	61,961,918,443.79	-2.71%
Net cash flows from operating activities	2,685,032,432.66	-5,850,286,307.05	145.90%
Subtotal of cash inflows from investment activities	31,245,274,726.40	5,099,293,082.54	512.74%
Subtotal of cash outflows from investment activities	33,580,120,586.32	4,139,412,784.68	711.23%
Net cash flows from investment activities	-2,334,845,859.92	959,880,297.86	-343.24%
Subtotal of cash inflows from financing activities	187,850,208.64	1,999,915,089.75	-90.61%
Subtotal of cash outflows from financing activities	261,913,625.64	830,253,558.33	-68.45%
Net cash flows from financing activities	-74,063,417.00	1,169,661,531.42	-106.33%
Net increase in cash and cash equivalents	272,035,961.34	-3,717,512,950.18	107.32%

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

Applicable Not applicable

- (1) “Net cash flows from operating activities” increased by 145.90% compared to the previous year, primarily due to an increase in cash inflows from operating activities.
- (2) “Sub-total of cash inflows from investing activities” increased by 512.74% compared to the previous year, mainly attributable to the increase in cash received from recovery of investments.
- (3) “Sub-total of cash outflows from investing activities” increased by 711.23% compared to the previous year, primarily due to the increase in cash paid for investments during the current period.
- (4) “Net cash flows from investing activities” decreased by 343.24% compared to the previous year, primarily due to the increase in cash paid for investments during the current period.

(5) “Sub-total of cash inflows from financing activities” decreased by 90.61% compared to the previous year, primarily attributable to the impact of raising funds through the issuance of shares to specific targets in the previous year.

(6) “Sub-total of cash outflows from financing activities” decreased by 68.45% compared to the previous year, mainly due to the decrease in cash dividend distributions during the current period.

(7) “Net cash flows from financing activities” decreased by 106.33% compared to the previous year, primarily due to the impact of raising funds through the issuance of shares to specific targets in the previous year.

(8) “Net increase in cash and cash equivalents” increased by 107.32% compared to the previous year, mainly attributable to the increase in net cash flows from operating activities.

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

Applicable Not applicable

For details, please refer to Section VIII Financial Report, VII. Notes to Items in the Consolidated Financial Statements, 63 “Supplementary Information to the Cash Flow Statement”.

V. Analysis of Non-main Business

Applicable Not applicable

VI. Analysis of Assets and Liabilities

1. Major Changes in Asset Composition

Unit: CNY

	End of 2025		Early 2025		Increase/Decrease in Proportion	Description of Major Changes
	Amount	Proportion in Total Assets	Amount	Proportion in Total Assets		
Monetary capital	22,325,269,010.05	30.79%	19,852,961,021.66	27.29%	3.50%	
Accounts	5,275,130,370.45	7.28%	7,067,296,142.54	9.71%	-2.43%	

receivable						
Contract assets	70,941,700.86	0.10%	14,455,542.05	0.02%	0.08%	
Inventories	13,415,413,449.26	18.50%	10,117,213,109.97	13.91%	4.59%	
Investment properties	44,712,225.12	0.06%	52,835,976.31	0.07%	-0.01%	
Long-term equity investments	1,353,025,361.23	1.87%	1,176,288,461.09	1.62%	0.25%	
Fixed assets	10,993,086,978.42	15.16%	11,198,300,572.20	15.39%	-0.23%	
Project under construction	131,371,243.36	0.18%	688,181,815.22	0.95%	-0.77%	
Right-of-use assets	60,896,263.98	0.08%	104,360,320.57	0.14%	-0.06%	
Short-term loans	50,000,000.00	0.07%		0.00%	0.07%	
Contract liabilities	2,603,137,668.68	3.59%	2,430,554,164.50	3.34%	0.25%	
Long-term loans	136,000,000.00	0.19%		0.00%	0.19%	
Lease liabilities	1,690,109.49	0.00%	27,431,600.64	0.04%	-0.04%	

High proportion of overseas assets

Applicable Not applicable

2. Assets and Liabilities Measured at Fair Value

Applicable Not applicable

Unit: CNY

Item	Opening Balance	Profits and Losses from Changes in Fair Value for the Current Period	Accumulated Changes in Fair Value through Equity	Provision for Impairment in the Current Period	Purchase Amount in the Current Period	Sales Amount in the Current Period	Other Changes	Closing Balance
Financial assets								
1. Investment in other equity instruments	540,066,528.00	-329,363,366.40	270,076,838.40					210,703,161.60
Total	540,066,528.00	-329,363,366.40	270,076,838.40					210,703,161.60
Financial liabilities								

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

3. Restrictions on Asset Rights as of the End of the Reporting Period

For details, please refer to Section VIII Financial Report, VII. Notes to Items in the Consolidated Financial Statements, 24 "Assets with Restricted Ownership or Right of Use".

VII. Investment Analysis**1. Overall Situation**

Applicable Not applicable

Investment Amount in the Reporting Period (CNY)	Investment Amount in the Same Period of Previous Year (CNY)	Variation Range
192,925,727.36	790,649,224.63	-75.60%

2. Major Equity Investments Acquired in the Reporting Period

Applicable Not applicable

Unit: CNY

Name of Investee Company	Main Businesses	Investment Method	Investment Amount	Share Proportion	Capital Source	Partners	Investment Horizon	Product type	Progress as of Balance Sheet Date	Estimated Revenue	Profit and Loss of Investment in the Current Period	Involved in Litigation or Not	Date of Disclosure	Disclosure Index
Jiefang Times New Energy Technology Co., Ltd.	Energy-saving technology promotion services	Capital increase	191,000,000.00	47.03%	Own Funds	Contemporary Amperex Technology Co., Limited (CATL), TELD New Energy	Long-term	Complete vehicle and battery leasing business	Completed	0.00	4,754,785.30	No	November 28, 2025	http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=gssz000800&stockCode

						Co., Ltd.		ness							=000800 &announ cementId =122483 1708&an nouncem ent
Total	--	--	191,000,000.00	--	--	--	--	--	--	0.00	4,754,785.30	--	--	--	

3. Major Non-equity Investments in Progress in the Reporting Period

Applicable Not applicable

4. Financial Assets Investment

(1) Securities investment

Applicable Not applicable

The Company has no securities investment in the reporting period.

(2) Derivatives investment

Applicable Not applicable

The Company has no derivative investment in the reporting period.

VIII. Sale of Major Assets and Equity

1. Sale of Major Assets

Applicable Not applicable

Counterparty	Assets Sold	Date of Sale	Transaction Price (CNY 10 thousand)	Net Profit Contributed by the Asset to the Listed Company from the Beginning of the Current Period to the Date of Sale (CNY 10 thousand)	Effect of Sale on the Company	Proportion of Net Profit Contributed by Asset Sales to the Listed Company in the Total Net Profit	Pricing Principle of Asset Sale	Related Party Transaction or Not	Relationship with the Counterparty	Whether All Property Rights of the Assets Involved Have been Transferred	Whether All Credits and Debts Involved Have been Transferred	Whether Implemented as Scheduled. If Not, Provide the Reasons and the Measures Taken by the Company	Date of Disclosure	Disclosure Index
Sanhe Sub-distr	Relevant buildings,	March 31, 2025	21,506.21	14,313.81	This expropriation is part of government planning. The land and buildings were	19.76%	Asset appraisal	No	N/A	Yes	Yes	Yes	March 08, 2025	https://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=gs

ict Offi ce, Xind u Dist ict Peop le's Gov ern ment , Che ngdu	land, and ancillar y facilitie s of FAW Jiefang Autom otive Co., Ltd., located in Xindu District , Chengd u			expropriated to meet the construction needs of the Chengdu Ring Ecological Zone. As a passive transaction, the Company has actively responded to the government's ecological protection planning and cooperated with the implementation of this work. This will not affect the normal production and operations of the Company and FAW Jiefang Automotive Co., Ltd.		prici ng								sz0000800&stock Code=000800&a nnouncementId=1 222743269&anno uncement
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2. Sale of Major Equity

Applicable Not applicable

IX. Analysis on main holding and joint-stock companies

Applicable Not applicable

Major subsidiaries and joint-stock companies affecting over 10% of the 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	7,052,133.96	1,961,867.26	6,739,149.04	36,723.77	79,959.93

Acquisition and disposal of subsidiaries in the reporting period

Applicable Not applicable

Company Name	Methods of Acquisition and Disposal of Subsidiaries in the Reporting Period	Impact on Overall Production, Operation and Performance
Jiefang Best Co., Ltd.	Establishment by investment	Implement the Company's "Four Countries and Nine Locations" global R&D layout, fully leverage the concentration of high-level talent in each region, and harness global expertise to enhance innovation capabilities.
Jiefang Saudi Arabia Co., Ltd.	Establishment by investment	Strive to optimize and strengthen the layout and expansion of overseas markets, supporting the comprehensive implementation of the Company's overseas industrial strategic planning.

X. Structured Entities Controlled by the Company

Applicable Not applicable

XI. Outlook for Future Development of the Company

1. Competition Pattern and Development Trend of the Company's Industry

In the coming period, the commercial vehicle industry will enter a key period of internal and external transformation.

From the perspective of the macro environment: The world situation is complex, and differentiated opportunities are gradually emerging. The domestic economy is stable and improving, domestic demand policies continue to exert influence, and the commercial vehicle industry is growing steadily. Consumer confidence is recovering slightly, and the highway vehicle market remains stable; infrastructure projects are starting successively, and engineering vehicles are expected to rebound.

From the perspective of market demand: Domestic replacement demand is strong, and policies for phasing out aging trucks continue; export demand remains high, with markets such as Southeast Asia becoming the main drivers of growth; New Energy Vehicles (NEVs), benefiting from the dual drivers of policy and market, continue to see rising penetration rates; Intelligent and Connected Vehicles (ICVs) are accelerating implementation and becoming a key to future competition.

From the perspective of industry competition: International brands are exerting efforts in the Chinese market, emerging automakers (new forces) are entering the heavy-duty truck track, traditional enterprises are under impact, bottom-tier enterprises are accelerating their exit, and the industry is entering a period of accelerated consolidation. Overseas markets have become the main battlefield for competition, and market competition is becoming increasingly fierce.

2. Development Strategy and Business Plan of the Company

In 2026, the Company will be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implement the spirit of the 20th National Congress of the CPC and all plenary sessions of the 20th CPC Central Committee, and deeply implement the spirit of General Secretary Xi Jinping's important instructions on the work of central enterprises and the spirit of General Secretary Xi Jinping's important speech during his inspection of China

FAW, unswervingly upholding and strengthening the leadership of the Party. Throughout the year, following the “1347” overall strategy (namely focusing on one goal, anchoring the development direction of “Three Jiefangs”, winning the four major breakthrough battles, and performing seven key tasks), the Company will focus on operations, improving quality and reducing costs, prioritizing sales volume, expanding light-duty vehicles, and deeply cultivating overseas markets. With all staff working hard on breakthroughs and accelerating transformation toward the new, the Company will make every effort to win the opening battle of the “15th Five-Year Plan”, and accelerate the struggle toward becoming a “world-class enterprise and a century-old national brand”!

(1) Focusing on the strategic goal of “China’s No. 1 and World-Class”, resolutely expanding the market and increasing volume, improving volume through quality, and accelerating the expansion of the Jiefang brand’s market scale.

First, focusing on market expansion and volume increase, and accelerating marketing capability enhancement. Focusing on the annual goals, exerting full-line efforts in three areas: expanding the advantages of traditional medium- and heavy-duty trucks, ensuring leadership in new energy medium- and heavy-duty trucks, and increasing the sales volume of light-duty trucks. Second, continuing to implement the Three-Year Quality Breakthrough Action, vigorously improving the market reputation of FAW Jiefang, and strengthening the leading competitiveness of the Company’s product quality.

(2) Anchoring the development direction of the “Three Jiefangs” and accelerating the process of transformation toward the new.

First, focusing on “Tech Jiefang”, with intelligence as the core to enhance transformation momentum. In the intelligence field, accelerating the promotion and application of ADAS (Advanced Driver Assistance Systems) vehicle products, improving the competitiveness of autonomous driving products, building brand-new product growth points, and continuously optimizing the intelligent experience for users. In the traditional field, focusing on mastering engine energy-saving technologies. In the new energy field, breaking through technologies such as megawatt super-charging. Regarding resource support, accelerating the cultivation of a high-quality intelligent technology talent echelon, and accelerating the construction of solid support for “Tech Jiefang”.

Second, focusing on “**Green Jiefang**”, and accelerating the construction of “leading advantages” in the new track transformation. Improving the production and sales scale of new energy and carbon footprint management capabilities, and firmly promoting product transformation and serialization. BEV (Battery Electric Vehicle) products: Accelerating the development of derivative models such as the J6 short-haul BEV platform and J7 medium- and long-haul models. Light-duty trucks: Building brand-new platform products such as new energy, mini-truck and pickup products, and completing the commercial vehicle matrix. Hydrogen energy products: Accelerating the construction of the hydrogen vehicle industry development community and creating a new ecosystem for the hydrogen industry. Traditional vehicle products: Deepening the upgrade of J7 Pioneering and Leading Version Edition high-end products and launching new products to support the low-energy-consumption advantages of traditional complete vehicles.

Third, focusing on “**International Jiefang**”, and building the primary engine for growth with a “better layout”. Accelerating the process of international transformation across the entire system, strengthening the global allocation of management resources, and promoting a leap in international capabilities throughout the system. Centering on the full coverage of the process systems of overseas subsidiaries and constructing a standardized and normalized overseas operation process architecture. Accelerating the implementation of subsidiaries and carrying out in-depth localized transformation. Strengthen overseas marketing system capabilities, focusing on improving the four core capabilities of “channels, services, brands, and finance”, accelerating the transition to overseas full-domain market breakthroughs, consolidating the strategic market foundation, and increasing resource investment in untapped markets.

(3) Resolutely win the four major battles, fully promote new breakthroughs and progress in “capacity improvement, quality enhancement, and efficiency increase” in operations

First is the breakthrough battle for comprehensively improving operating quality and efficiency. Closely track annual profit targets, strengthen synergy, and push forward with full efforts. Strictly and meticulously control expenses, and promote the simultaneous optimization of standards, prices, and losses. Continuously focusing on key cost and expense modules such as outsourcing, auxiliary materials, and maintenance, set up special revenue-generating projects to push forward. Strengthen the exploration of industrial chain value and cultivate diversified profit growth points. Improve asset operation efficiency and tap into the value of existing assets.

Second is the breakthrough battle for strengthening capital operations. Centering on the “Three Jiefangs” direction, accelerate the release of capital advantages, and refresh the vitality and image of FAW Jiefang in the capital market. Broaden financing channels and seize financial policy opportunities. Use investment to strengthen and complement the industrial chain, give full play to the power of capital, and promote industrial synergy. Strengthen Market Value Management and reinforce the brand image in the capital market through multi-dimensional measures.

Third is the breakthrough battle for accelerating management efficiency improvement. Deepen the promotion of management transformation, drive the organization to comprehensively improve governance effectiveness and management efficiency, and build a sustainable competitive advantage. Optimize the top-level governance structure and improve governance efficiency. Build an operation management platform to comprehensively improve centralized and unified operation efficiency.

Fourth is the breakthrough battle for improving risk prevention and control capabilities. Centering on the enterprise’s strategic transformation, closely track key areas, accelerate the strengthening of systemic capabilities for risk identification, prevention, and resolution, and support the Company’s stable operation and leading development. Strengthen supply chain risk prevention and control and improve the speed of response to abnormalities. Improve the effectiveness of the “four-dimensional” compliance system. Build a solid financial risk defense line and improve resource allocation efficiency. Strengthen the support of digital-intelligence capabilities and build a solid foundation for full-domain compliance and security.

(4) Performing seven key tasks (strategic management, supply and procurement, production logistics, engineering technology, talent team building, safety escort capability enhancement, and Party building and improving Party conduct and upholding integrity) to provide guarantee and support for the Company’s high-quality development.

3. Potential Risks in the Company’s Operations

(1) Industry competition risks

In 2026, the competitive landscape of the domestic commercial vehicle market will further intensify, and the industry will present a development trend where structural transformation and competition for existing market share coexist. Under the dual pressure from traditional peers and

cross-sector enterprises, market competition pressure and related risks continue to intensify. Leading enterprises in the industry continue to consolidate their advantageous positions and increase investment in core fields such as New Energy Vehicles (NEVs) and Intelligent and Connected Vehicles (ICVs), while continuously optimizing the fuel-saving and lightweight performance of traditional fuel-powered heavy-duty trucks to adapt to the demand for rapid transformation towards diversification and high-end development in downstream fields such as logistics transportation and engineering construction, making the struggle for market dominance increasingly fierce. Meanwhile, in 2026, exports have become a core growth pole for the industry, and leading enterprises are accelerating their international layout to further expand market space. In addition, product homogenization in the market is prominent, industry cut-throat competition continues to escalate, and market competition is becoming white-hot. In this context, to safeguard its existing market position and effectively respond to fierce competition, there is a possibility that the Company may increase investment during the market competition process, leading to rising operating costs.

(2) New Energy Market Competition Risks

The new energy commercial vehicle market is booming, with its penetration rate continuously increasing. The Company's new energy business still needs to further consolidate and expand its existing advantages. The R&D of new energy commercial vehicles requires significant capital and manpower investment, and the speed of technical iteration is fast. If the Company fails to widen the gap with peers in core areas such as battery range, charging support, and intelligent applications, it will face a more intense competitive situation in the market. Meanwhile, multiple factors, including price fluctuations of key materials, the difficulty of expanding new energy new-mode businesses, and intensified competition in market segments, further increase the uncertainty the Company faces in the new energy market.

(3) Overseas Market Expansion Risks

The strategic value of overseas markets for commercial vehicle enterprises is becoming increasingly prominent. In the process of overseas expansion, the Company faces numerous obstacles and potential risks, and such risks are more targeted. At the level of market expansion, the weak recovery of the global economy has led to continued soft demand for trucks in some countries and regions. Some countries have further increased import tariffs on trucks and plan to

expand the coverage of the Carbon Border Adjustment Mechanism (CBAM), significantly increasing the difficulty of truck exports. Meanwhile, regulations and demands vary significantly across different regions; new emission regulations in some regions have entered the implementation preparation stage, putting forward higher requirements for truck pollutant emissions, leading to a significant rise in corporate compliance and adaptation costs. At the operational level, the complex international environment has created uncertainty in achieving overseas sales and profit targets; geopolitical fluctuations and policy adjustments in various countries have further increased the risk of penalties for overseas operations. In addition, the overall overseas environment is complex and volatile, and the complexity of business expansion is high, bringing certain challenges to the Company's overseas business expansion in 2026.

To address the above risks, the Company has formulated the following measures:

First, strengthening strategic analysis and improving product competitiveness. Combining the Company's strategy and identified growth opportunities, make every effort to seize market share in existing stocks, and concentrate superior resources to ensure the achievement of market competition goals. Focus on improving product premium capabilities, strengthen multi-domain coordination and collaboration, and comprehensively enhance the overall competitiveness of products. In the service field, consolidate the foundation, expand increments, and seek breakthroughs, exploring new spaces for business growth at multiple levels and in all directions. In overseas markets, increase the introduction of high-yield models and gradually improve the market share of advantageous models. Deepen the construction of the performance management system and give full play to the leading role of indicators to promote quality and efficiency improvements in all tasks.

Second, consolidating the foundation of new energy business and comprehensively strengthening competitive advantages. Expand the competitive advantages of existing products, accurately seize new energy market opportunities, and combine innovative marketing schemes with multiple measures to promote the achievement of business goals. Strengthen scenario research and improve analysis accuracy to meet diverse market demands. Work closely with partners to effectively reduce the impact caused by price fluctuations of key materials. Through means such as financial empowerment, continuously optimize the layout and development quality of new businesses. Strengthen the dynamic monitoring of daily operations and capital status, and improve the early warning mechanism for risks to ensure that all matters are handled properly and

risks are controllable.

Third, improving overseas competitiveness and strengthening international market position. Increase resource investment in the R&D of overseas products, deeply strengthen capacity building for overseas product technology and regulations, improve the adaptability of products to overseas scenarios, and enhance market competitiveness in destination countries. Strengthen channel control and brand promotion efforts to provide strong support for the orderly development of overseas business. Strengthen the identification, collection, and application of policies and regulations related to products in overseas destination countries, and improve the localized adaptability of products. Continue to promote overseas localized operations and accelerate the implementation of overseas KD cooperation projects; strengthen deep localized cooperation with channels in destination countries, continuously improve the risk control mechanism for foreign exchange business, enhance foreign exchange business management levels, and comprehensively use various means to scientifically reduce the impact of exchange rate fluctuations. Establish and improve emergency plans for overseas security incidents, and strengthen the safety risk prevention awareness of overseas personnel. Through the above measures, promote the steady improvement of overseas competitiveness.

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

Applicable Not applicable

Reception Time	Reception Location	Reception Mode	Type of Reception Object	Reception Object	Main Contents of Discussion and Information Provided	Index of Basic Information of Investigation
January 8, 2025	Meeting room of the Company	Field Research	Organization	ChinaAMC, Huatai Securities, PSBC, Huashang Fund, PICC, Penghua Fund	Operation and development planning of the	http://www.cninfo.com.cn/new/disclosure/stock?stoc
March 31, 2025	Beijing meeting	Field Research	Organization	Jt Asset Management Co., Ltd., China Life Pension Company		

	room			Limited., Jilin Changbai Mountain Private Fund Management Co., Ltd., SHANGHAI KANDAO ASSETS MANAGEMENT, Northeast Securities Co., Ltd., Soochow Securities Co., Ltd., Dongxing Securities Corporation Limited, Nanjing Guohai Auto Parts Co., Ltd., Sinolink Securities Co., Ltd., Haitong Securities Co., Ltd., Hengtai Securities Co.,Ltd., Huaan Securities Co., Ltd., Huachuang Securities Co.,Ltd., Huatai Securities Co., Ltd., Lianchu Securities Co., Ltd., Western Securities Co., Ltd., Southwest Securities Co., Ltd., China International Capital Corporation Limited (CICC), China Securities Co., Ltd. and CITIC Securities Company Limited	Company, no relevant information is provided	kCode=000800&orgId=gssz0000800&sjstsBond=false#latestAnnouncement
April 14, 2025	P5w.net “Investor Relations Interactive Platform”	Network platform for online communication	Others	Investors participating in FAW Jiefang 2024 Annual Performance Presentation		
May 27, 2025	P5w.net “Investor Relations Interactive Platform”	Network platform for online communication	Others	Investors participating in the Online Collective Performance Presentation of Listed Companies within the Jurisdiction of Jilin		
August 25, 2025	Meeting room of the Company	Telephone communication	Organization	HSBC Jintrust Fund Management Company Limited., Huatai Proprietary, The Goldman Sachs Group, Inc., Huatai Securities Co., Ltd., China Great Wall Securities Co., Ltd., Industrial Securities Co., Ltd., China Securities Co., Ltd., Huafu Securities, Kaiyuan		

				<p>Securities, Guangyin Wealth Management, Minsheng Securities Research Institute, China International Capital Corporation Limited (CICC), Sealand Securities Co., Ltd., Sealand Securities Research Institute, ICBC Credit Suisse Fund, Guotai Haitong Securities Co., Ltd., Western Securities Co., Ltd., Southwest Securities Co., Ltd., UBS, Huaxi Securities, Great Wall Wealth Insurance Asset, The Goldman Sachs Group, Inc., Zhonggen Funds, Jucapital Management Co., Ltd., CITIC Securities Company Limited, Lianchu Securities Co., Ltd., Hainan Guoshi Private Fund, China Asset Management, Zhongke Richland Asset Management Co., Ltd., Minsheng Securities Co., Ltd., Shanghai Qinchen Private Fund, GF Securities Co., Ltd., AVIVA-COFCO</p>
<p>November 03, 2025</p>	<p>Meeting room of the Company</p>	<p>Telephone communication</p>	<p>Organization</p>	<p>China Post Life Insurance Asset Management Co., Ltd., Aviva-COFCO Life Insurance Co., Ltd., CITIC Securities, China Securities, Zhejiang Longhang Asset Management Co., Ltd., China Great Wall Securities Co., Ltd., Zean Private Equity Fund Management (Sanya) Partnership Enterprise (Limited Partnership), Sunshine Asset Management Co., Ltd., Industrial Securities Co., Ltd., Southwest Securities Co., Ltd., Western Securities Co., Ltd., Xi'an Duncheng Investment Management Co., Ltd., Wuxi</p>

				<p>Huili Investment Management Center (Limited Partnership), Tianfeng Securities Co., Ltd., Shenzhen Shangcheng Asset Management Co., Ltd., Shanghai Qinchen Private Fund Management Partnership (Limited Partnership), Shanghai Electric Group Finance Co., Ltd., Shanxi Securities Company Limited, UBS Securities Co., Ltd., Ping An Securities, Ping An Fund, Nanjing Ruilan Private Fund, Minsheng Securities Co., Ltd., Longwin Asset Management Co., Ltd., Lianchu Securities Co., Ltd., Kaiyuan Securities, China Asset Management, Huaxi Securities, Huaxi Automobile, Huatai Securities Co., Ltd., Huachuang Securities Co.,Ltd., Guotai Haitong, Guojin Automobile, Nanjing Guohai Auto Parts Co., Ltd., Guangfa Automobile, ICBC Wealth Management, Goldman Sachs, Founder Securities Co., Ltd., Dongwu Automobile, Northeast Securities, TruValue Asset Management, Caitong Securities Co., Ltd., Beijing Shengxi Investment Management Co., Ltd., Pleiad Investment Advisors Limited, Nomura Asset Management Co., Ltd., HGNH International Asset Management (SG) PTE. LTD.</p>	
November 21, 2025	P5w.net “Investor Relations Interactive Platform”	Network platform for online communication	Others	Investors participating in FAW Jiefang’s Third Quarter 2025 Collective Performance Briefing	

XIII. Implementation Status of Market Capitalization Management System and Valuation Enhancement Plan

Whether the Company established a market capitalization management system.

Yes No

Whether the Company disclosed a valuation enhancement plan.

Yes No

In accordance with Article 8 of the “Regulatory Guidelines for Listed Companies No. 10—Market Capitalization Management” issued by the China Securities Regulatory Commission, which stipulates that “Companies included in major indices shall establish a market capitalization management system...” The Company has formulated the “Market Capitalization Management System” in accordance with relevant regulations. The main contents include: General Provisions, Market Capitalization Management Organizations and Personnel, Principal Methods of Market Capitalization Management, Monitoring and Early Warning Mechanisms and Emergency Measures, and Supplementary Provisions. The “Proposal on Establishing the ‘Market Capitalization Management System’” has been reviewed and approved at the 21st meeting of the 10th Board of Directors of the Company.

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

Whether the Company disclosed the Announcement on the “Improvement of Both Quality and Return” action plan.

Yes No

For details, please refer to the Announcement on the Progress of the “Quality and Return Dual Improvement” Action Plan published by the Company on the same day in the Securities Times, China Securities Journal, and CNINFO (<http://www.cninfo.com.cn>).

Section IV Corporate Governance, Environment, and Social Responsibility

I. Basic Information about Corporate Governance

In 2025, the Company strictly complied with laws and regulations such as the Company Law, the Securities Law, and the Corporate Governance Guidelines for Listed Companies, as well as regulatory requirements of the China Securities Regulatory Commission and the Shenzhen Stock Exchange. It continuously improved its corporate governance structure, enhanced its internal control and risk management system, maintained high-quality information disclosure, and focused on investor communication. The Company has established a corporate governance structure with clear rights and responsibilities and coordinated operation, in which the Shareholders' Meeting is the highest authority, the Board of Directors is the operating decision-making body, the special committees of the Board are decision-making support bodies, the Audit and Risk Control Committee is the supervisory body, and the management is the executing body. During the reporting period, each governance entity of the Company performed its duties in accordance with laws and regulations, achieving scientific and efficient decision-making.

During the reporting period, the Company abolished the Board of Supervisors, revised and improved the Company's Articles of Association, and simultaneously revised the Independent Director Working System, Information Disclosure Management System, Fundraising Management System, and other listed company systems, further enhancing the level of standardized operation of the Company. At present, the actual governance situation of the Company meets requirements of the China Securities Regulatory Commission's normative documents for the governance of listed companies.

1. Shareholders and Shareholders' Meeting

The Company strictly complies with the Company Law, the Rules for Shareholders' Meetings of Listed Companies, the Articles of Association, and other relevant regulations, as well as the regulatory requirements of the Shenzhen Stock Exchange, to standardize the convening, holding, and voting procedures of the Shareholders' Meeting. It continues to adopt a combination

of on-site voting and online voting to ensure that all shareholders, especially small and medium-sized shareholders, can exercise their voting rights equally. The Shareholders' Meeting strictly implements the abstention from voting procedure for related shareholders when deliberating related party transactions, ensuring that the deliberation of related party transactions is fair, just, and open. At the same time, lawyers are engaged to witness the Shareholders' Meeting and issue legal opinions, effectively safeguarding the legality and standardization of the Shareholders' Meeting's operation.

2. Directors and the Board of Directors

The composition and qualifications of the Company's Board of Directors comply with relevant provisions such as the Company Law and the Rules of Procedure for the Board of Directors. The selection and appointment procedures for directors and the proportion of independent directors both meet regulatory requirements. During the reporting period, the Board of Directors performed its duties diligently and held board meetings on schedule. All directors were diligent and responsible, actively participated in relevant training, and enhanced their performance capabilities and scientific decision-making levels. The Company's Board of Directors has three special committees: the Strategy Committee, the Audit and Risk Control Committee, and the Remuneration and Appraisal Committee. The independent directors' special meeting mechanism operated effectively, providing professional support for board decisions and ensuring the standardized operation and efficient decision-making of the Board of Directors.

3. Relationship between the Controlling Shareholder and the Listed Company

The Company maintains independence from its controlling shareholder in terms of business, personnel, assets, organization, and finance, possessing a complete business system and independent operational capabilities. The Company's controlling shareholder strictly complies with regulatory requirements such as the Code of Corporate Governance for Listed Companies and the Self-Regulatory Guidelines for Listed Companies No. 1 — Standardized Operation of Main Board Listed Companies, regulates its own behavior, and does not engage in any actions that directly or indirectly interfere with the Company's operations and decision-making beyond the Shareholders' Meeting. It also does not have any non-operational use of the Company's funds or provide guarantees in violation of regulations, effectively safeguarding the independence of the listed company and the legitimate rights and interests of minority shareholders.

4. Information Disclosure and Transparency

The Company strictly complies with the Administrative Measures for Information Disclosure of Listed Companies, the Shenzhen Stock Exchange Listing Rules, the Self-Regulatory Guidelines for Listed Companies No. 1 — Standardized Operation of Main Board Listed Companies, and other regulations to fulfill information disclosure obligations truthfully, accurately, completely, timely, and fairly, ensuring that investors have equal access to the Company's information. At the same time, it strengthens the management of insiders to prevent the risk of insider trading. The Company strengthens communication and exchanges with investors through various channels such as performance briefings and the Interactive Easy platform, and enhances the corporate image in the capital market.

5. Stakeholders

The Company actively practices ESG concepts, earnestly fulfills its social responsibilities as a central state-owned enterprise, and fully respects and safeguards the legitimate rights and interests of stakeholders including shareholders, employees, customers, suppliers, and creditors. The Company establishes and improves communication mechanisms with stakeholders, strives to achieve coordination and balance of the interests of all parties, and jointly promotes the sustained, stable, and healthy development of the Company.

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

Yes No

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

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

In 2025, the Company maintained independence from its controlling shareholder in terms of business, personnel, assets, organization, and finance, possessing an independent and complete business system and independent operational capabilities. Specific steps are as follows:

1. Business: The Company has a complete business structure, independent business operation systems for R&D, procurement, production, and sales, and is able to independently organize and implement production and operation activities.

2. Personnel: The Company has independent personnel management institutions and systems, and conducts labor, personnel, and remuneration management independently of the controlling shareholder. The Company's directors and senior management are all selected and appointed in accordance with relevant laws and regulations. Senior management personnel are all full-time employees of the Company and receive remuneration from the Company.

3. Assets: The Company's asset ownership is clear and complete, and it has all rights such as ownership, control, disposal, and earnings over its assets. There is no situation where production and operation rely on the assets of the controlling shareholder, nor is there any situation where the controlling shareholder occupies the Company's assets.

4. Organization: The Company has a Shareholders' Meeting, Board of Directors, management, and various functional departments, and possesses an independent and complete organizational structure and production and business premises. All institutions are independent of the controlling shareholder, and there is no situation of working together with the controlling shareholder.

5. Finance: The Company has an independent and complete financial department, has established an independent financial management system and accounting system, has opened an independent bank account, and pays taxes independently in accordance with the law.

III. Horizontal Competition

Applicable Not applicable

Problem Type	Type of Relationship with Listed Company	Company Name	Nature of Company	Causes	Solutions	Work Progress and Follow-up Plan
Horizontal competition	Controlling shareholder	China FAW Group Co., Ltd.	Others	In 2020, the listed company completed major asset	Harbin Light Automobile and FAW Hongta are in a state of discontinuation or loss currently, with heavy	Perform as promised

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

petition				<p>restructuring, and its main business was changed to the R&D, production and sales of commercial vehicles. FAW Harbin Light Automobile Co., Ltd. and FAW Hongta Yunnan Automobile Manufacturing Co., Ltd., which are members of FAW Light Commercial Vehicle Co., Ltd., a subsidiary of FAW Car Co., Ltd., are engaged in some light truck businesses. There is horizontal competition or potential horizontal competition between them and the listed company.</p>	<p>burden and unstable profitability. FAW Car Co., Ltd. promises that it will urge to entrust all shares of Harbin Light Automobile and FAW Hongta under its actual control to Jiefang Limited for management, and inject the equities of Harbin Light Automobile and FAW Hongta under its actual control to listed companies in batches or at one time in an appropriate way, or transfer them to other unrelated third parties at a reasonable price and in a reasonable way, or prevent the light truck company from engaging in light truck related businesses by exercising shareholders' rights, and perform relevant internal approval procedures as soon as possible after the above procedures are initiated within 12 months after meeting the requirements that the return on net assets of Harbin Light Automobile and FAW Hongta is not lower than that of listed companies in the same period and increasing the earnings per share of listed companies after restructuring.</p>	
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IV. Directors and Senior Management

1. Basic Information

Name	Gender	Age	Position	Employment Status	Start Date of Tenure	Closing Date of Tenure	Number of Shares Held at the Beginning of the Period (Share)	Number of Shares Increased in the Current Period (Share)	Number of Shares Reduced in the Current Period (Share)	Other Increase/Decrease (Share)	Number of Shares Held at the End of the Period (Share)	Reasons for the Increase or Decrease of Shares
Li Sheng	Male	49	Chairman of the Board	In-service	December 26, 2024	April 23, 2026	63,617				63,617	
Yu Changxin	Male	53	Director	In-service	March 06, 2025	April 23, 2026						
Wang Hao	Male	55	Employee Director	In-service	September 09, 2025	April 23, 2026						
Wang Hao	Male	55	Director	Departure from office	April 25, 2024	September 09, 2025						
Liu Yanchang	Male	62	Director	Departure from office	September 16, 2022	August 01, 2025						
Chen Hua	Female	57	Director	In-service	June 19, 2024	April 23, 2026						

				e									
Deng Weigong	Male	59	Director	In-service	February 21, 2024	April 23, 2026							
Jiao Youlin	Male	52	Director	In-service	September 09, 2025	April 23, 2026							
Han Fangming	Male	59	Independent director	In-service	April 22, 2020	April 23, 2026							
Mao Zhihong	Male	64	Independent director	In-service	April 22, 2020	April 23, 2026							
Dong Zhonglang	Male	61	Independent director	In-service	April 22, 2020	April 23, 2026							
Li Ying	Female	52	Chairman of Board of Supervisors	Departure from office	March 28, 2024	September 09, 2025							
Xu Haigen	Male	61	Employee Supervisor	Departure from office	April 22, 2020	March 17, 2025							
Wang Lijun	Male	57	Employee Supervisor	Departure from office	April 22, 2020	September 09, 2025							

Duan Yinghui	Male	55	Employee Supervisor	Departure from office	April 22, 2020	September 09, 2025						
Li Risheng	Male	40	Employee Supervisor	Departure from office	March 26, 2025	September 09, 2025						
Qiao Xiaobing	Male	49	Employee Supervisor	Departure from office	March 26, 2025	September 09, 2025						
Yu Changxin	Male	53	General Manager	In-service	December 26, 2024	April 23, 2026						
Wang Zhiyu	Male	50	Deputy General Manager	In-service	May 26, 2025	April 23, 2026						
Wang Jianyu	Male	46	Deputy General Manager	In-service	March 28, 2024	April 23, 2026	63,617				63,617	
Wang Jianxun	Male	42	Secretary of the Board of Directors	In-service	July 23, 2020	January 22, 2026	63,617	30,000			93,617	Shareholding increased by own funds
Total	--	--	--	--	--	--	190,851	30,000			220,851	--

Whether any director or senior management member left office during their term in the reporting period

Yes No

On March 18, 2025, the Company disclosed the “Announcement on Resignation of a Company Supervisor,” stating that Mr. Xu Haigen applied to resign from his position as a supervisor of the Company due to having reached the statutory retirement age. On August 2, 2025, the Company disclosed the “Announcement on Resignation of a Company Director,” stating that Mr. Liu Yanchang applied to resign from his positions as a director of the Company and a member of the Board’s specialized committees due to work arrangement reasons. On September 9, 2025, the Company convened the Second Extraordinary General Meeting of Shareholders in 2025, which deliberated and passed the “Proposal on the Cancellation of the Board of Supervisors and Amending the ‘Articles of Association’.” Li Ying, Chairman of the Board of Supervisors, and Employee Supervisors Wang Lijun, Duan Yinghui, Li Risheng, and Qiao Xiaobing no longer serve as supervisors of the Company. On September 10, 2025, the Company disclosed the “Announcement on the Resignation of a Director and the Election of an Employee Representative Director.” Mr. Wang Hao applied to resign from the position of non-independent director of the 10th Board of Directors of the Company; the Employee Representative Congress elected Mr. Wang Hao to serve as the employee representative director of the 10th Board of Directors of the Company. On January 23, 2026, the Company disclosed the “Announcement on the Resignation of the Company’s Board Secretary,” stating that Mr. Wang Jianxun applied to resign from his position as the Company’s Board Secretary due to work adjustment reasons.

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

Changes in Directors and Senior Management of the Company

Applicable Not applicable

Name	Position	Type	Date	Reason
Wang Hao	Director	Appointment and Dismissal	September 09, 2025	Job transfer
Liu Yanchang	Director	Departure from office	August 01, 2025	Job transfer
Li Ying	Chairman of	Departure	September 09, 2025	Dismissal

	Board of Supervisors	from office		
Xu Haigen	Employee Supervisor	Departure from office	March 17, 2025	Statutory retirement
Wang Lijun	Employee Supervisor	Departure from office	September 09, 2025	Dismissal
Duan Yinghui	Employee Supervisor	Departure from office	September 09, 2025	Dismissal
Li Risheng	Employee Supervisor	Departure from office	September 09, 2025	Dismissal
Qiao Xiaobing	Employee Supervisor	Departure from office	September 09, 2025	Dismissal

2. Employment Status

Professional background, main work experience, and current main responsibilities of the Company's current directors and senior management.

Mr. **Li Sheng** is currently the Chairman and Secretary of the Party Committee of the Company, as well as the Director and Secretary of Party Committee of Jiefang Limited. He has served successively as Assistant Director of Commercial Vehicle Development Institute of Jiefang Limited and Senior Manager and R&D Department of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant); Deputy General Manager of Jiefang Limited Qingdao Vehicle Division (Qingdao Company) and Assistant Director of Commercial Vehicle Development Institute; Deputy Director of Commercial Vehicle Development Institute of Jiefang Limited and Deputy General Manager and R&D Department Director of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant); Executive Deputy General Manager and R&D Department Director of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant); Deputy General Manager of the Company and Deputy General Manager of Jiefang Limited, General Manager and Party Committee Secretary of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant), General Manager of the Medium and Heavy Vehicle Product Line of the Qingdao Vehicle Division and General Manager of the Light Vehicle Product Line; General Manager and Deputy Party Committee Secretary of the Company, and General Manager and Deputy Party Committee Secretary of Jiefang Limited.

Mr. **Yu Changxin** is currently the Director, General Manager, and Deputy Secretary of the Party Committee of the Company, as well as the General Manager, Deputy Secretary of the Party Committee, General Legal Counsel, and Chief Compliance Officer of Jiefang Limited. He has successively served as the Deputy Director of Marketing Headquarters (Deputy General Manager of FAW Jiefang Automobile Sales Company) of Jiefang Limited. and the Deputy General Manager of Qingdao Vehicle Division (FAW Jiefang Qingdao Automobile Plant), the General Manager of the Commercial Vehicle Overseas Marketing Department of Jiefang Limited. and Deputy General Manager of China FAW Group Import & Export Co., Ltd., the General Manager and Deputy Secretary of the Party Committee of China FAW Group Import & Export Co., Ltd., the Executive Deputy General Manager of FAW Jiefang, the Deputy General Manager of the Company and the General Manager of the Overseas Product Line, Executive Deputy General Manager of the Company and Executive Deputy General Manager of Jiefang Limited.

Mr. **Wang Hao** is currently the Employee Director, Deputy Secretary of the Party Committee, and Chairman of the Labor Union of the Company, as well as the Deputy Secretary of the Party Committee and Chairman of the Labor Union of Jiefang Limited. He has served successively as Deputy Party Committee Secretary, Discipline Committee Secretary, and Labor Union Chairman of FAW Toyota Changchun Engine Co., Ltd.; Deputy Party Committee Secretary, Discipline Committee Secretary, and Labor Union Chairman of FAW Toyota Automobile Sales Co., Ltd.; Deputy Director of China FAW Supervision Department; Standing Committee Member of China FAW Discipline Committee; and Director of China FAW Party Committee Inspection Office.

Ms. **Chen Hua** is currently a part-time external director for subsidiaries in the Financial Management Department (Board Office) of China FAW. She has served successively as the Manager of the Product Control Section of FAW-Volkswagen Automobile Co., Ltd., the Director of the Product Control Department of FAW-Volkswagen Automobile Co., Ltd. and the Director of Control of FAW-Volkswagen Automobile Co., Ltd.

Mr. **Deng Weigong** is currently a full-time external director of the subsidiary of the Financial Management Department (Office of the Board of Directors) of China FAW. He has served successively as the General Manager and Secretary of the Party Committee of FAW Toyota Changchun Engine Co., Ltd., Deputy Secretary of the Party Committee, Secretary of the

Discipline Inspection Commission and Chairman of the Labor Union of Tianjin FAW Toyota Motor Co., Ltd., Chairman and Secretary of the Party committee of FAW Foundry Co., Ltd.

Mr. **Jiao Youlin** is currently a full-time external director for subsidiaries in the Financial Management Department (Board Office) of China FAW. He previously served as Deputy General Manager of the Marketing Center (Hongqi Sales Company) of China FAW Group Co., Ltd., Deputy General Manager (presiding over work) of the Mobility Travel Division (FAW Mobility Technology Co., Ltd.) of China FAW Group Co., Ltd., Deputy General Manager of the Hongqi Premium Customization Center Branch of China FAW Co., Ltd., and Deputy General Manager of China FAW Import and Export Co., Ltd., among other positions.

Mr. **Han Fangming** currently serves as President of the Charhar Institute, Senior Advisor to the Board of TCL Technology Group Corporation, Vice President of the China National Association for International Studies, Vice President of the Chinese Society for Southeast Asian Studies, Member of the National Council of the Chinese People's Association for Friendship with Foreign Countries, and Council Member of the Chinese People's Institute of Foreign Affairs. He has served successively as a member of the 10th, 11th, 12th and 13th CPPCC, and served as the deputy director of the Foreign Affairs Committee of the National Committee of the CPPCC for three consecutive terms from 2008 to March 2023.

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

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

Mr. **Wang Zhiyu** is currently the Deputy General Manager of the Company and the Deputy General Manager of Jiefang Limited. He previously served as Deputy General Manager of the Engine Division of Jiefang Limited and General Manager and Secretary of the Party Committee of Dalian Diesel Engine Co., Ltd., Deputy Secretary of the Party Committee, Secretary of the

Discipline Inspection Commission, and Head of the Labor Union (Chairman of the Labor Union) of the Powertrain Division of Jiefang Limited, and General Manager and Deputy Secretary of the Party Committee of FAW Foundry Co., Ltd., among other positions.

Mr. **Wang Jianyu** is currently the Deputy General Manager of the Company and the Deputy General Manager of Jiefang Limited, the President and Secretary of the Party Committee of the Commercial Vehicle Development Institute. He has successively served as the Chief Steering Development Officer of Commercial Vehicle Development Institute of Jiefang Limited, the Director of Chassis Development Department of Commercial Vehicle Development Institute, and the Vice President of Commercial Vehicle Development Institute.

Mr. **Wang Jianxun** is currently the Secretary of the Board of Directors and Director of the Capital Operation Department of the Company (resigned on January 22, 2026). He has served successively as the Deputy Office Director and Office Director of the Board of Directors of TCL Group Co., Ltd., the Deputy General Manager of Shenzhen Create Century Machinery Co., Ltd., etc.

Situations where the controlling shareholder and de facto controller simultaneously serve as the chairman and general manager of the listed company.

Applicable Not applicable

Status of post held in the firm of shareholders

Applicable Not applicable

Name of Employees	Name of Shareholder	Position in the Shareholder	Start Date of Tenure	Closing Date of Tenure	Whether Remuneration and Allowance are Received from the Shareholder
Chen Hua	China FAW Group Co., Ltd.	Part-time external director of subsidiary of Financial Management	May 01, 2024		Yes

		Department (Office of the Board of Directors)			
Deng Weigong	China FAW Group Co., Ltd.	Full-time external director of subsidiary of Financial Management Department (Office of the Board of Directors)	October 01, 2023		Yes
Jiao Youlin	China FAW Group Co., Ltd.	Full-time external director of subsidiary of Financial Management Department (Office of the Board of Directors)	July 01, 2025		Yes

Position in other organizations

Applicable Not applicable

Name of Employees	Name of Other Organizations	Position in Other Organizations	Start Date of Tenure	Closing Date of Tenure	Whether Remuneration and Allowance are Received from Other Organizations
Han Fangming	Chahar Institute	President	October 01, 2009		Yes
Mao Zhihong	Jilin University	Professor and Doctoral Supervisor of the Department of	November 01, 2000		Yes

		Accounting, School of Business and Management			
Dong Zhongla ng	Zhuhai Yinshan Capital Equity Investment Management Co., Ltd.	Managing Partner	May 01, 2017		Yes

Penalties imposed by securities regulatory authorities in the past three years on directors and senior management currently in office or who left office during the reporting period

Applicable Not applicable

3. Remuneration of Directors and Senior Management

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

Decision-Making Procedure of Remuneration of Directors and Senior Management	Only directors (excluding independent directors) and senior management who hold positions in the Company are paid remuneration; the remuneration of directors who do not hold positions in the Company is paid by their employing units. The remuneration of relevant directors and senior management paid by the Company is determined by the Board of Directors.
Determination Basis of Remuneration of Directors and Senior Management	Directors (excluding independent directors) and senior management who receive compensation from the Company follow an annual compensation system that consists of three main components: base salary, performance-based bonus, and tenure incentive. The performance-based bonus is determined according to indicators including the Company's operating results, performance evaluation, and fulfillment of duties during the reporting period. The tenure incentive is determined according to indicators including operating results, performance evaluation, and fulfillment of duties during the term of office.
Actual Payment of Remuneration for Directors and Senior Management	During the reporting period, the total remuneration paid to directors (excluding independent directors) and senior management amounted to CNY 7.3612 million (including tax); A total of CNY 450 thousand (tax inclusive) of allowances were paid to independent directors, and reasonable expenses (including travel expenses, office expenses, training expenses, etc.) required to attend the Company's

Board of Directors, Shareholders' Meeting and exercise their functions and powers in accordance with relevant regulations can be reimbursed by the Company based on actual expenses.

Remuneration of Directors and Senior Management of the Company in the Reporting Period

Unit: CNY 10 thousand

Name	Gender	Age	Position	Employment Status	Total Pre-tax Compensation Received from the Company	Whether Remuneration Is Obtained from Related Parties of the Company
Li Sheng	Male	49	Chairman of the Board	In-service	151.24	No
Yu Changxin	Male	53	Director and General Manager	In-service	143.65	No
Wang Hao	Male	55	Employee Director	In-service	121.33	No
Liu Yanchang	Male	62	Director	Departure from office		Yes
Chen Hua	Female	57	Director	In-service		Yes
Deng Weigong	Male	59	Director	In-service		Yes
Jiao Youlin	Male	52	Director	In-service		Yes
Han Fangming	Male	59	Independent director	In-service	15	No
Mao Zhihong	Male	64	Independent director	In-service	15	No
Dong Zhonglang	Male	61	Independent director	In-service	15	No
Wang Zhiyu	Male	50	Deputy General Manager	In-service	70.43	No
Wang	Male	46	Deputy	In-service	119.97	No

Jianyu			General Manager			
Wang Jianxun	Male	42	Secretary of the Board of Directors	In-service	129.50	No
Total	--	--	--	--	781.12	--

Assessment basis for the actual remuneration received by all directors and senior management as of the end of the reporting period	Implemented in accordance with the Company's relevant remuneration management regulations.
Completion status of the assessment for the actual remuneration received by all directors and senior management as of the end of the reporting period	Completed
Deferred payment arrangements for the actual remuneration received by all directors and senior management as of the end of the reporting period	The deferred payment arrangements for the Company's directors and senior management are reviewed and determined based on specific rules and regulations, and the Company distributes them in accordance with relevant regulations.
Clawback and suspension circumstances for the actual remuneration received by all directors and senior management as of the end of the reporting period	There were no cases of payment suspension or clawback during the reporting period.

V. Performance of Duties by Directors in the Reporting Period

1. Attendance of Directors at Board Meetings and Shareholders' Meetings

Attendance of Directors at Board Meetings and Shareholders' Meetings							
Name of Director	Number of Meetings of the Board of Directors to be Attended in the Reporting	Number of Meetings of the Board of Directors Attended in Person	Number of Meetings of the Board of Directors Attended via Communication	Number of Meetings of the Board of Directors Attended by Entrustment	Number of Absences from the Meeting of the Board of Directors	Failure to Attend the Meeting of the Board of Directors in Person for Two Consecutive Times	Number of Shareholders' Meetings Attended

	Period					or Not	
Li Sheng	12	4	6	2	0	No	2
Yu Changxin	11	4	6	1	0	No	4
Wang Hao	12	5	6	1	0	No	4
Liu Yanchang	6	3	3	0	0	No	2
Chen Hua	12	6	6	0	0	No	4
Deng Weigong	12	6	6	0	0	No	4
Jiao Youlin	5	2	3	0	0	No	2
Han Fangming	12	6	6	0	0	No	2
Mao Zhihong	12	6	6	0	0	No	3
Dong Zhonglang	12	6	6	0	0	No	4

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

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

Whether the directors raise objections to relevant matters of the Company

Yes No

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

3. Additional Description of Performance of Duties by Directors

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

Yes No

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

In 2025, all directors of the Company worked in strict accordance with the Company Law, Securities Law, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and the Articles of Association and other laws and regulations, and performed their duties faithfully and diligently in a responsible attitude towards all shareholders. They actively attended the meetings

of the Board of Directors and the Shareholders' Meeting, carefully reviewed proposals, and put forward professional opinions and suggestions on the development strategy, regular reports, related transactions and other matters during the reporting period, so as to safeguard the legitimate rights and interests of the Company and shareholders and ensure the standard operation and sustainable development of the Company.

VI. Performance of Duties by Special Committees under the Board of Directors in the Reporting Period

Name of Committee	Members	Number of Meetings Held	Date	Contents	Important Comments and Suggestions Put Forward	Other Performance of Duties	Details of Objections
Audit and Risk Control Committee	Mao Zhihong, Han Fangming, Deng Weigong	1	March 20, 2025	Reviewed the "Company's 2024 Financial Audit Report," the "2024 Annual Report," the "2024 Internal Control System Work Report," the "2024 Internal Control Evaluation Report," the "2024 Rule of Law Construction and Compliance Management Work Report," and the "2024 Internal Audit Work Report."	All proposals were agreed.		N/A
	Mao Zhihong, Han Fangming, Chen Hua	5	April 24, 2025	Reviewed the "Report on the First Quarter of 2025" and the "Internal Audit Report for the First Quarter of 2025"	All proposals were agreed.		N/A
			August 19,	Reviewed the	All		N/A

		2025	“Proposal on Asset Impairment Provisions for the First Half of 2025”, the “2025 Semi-annual Report and its Summary”, the “2025 Annual Internal Audit Report”, the “Proposal on Establishing the Internal Audit System”, and the “Work Plan for Internal Control System Construction and Internal Control Evaluation for 2025”.	proposals were agreed.		
		September 25, 2025	Reviewed the “Proposal on Engaging a Financial Audit Firm”, the “Proposal on Engaging an Internal Control Audit Firm”, and the “Proposal on Accepting State-Owned Capital Operating Budget Funds from the Controlling Shareholder by Means of Entrusted Loan and Connected Transaction”.	All proposals were agreed.		N/A
		October 28, 2025	Reviewed the “2025 Third Quarter Report” and “Third Quarter Report on Internal Audit”	All proposals were agreed.		N/A
		December	Reviewed the	All		N/A

			15, 2025	“Proposal on Application for Financial Derivatives Business Qualifications of the Company and Its Subsidiaries” and the “Report on Major Risk Assessment Results for 2026”.	proposals were agreed.		
Remuneration and Appraisal Committee	Dong Zhonglang, Mao Zhihong, Liu Yanchang.	1	March 28, 2025	Reviewed the “Proposal on the Unfulfilled Conditions for the Third Restricted Stock Unlocking Period of the Reserved Grants under the First Phase Restricted Stock Incentive Plan and the Repurchase and Cancellation of Certain Restricted Stocks”	The proposal was agreed.		N/A
	Dong Zhonglang, Mao Zhihong, Deng Weigong	1	May 26, 2025	Reviewed proposals such as the performance evaluation results of senior management and the performance assessment indicators of senior management.	All proposals were agreed.		N/A
Strategy Committee	Li Sheng, Dong Zhonglang, Han Fangming, Liu Yanchang	1	February 14, 2025	Reviewed the “2025 Fixed Asset Investment Plan”, “2025 Equity Investment Plan”, “Proposal on Establishing a New R&D Center in Japan”, and “2025	All proposals were agreed.		N/A

				Key Work Plan for Technological Innovation”.			
Li Sheng, Yu Changxin, Dong Zhonglang, Han Fangming, Liu Yanchang	1	July 01, 2025		Reviewed the “Proposal on Establishing a New Overseas Subsidiary”.	The proposal was agreed.		N/A
Li Sheng, Yu Changxin, Dong Zhonglang, Han Fangming	2	August 19, 2025		Reviewed the “Mid-year Adjustment to the 2025 Equity Investment Plan” and “Mid-year Adjustment to the 2025 Fixed Assets Investment Plan”, and received the “Implementation of the Company’s Strategic Plan”	All proposals were agreed.		N/A
		October 28, 2025		Reviewed the “Medium and Long-term Development Plan of the Company”.	The proposal was agreed.		N/A
Li Sheng, Yu Changxin, Dong Zhonglang, Han Fangming, Jiao Youlin	1	November 27, 2025		Reviewed the “Proposal on Capital Increase in Jiefang Times New Energy Technology Co., Ltd. by the Subsidiary”.	The proposal was agreed.		N/A

VII. Work Report of the Audit Committee

Whether the Audit Committee has found any risks in the Company during its supervision activities in the reporting period

Yes No

The Audit Committee has no objection to the supervision matters in the reporting period.

VIII. Employees of the Company

1. Number, Specialty Composition and Education Level of Employees

Number of on-the-job employees of the parent company at the end of the reporting period (person)	201
Number of on-the-job employees of main subsidiaries at the end of the reporting period (person)	18,916
Total number of on-the-job employees at the end of the reporting period (person)	19,117
Total number of employees receiving compensation in the current period (person)	20,084
Number of retired employees whose expenses shall be borne by the parent company and major subsidiaries (person)	9
Specialty Composition	
Category	Number (person)
Production personnel	10,702
Sales personnel	1,216
Technicians	5,960
Financial personnel	327
Administrative personnel	912
Total	19,117
Education Background	
Category	Number (person)
Doctor's degree	64
Master's degree	1,855
Bachelor's degree	8,161
Junior college degree	4,266
High school and below	4,771
Total	19,117

2. Remuneration Policy

In 2025, the Company remains committed to prioritizing value creators, continuously enhancing incentive mechanisms, emphasizing value orientation, further stimulating

organizational and employee vitality, and supporting the Company's business development.

First, improving compensation incentive mechanisms to energize employees:

Emphasizing value orientation, based on the role responsibilities in various fields, adopting a one-enterprise-one-policy approach to establish a total wage management mechanism with clear direction, explicit adjustments, and appropriate authorization, fully leveraging the role of compensation as a lever; optimizing the assessment and incentive mechanism in the marketing field to support the achievement of operational indicators such as sales volume; improving the bonus distribution rules for production operators, with incentives tilted toward frontline production and highly skilled personnel; implementing project-based incentives to encourage all employees to tackle difficult challenges; implementing annual rewards and salary adjustments to incentivize employees with strong performance and capabilities to create greater value for the enterprise; taking multiple measures to achieve mutual growth for employees and the enterprise.

Second, standardizing employee benefits management, delivering benefit entitlements, and ensuring protection: The Company signs labor contracts with employees in accordance with legal provisions, handles and pays various social insurances such as basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and housing provident funds for employees, and actively promotes supplementary pension insurance and supplementary medical insurance systems; establishes and improves the welfare system, implements welfare benefits such as holiday subsidies, heating fee subsidies, living allowances for single employees, and summer cooling subsidies in accordance with standards, protecting employees' legitimate rights and interests in multiple aspects and comprehensively. The expenses for the Company's regular retirees are incorporated into the social security system, eliminating the need for the Company to bear pension expenses for regular retirees, though it continues to bear expenses for senior retired cadres.

3. Training Plan

In 2025, employee training and development work aims to support the Company's innovation-driven transformation and development, the achievement of annual business objectives, and the resolution of business pain points and difficult issues, carrying out targeted and systematic talent development work by tier and category. A total of more than 7000 various training sessions were conducted throughout the year.

4. Labor Outsourcing

Applicable Not applicable

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

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

Applicable Not applicable

The Company's 2024 Profit Distribution Plan was reviewed and approved by the 24th Meeting of the 10th Board of Directors and the 2024 Annual Shareholders' Meeting, and the "Announcement on the Implementation of 2024 Annual Equity Distribution" was disclosed on June 11, 2025. The ex-rights and ex-dividend date for this profit distribution is: June 17, 2025.

Special Description of Cash Dividend Policy	
Whether the provisions of the Articles of Association or the requirements of resolutions of the Shareholders' Meeting are met:	Yes
Whether the dividend standard and proportion are definite and clear:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether the independent directors have fulfilled their duties and played their due roles:	Yes
In case no cash dividends are distributed, we shall disclose the specific reasons and the subsequent actions to be taken to improve the investor's return level:	N/A
Whether the minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected:	Yes
Whether the conditions and procedures are compliant and transparent when the cash dividend policy is adjusted or changed:	N/A

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

Applicable Not applicable

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

Applicable Not applicable

Number of bonus shares given per 10 shares (share)	0
Number of distributed dividends per 10 shares (CNY) (tax	0.45

inclusive)	
Share capital base for distribution plan (share)	4,921,280,975
Amount of cash dividends (CNY) (tax inclusive)	221,457,643.87
Amount of cash dividends paid by other means (such as share repurchase) (CNY)	0.00
Total amount of cash dividends (including by other means) (CNY)	221,457,643.87
Distributable profits (CNY)	7,134,368,517.65
Proportion of total amount of cash dividends (including by other means) in the total amount for profit distribution	100%
Cash Dividends	
Others	
Note on details of schedule of profit distribution or transfer of capital reserve to equity	
<p>As audited and confirmed by BDO China Shu Lun Pan Certified Public Accountants LLP, the Company's parent company realized a net profit of CNY 10,546,206.12 in 2025, plus the undistributed profit from previous years of CNY 7,370,940,980.89, minus the statutory surplus reserve accrued in the current year of CNY 1,054,620.61 and the distributed profit of CNY 246,064,048.75, etc., the actual profit available for distribution to shareholders for the current year is CNY 7,134,368,517.65.</p> <p>The 2025 annual profit distribution plan of the Company is as follows: Based on the 4,921,280,975 shares of the Company, a cash dividend of CNY 0.45 (tax inclusive) will be distributed to all shareholders for every 10 shares they hold; the cash dividends to be distributed will reach CNY 221,457,643.87 (tax inclusive), and the remaining undistributed profits will be carried forward to the next accounting year. The Company does not convert its capital reserves into share capital.</p> <p>If the Company's total share capital changes due to share repurchases or other reasons before the implementation of the distribution plan, a cash dividend of CNY 0.45 (tax inclusive) will be distributed to all shareholders per 10 shares based on the total share capital registered on the record date when the profit distribution plan is implemented in the future, with the specific amount subject to the actual distribution.</p> <p>This distribution plan is subject to the review and approval of the 2025 Annual Shareholders' Meeting before implementation.</p>	

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

Applicable Not applicable

1. Equity Incentive

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

(2) On January 15, 2021, the Company held the 12th Session of the 9th Meeting of the Board of Directors and the 11th Session of the 9th Meeting of the Board of Supervisors respectively, and reviewed and approved the Proposal on Adjusting the List of the First Batch of Incentive Objects and the Number of Grants of the First Restricted Share Incentive Plan and the Proposal on Granting Restricted Shares to the Incentive Objects of the First Restricted Share Incentive Plan for the First Time. On February 1, 2021, the Company disclosed the Announcement on the Completion of the First Grant Registration of Phase I Restricted Share Incentive Plan, in which the restricted shares in the incentive plan were first granted to 319 persons, totaling 40.9877 million shares, with a grant price of CNY 7.54 per share. The restricted shares granted were listed on February 5, 2021.

(3) On December 9, 2021, the Company held the 20th meeting of the 9th Board of Directors and the 19th meeting of the 9th Board of Supervisors respectively to deliberate and adopt the Proposal on Granting Reserved Part of Restricted Shares in the Phase I Restricted Share Incentive Plan to Incentive Objects, Proposal on Adjusting the Repurchase Price of Restricted Shares in the Phase I Restricted Share Incentive Plan, Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan and other relevant proposals. On January 6, 2022, the Company disclosed the Announcement on Completion of Registration of Grant of Reserved Part of Restricted Shares in Phase I Restricted Share Incentive Plan, in which reserved part of restricted shares in the incentive plan were granted to 33 persons, totaling 3.7216 million shares, with a grant price of CNY 6.38 per share. The restricted shares granted were listed on January 10, 2022. On January 17, 2022, the Company disclosed the Announcement on

Completion of Repurchase and Cancellation of Some Restricted Shares, in which all restricted shares granted to 2 incentive objects but not yet released, totaling 260,857 shares, with a repurchase price of CNY 7.04 per share.

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

(5) On October 28, 2022, the Company held the 28th Meeting of the 9th Board of Directors and the 24th Meeting of the 9th Board of Supervisors respectively to deliberate and approve the Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan. The Proposal was subsequently deliberated and approved at the 3rd Extraordinary Shareholders' Meeting of the Company in 2022. It was agreed to repurchase and cancel a total of 1,359,247 restricted stocks, either in full or in part, that were granted but not yet released from restrictions to the original 11 incentive recipients; on January 17, 2023, The Company issued the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares on CNINFO (<http://www.cninfo.com.cn>).

(6) On December 15, 2022, the Company held the 30th meeting of the 9th Board of Directors and the 26th meeting of the 9th Board of Supervisors, respectively, to deliberate and approve the "Proposal on the Achievement of Unlocking Conditions in the First Release Period of the Restricted Shares Firstly Granted in the Phase I Restricted Incentive Plan", agreeing that the Company should handle the unlocking of 13,042,347 restricted shares for a total of 311 incentive recipients who met the unlocking conditions for the first restricted stock unlocking period of the initial grants in accordance with the relevant provisions of the restricted stock incentive plan; on February 3, 2023, the Company published the "Indicative Announcement on Listing and Circulation of Unlocked Shares in the First Release Period of the Restricted Shares Firstly

Granted in the Phase I Restricted Share Incentive Plan” on CNINFO (<http://www.cninfo.com.cn>), and the unlocked restricted shares were scheduled to be listed and circulated on February 6, 2023. At the 30th Meeting of the 9th Board of Directors and the 26th Meeting of the 9th Board of Supervisors, the Company reviewed and approved the “Proposal on Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan” and agreed to repurchase and cancel all or part of 723,435 restricted shares that had been granted to the original six incentive targets but not lifted the restriction for sales. On April 28, 2023, the Company issued the “Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares” on CNINFO (<http://www.cninfo.com.cn>).

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

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

(9) On August 29, 2023, the Company held the 5th Meeting of the 10th Board of Directors and the 4th Meeting of the 10th Board of Supervisors respectively, and deliberated and adopted the Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I

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

(10) On November 20, 2023, the Company held the 7th Meeting of the 10th Board of Directors and the 6th Meeting of the 10th Board of Supervisors respectively, and deliberated and adopted the Proposal on the Repurchase and Cancellation of Partial Restricted Shares in the Phase I Restricted Share Incentive Plan, which was reviewed and approved at the Fourth Extraordinary Shareholders' Meeting in 2023, and agreed to repurchase and cancel all or part of 512,807 restricted stocks that have been granted to 10 incentive targets but have not been lifted the restriction for sales. On March 28, 2024, the Company published the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares on CNINFO (<http://www.cninfo.com.cn>).

(11) On March 28, 2024, the Company held the 11th Meeting of the 10th Board of Directors and the 10th Meeting of the 10th Board of Supervisors, respectively, and deliberated and approved "The Proposal on Unsuccessful Lifting of Conditions of the Third Release Period First Granted by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and of Conditions of the Second Release Period Reserved by the Phase I Restricted Share Incentive Plan for Releasing the Restricted Sales and Repurchase and Cancellation of Some Restricted Shares", agreeing to repurchase and cancel the restricted stocks of 299 incentive recipients who did not meet the unlocking conditions, with a total repurchase amount of 12,621,954 shares; on June 15, 2024, the Company published the "Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares" on CNINFO (<http://www.cninfo.com.cn>).

(12) On March 28, 2025, the Company held the 24th Meeting of the 10th Board of Directors and the 20th Meeting of the 10th Board of Supervisors, respectively, and deliberated and approved the "Proposal on Unfulfilling Conditions for Releasing Restricted Share for the Third Release Period of Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares and Adjustment of Repurchase Price", agreeing to repurchase and cancel the restricted stocks of 30 incentive recipients who did

not meet the unlocking conditions, with a total repurchase amount of 1,090,201 shares. On April 18, 2025, the proposal was reviewed and approved at the Company's 2024 Annual Shareholders' Meeting. The Company has completed the above-mentioned repurchase and cancellation of shares, and disclosed the "Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares" on June 10, 2025.

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

Equity Incentives Obtained by Directors and Senior Executives of the Company

☑Applicable ☐Not applicable

Unit: share

Name	Position	Number of Stock Options Held at the Beginning of the Year	Number of Newly Granted Stock Options in the Reporting Period	Number of Exercisable Shares in the Reporting Period	Number of Exercised Shares in the Reporting Period	Exercise Price of Exercised Shares in the Reporting Period (CNY/share)	Number of Stock Options Held at the End of the Period	Market Price at the End of the Reporting Period (CNY/share)	Number of Restricted Shares Held at the Beginning of the Period	Number of Unlocked Shares in the Current Period	Number of Newly Granted Restricted Shares in the Reporting Period	Grant Price of Restricted Shares (CNY/share)	Number of Restricted Shares Held at the End of the Period
Li Sheng	Chairman of the Board	0	0	0	0	0	0	6.78	63,617	0	0	7.54	63,617
Wang Jianyu	Deputy General Manager	0	0	0	0	0	0	6.78	63,617	0	0	7.54	63,617
Wang Jianxun	Secretary of the Board of Directors	0	0	0	0	0	0	6.78	63,617	0	0	7.54	63,617
Total	--	0	0	0	0	--	0	--	190,851	0	0	--	190,851
Remarks	N/A												

Evaluation mechanism and incentives of senior executives

The Company has formulated corresponding plans for the evaluation and incentive mechanism of senior executives, and implemented a fair and transparent performance management system and an incentive mechanism that links compensation levels with both Company performance and individual performance. The Compensation and Evaluation Committee of the Board of Directors diligently fulfills its responsibilities by conducting comprehensive assessments of the evaluation results.

2.Implementation of Employee Stock Ownership Plan

Applicable Not applicable

3. Other Employee Incentives

Applicable Not applicable

XI. Establishment and Implementation of Internal Control System in the Reporting Period

1. Construction and Implementation of Internal Control

Adhering to strategy-driven and architecture-led principles. Based on business changes and system management requirements, reviewed the Company's process architecture, including over 10 L1, over 110 L2, and over 380 L3 levels. Optimized and adjusted nearly 30 L3 process architectures, including adding management of technical requirements in the R&D field, adding disposal of backlogged spare parts in the marketing field, optimizing the management of manufacturing quality in the manufacturing field, and adding management of overseas finance in the operations field, etc.

Promoted process construction and review updates according to the architecture. Based on business actuals and prioritizing according to demand, supplemented and established over 80 documents including processes, systems, and operating guidelines; optimized business rules, updated over 480 documents, and abolished 130 documents to improve document suitability; organized over 40 Company-level document reviews to enhance document quality.

Conducted routine and special monitoring of processes. Routine monitoring was based on the Application Guidelines for Enterprise Internal Control, selecting nearly 130 key control points involving high-risk businesses such as business outsourcing and project completion acceptance,

implementing self-inspections and audits, identifying and rectifying over 10 planning and execution issues, and effectively controlling internal corporate risks; special monitoring was conducted on business processes in the quality field, focusing on items that affect operations or recur based on historical quality issues, combing through businesses such as logistics and procurement through end-to-end process monitoring, identifying over 60 issues to avoid quality risks.

2. Specific Information on Major Internal Control Deficiencies Found During the Reporting Period

Yes No

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

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

Abnormalities exist in the management and control of subsidiaries.

Yes No

XIII. Internal Control Evaluation Report or Internal Control Audit Report

1. Internal Control Evaluation Report

Disclosure Date of Full Text of Internal Control Evaluation Report	March 28, 2026
Disclosure Index of Full Text of Internal Control Evaluation Report	https://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800&sjstsBond=false#latestAnnouncement
Proportion of the Total Assets of the Unit Included in the Evaluation Scope to the Total Assets in the Company's Consolidated Financial Statements	100.00%
Proportion of the Unit Operating Income Included in the Evaluation Scope to the Operating Income in the Company's Consolidated Financial	100.00%

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

	<p>Identification criteria for internal control deficiencies related to profits</p> <p>Major deficiencies: misstated (including potential) amount $\geq 5\%$ of the absolute value of the pre-tax profit in the consolidated income statement of the previous year of the Company;</p> <p>Significant deficiencies: 3% of the absolute value of the pre-tax profit in the consolidated income statement of the previous year of the Company \leq misstated (including potential) amount $< 5\%$ of the absolute value of the pre-tax profit in the consolidated income statement of the previous year of the Company;</p> <p>General deficiencies: other control deficiencies except for major and significant deficiencies.</p>	
Number of Major Deficiencies in Financial Report (Nr.)		0
Number of Major Deficiencies in Non-financial Report (Nr.)		0
Number of Significant Deficiencies in Financial Report (Nr.)		0
Number of Significant Deficiencies in Non-financial Report (Nr.)		0

2. Internal Control Audit Report

Applicable Not applicable

Deliberations Paragraph in Internal Control Audit Report	
In our opinion, FAW Jiefang maintained effective internal control over financial reporting in all material aspects as of December 31, 2025 in accordance with the Basic Specification for Enterprise Internal Control and relevant regulations.	
Disclosure of Internal Control Auditor Report	Disclosure
Disclosure Date of Full Text of Internal Control Audit Report	March 28, 2026
Disclosure Index of Full Text of Internal Control Audit Report	https://www.cninfo.com.cn/new/disclosure/stock?stockCode=000800&orgId=gssz0000800&sjstsBond=fals

	e#latestAnnouncement
Opinion Type of Internal Control Audit Report	Standard unqualified opinion
Whether There Are Major Deficiencies in the Non-Financial Report	No

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

Yes No

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

Yes No

Whether a non-standard audit opinion on internal control was issued during the reporting period or the previous year

Yes No

XIV. Rectification of Problems Found in the Self-inspection of the Special Action for Governance of Listed Companies

N/A

XV. Environmental Information Disclosure

Whether the listed company and its major subsidiaries are included in the list of enterprises required by law to disclose environmental information

Yes No

Number of enterprises included in the list of companies required by law to disclose environmental information		11
S/N	Name of the Enterprise	Index for Querying Environmental Information Disclosure Reports
1	FAW Jiefang Automotive Co., Ltd. (Truck Factory)	http://36.135.7.198:9015/index
2	FAW Jiefang Automotive Co., Ltd. Transmission Branch	http://36.135.7.198:9015/index
3	FAW Jiefang Automotive Co., Ltd. Transmission Branch (Old Axle Workshop Area)	http://36.135.7.198:9015/index
4	FAW Jiefang Automotive Co., Ltd.	http://36.135.7.198:9015/index

	Engine Branch	
5	FAW Jiefang Automotive Co., Ltd. Changchun Intelligent Bus Branch	http://36.135.7.198:9015/index
6	FAW Jiefang (Qingdao) Automotive Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/enterpriseRoster/openEnterpriseDetails?comDetailFrom=0&id=91370200163567343M
7	Wuxi Diesel Engine Works of FAW Jiefang Automotive Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fspsarchive-webapp%2F%2Fweb%2Fsps%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&versionId=018B9171C1E84603B3AB3697D9D664AF&spCode=3202000200003045&validate=CN31_HDaRWcX.HmBdqQRfgYT3lpwnaNJc5rCflsaL9azj2yHoX8vDltTLK1iixZxDVgMv_WFyYOo6sOjsmuPr6PDPtD4gAjuUXjxTOJYEVh1sMspG1rXf_.ZmAxow*g*YHBxNjRqw0iPHhtPUxOmQdx4VBISgcBwZWMo.lOmVnMJSdjOX2ybo.Um8VEsdokNjVxrqUzpRvxgkZ3wUdpZNQO_zyrqbmNvYLQ9jUB86MdFcMM8c0X5BAHXcjAWM*HwhbZAbg8JRymQ6EjPXMw5JDNGI.2E8GA4*LySmlfHjT91accUTykNBWakx.FmMyZYtSHhCX8Vc8TCDHpuzkgUjGEAgy6wNOKszV2o2hrP6KS0eeW3pG6ZNFurrVL9qRpNOfRTJkiYQtPrY**tDBq38cVhcLxOmP.1*kNqY*WAXAI3g3q2zyp1t8AE*Pi8V6k2*_r50QQU33eA5KMP hRO6wgedxCGxP6dKQbivTcsn23hQgWI.rB6YyGr3Tn2EXTgvHm8bx.dgsDY77_v_i_1&year=2025
8	Wuxi Diesel Engine Huishan Factory of FAW Jiefang Automotive Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fspsarchive-webapp%2F%2Fweb%2Fsps%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&versionId=B49889E8892A44489B4A9E766307F4DD&spCode=3202060200040894

		&validate=CN31_ehlrTT18gRE9wR_S58xB Lg_fOn9iHwjbbbygWCs5vLi6YdXTEKu*o CRcSnXQyX_5qRLijNjgKnkZi0LLFFs9i2d J6R1009asVsDQPrhTwICTkEZYAAKyD*1 .OnN_SsV5vhSxdO2Z9njNzPoaqDFAyww EDHOULBGvEXmAyuYzxQDt8jOpOWO wiHtXPtrr*vjaB2EWUIQtQAj1cnG8lolFEo gd9_NkCA06_Ss6g689ylrjuyijKl5uB6gyOu _NcrofYoEMUdoTfBmKCGJ8IIKJLKeV.04 hFk9nUW*a4Dwk0Lp1Mcf_q5nRm9zAXk mdGE2ku*yZqYKWhqaluyKjQmKJhR83x CIMIBUT.cZvsnQv9avgU5AgOZRCsxFgwI O5zIjMBUQ05_Yfy2kxEsA2IiuTNvMk8G eQ5xNuOo_kxOGV*DmBcVA1cQmF60H0 inXrDKv4RbKugE0vaSgF9MggZfixxvFRx nLCNkfXeF3xe5dQXW1POGGvt8SdCKi1 cu1LYM8kYt4WRg77_v_i_1&year=2025
9	FAW Jiefang Automotive Co., Ltd. Sichuan Branch	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510681MABQ7AKG4Y&uniqueCode=ef29d76e7549427c&date=2025&type=true&isSearch=true
10	FAW Jiefang Automotive Co., Ltd. Chengdu Branch	https://103.203.219.138:8082/eps/index/enterprise-more?code=91510114746407720B&uniqueCode=d17812444b6e628b&date=2025&type=true&isSearch=true
11	FAW Jiefang Dalian Diesel Engine Co., Ltd.	https://qyxxpl.ywzh.lnsthj.cn:8802/home/companiesreport?enterId=682078508085253&publishdataId

XVI. Social Responsibility

For details of our performance of corporate social responsibilities, please refer to the “2025 Environmental, Social and Governance (ESG) Report” published on CNINFO (<http://www.cninfo.com.cn>) on the same day.

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

In 2025, the Company deeply studied and implemented General Secretary Xi Jinping's important discourses on the "Three Rural Issues" (agriculture, rural areas, and farmers), implemented the decisions and deployments of the CPC Central Committee and the State Council on comprehensively promoting rural revitalization, and followed the overall arrangement of China FAW's targeted assistance work. Focusing on the targeted assistance county, Zhenlai County in Jilin Province, the Company implemented precise measures through field research, joint Party building, talent revitalization, and consumption assistance to improve the quality and efficiency of village-stationed assistance work, activate the endogenous momentum for rural development, and draw a new picture for the construction of a harmonious and beautiful countryside.

Section V Important Matters

I. Performance of Commitments

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

Applicable Not applicable

Reasons for Commitment	Committed by	Commitment Type	Commitments	Date	Commitment Period	Performance
Commitments made during asset restructuring	China FAW Co., Ltd.	Commitment on regulating and reducing related transactions	1. We will exercise shareholders' rights in strict accordance with the Company Law and other laws, administrative regulations, rules and normative documents (hereinafter referred to as "laws and regulations") as well as the Articles of Association of FAW Car Co., Ltd. (hereinafter referred to as "Articles of Association"), and when the Board of Directors and the Shareholders' Meeting vote on related transactions involving China FAW Co., Ltd. matters, we will fulfill the obligation of avoiding voting. 2. We will commit to putting an end to all illegal occupation of the funds and assets of the listed company, and guarantee not to illegally transfer the funds and assets of the listed company or harm the interests of the listed company and other shareholders of the listed company by making use of relevant transactions. 3. We will try best to avoid or reduce related transactions with listed companies and enterprises controlled by them. For related transactions that cannot be avoided or exist with reasonable reasons, we will strictly follow the principles of fairness, impartiality and openness in the market,	April 08, 2020	Long-term validity	The commitment is being fulfilled normally.

			<p>sign standardized related transaction agreements with listed companies according to law, and perform related transaction decision-making procedures in accordance with relevant laws and regulations and the Articles of Association. The price of related transactions shall be determined based on the market-oriented pricing principle to ensure its fairness, and to perform the information disclosure obligation of related transactions in accordance with relevant laws and regulations and the Articles of Association, and to ensure that the legitimate rights and interests of the listed company and other shareholders of the listed company will not be harmed through related transactions. 4. The above commitments on regulating related transactions will also apply to enterprises actually controlled by FAW Car Co., Ltd., and within the scope of legal shareholders' rights, FAW Car Co., Ltd. will urge its actually controlled enterprises to fulfill the obligations of regulating existing or possible related transactions with listed companies. We will make every effort to urge joint ventures or associated enterprises other than those actually controlled by FAW Car Co., Ltd. to fulfill the obligations to regulate related transactions that have occurred or may occur with listed companies.</p>			
	<p>China FAW Group Co., Ltd.</p>	<p>Commitment on avoiding horizontal competition</p>	<p>1. Upon completion of the restructuring, the main business of the listed company will be changed to the R&D, production and sales of commercial vehicles. 2. Upon completion of the restructuring, FAW and its holding enterprises other than listed companies (hereinafter referred to as "holding enterprises") shall not directly or indirectly engage in any business or activity that constitutes or may constitute substantial competition with the main business engaged in by listed companies and their holding enterprises in any form. 3. Upon completion of the restructuring, if FAW or its holding enterprises find any new business opportunities that constitute or may constitute a direct or indirect competition with the main business of the listed company or its holding enterprises (hereinafter referred to as "such new business opportunities"), FAW will immediately notify the listed company in writing and try its best to first provide</p>	<p>April 08, 2020</p>	<p>Long-term validity</p>	<p>The commitment is being fulfilled normally.</p>

		<p>such business opportunities to the listed company or its holding enterprises according to reasonable and fair terms and conditions. If the listed company or its holding enterprises decide to give up such new business opportunities, FAW or its holding enterprises can engage in it. 4. If the listed company or its holding enterprises give up such new business opportunities and FAW or its holding enterprises engage in such new business opportunities, the listed company or its holding enterprises have the right to always acquire any equity, assets and other rights and interests in such new business opportunities from FAW or its holding enterprises one time or multiple times, or the listed company or its holding enterprises choose to entrust, lease or contract to operate the assets or businesses of FAW or its holding enterprises in such new business opportunities in the manner permitted by laws and regulations. FAW will ensure that its holding enterprises comply with the above commitments. 5. China FAW's subsidiary, FAW Light Commercial Vehicle Co., Ltd. (hereinafter referred to as "FAW Light Automobile"), and its subordinate companies Harbin Light Automobile and FAW Hongta (hereinafter collectively referred to with Harbin Light Automobile as "Light Truck Company") are engaged in some light truck businesses. However, they are currently in a state of discontinuation or loss, with heavy burden and unstable profitability. FAW promises that it will entrust all shares of Harbin Light Automobile and FAW Hongta under its actual control to Jiefang Limited for management, and inject the equities of Harbin Light Automobile and FAW Hongta under its actual control to listed companies in batches or at one time in an appropriate way, or transfer them to other unrelated third parties at a reasonable price and in a reasonable way, or prevent the light truck company from engaging in light truck related businesses by exercising shareholders' rights, and perform relevant internal approval procedures as soon as possible after the above procedures are initiated within 12 months after meeting the requirements that the return on net assets of Harbin Light Automobile and FAW Hongta is not lower than that of listed companies in the same period and increasing the earnings per</p>			
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		share of listed companies after restructuring. 6. From the date of issuance of the commitment letter, if FAW violates any of the above commitments, it will take positive measures in favor of the listed company to eliminate horizontal competition, including but not limited to injecting assets related to horizontal competition business into the listed company, terminating horizontal competition business or selling assets related to horizontal competition business to an unrelated third party. 7. The above commitments shall come into effect from the date of completion of the restructuring and shall remain valid and irrevocable during the period when FAW serves as the controlling shareholder or actual controller of the listed company.			
China FAW Co., Ltd.	Commitment on avoiding horizontal competition	1. Upon completion of the restructuring, the main business of the listed company will be changed to the R&D, production and sales of commercial vehicles. 2. Upon completion of the restructuring, FAW Car Co., Ltd. and its holding enterprises other than listed companies (hereinafter referred to as “holding enterprises”) shall not directly or indirectly engage in any business or activity that constitutes or may constitute substantial competition with the main business engaged in by listed companies and their holding enterprises in any form. 3. Upon completion of the restructuring, if FAW or its holding enterprises find any new business opportunities that constitute or may constitute a direct or indirect competition with the main business of the listed company or its holding enterprises (hereinafter referred to as “such new business opportunities”), FAW or its holding enterprises will immediately notify the listed company in writing and try its best to first provide such business opportunities to the listed company or its holding enterprises according to reasonable and fair terms and conditions. If the listed company or its holding enterprises decide to give up such new business opportunities, FAW or its holding enterprises can engage in it 4. If the listed company or its holding enterprises give up such new business opportunities and FAW or its holding enterprises engage in such new business opportunities, the listed company or its holding enterprises have the right to always acquire any	April 08, 2020	Long-term validity	The commitment is being fulfilled normally.

		<p>equity, assets and other rights and interests in such new business opportunities from FAW or its holding enterprises one time or multiple times, or the listed company or its holding enterprises choose to entrust, lease or contract to operate the assets or businesses of FAW or its holding enterprises in such new business opportunities in the manner permitted by laws and regulations. FAW Car Co., Ltd. will ensure that the holding enterprises of the Company comply with the above commitments. FAW Car Co., Ltd. will ensure that the holding enterprises of the Company comply with the above commitments. 5. Harbin Light Automobile and FAW Hongta under FAW Light Commercial Vehicle Co., Ltd., a subsidiary of FAW, are engaged in some light truck businesses. However, they are currently in a state of discontinuation or loss, with heavy burdens and unstable profitability. FAW Car Co., Ltd. promises that it will urge to entrust all shares of Harbin Light Automobile and FAW Hongta under its actual control to Jiefang Limited for management, and inject the equities of Harbin Light Automobile and FAW Hongta under its actual control to listed companies in batches or at one time in an appropriate way, or transfer them to other unrelated third parties at a reasonable price and in a reasonable way, or prevent the light truck company from engaging in light truck related businesses by exercising shareholders' rights, and perform relevant internal approval procedures as soon as possible after the above procedures are initiated within 12 months after meeting the requirements that the return on net assets of Harbin Light Automobile and FAW Hongta is not lower than that of listed companies in the same period and increasing the earnings per share of listed companies after restructuring. 6. From the date of issuance of the commitment letter, if China FAW Co., Ltd. violates any of the above commitments, it will take positive measures in favor of the listed company to eliminate horizontal competition, including but not limited to injecting assets related to horizontal competition business into the listed company, terminating horizontal competition business or selling assets related to horizontal competition business to an unrelated third party. 7. The above</p>			
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		<p>commitments shall take effect from the date of completion of this restructuring and shall remain valid and irrevocable during the period when China FAW Co., Ltd. serves as the controlling shareholder or actual controller of the listed company.</p>			
China FAW Co., Ltd.	<p>Commitment on maintaining the independence of listed companies</p>	<p>(I) Ensure the personnel independence of the listed company: 1. Maintain personnel independence with the listed company, and ensure that the General Manager, Deputy General Manager, Financial Director, Secretary of the Board of Directors and other senior executives of the listed company do not hold positions other than directors and supervisors in FAW Car Co., Ltd. and its wholly-owned, holding or other enterprises and public institutions under actual control (hereinafter referred to as “subordinate units”), and do not receive salary from FAW Car Co., Ltd. and its subordinate units. 2. Ensure that the listed company has a complete and independent labor, human resources and salary management system, which is completely independent of FAW Car Co., Ltd. and its subordinate units. (II) Ensure the independence and integrity of the assets of the listed company: 1. Ensure that the listed company has independent and complete assets, all of which are under the control of the listed company, and are independently owned and operated by the listed company. 2. Ensure that FAW Car Co., Ltd. and its subordinate units currently do not and will not illegally occupy the funds and assets of the listed company. 3. China FAW Co., Ltd. will not use the assets of the listed company to guarantee its debts. (III) Ensure the financial independence of the listed company: 1. Ensure that the listed company continues to maintain an independent financial department and an independent financial accounting system. 2. Ensure that the listed company has a standardized and independent financial and accounting system. 3. Ensure that the listed company opens a bank account independently and does not share a bank account with FAW Car Co., Ltd. 4. Ensure that the financial personnel of the listed company do not take part-time jobs in FAW Car Co., Ltd. and its subordinate units. 5. Ensure that the listed company can make financial decisions</p>	<p>April 08, 2020</p>	<p>Long-term validity</p>	<p>The commitment is being fulfilled normally.</p>

		independently, and FAW Car Co., Ltd. does not interfere with the use of funds by the listed company. 6. Ensure that the listed company pays taxes independently according to law. (IV) Ensure the institutional independence of the listed company: 1. Ensure that the listed company has an independent and complete organizational institution and can operate it independently. 2. Ensure that the office and production and business premises of the listed company are separated from FAW Car Co., Ltd. 3. Ensure that the Board of Directors, Board of Supervisors and all functional departments of the listed company operate and exercise their functions and powers independently, without any affiliation or confusion with the functional departments of FAW Car Co., Ltd. (V) Ensure the business independence of the listed company: 1. Maintain business independence with the listed company after the restructuring, and ensure substantial horizontal competition or obviously unfair related transactions do not exist or occur. 2. Ensure that the listed company has the assets, personnel, qualifications and capabilities to independently carry out business activities, and has the ability to independently operate in the market. 3. Ensure that FAW Car Co., Ltd. does not interfere with the normal business activities of the listed company except for participating in the operation and management of the listed company by exercising shareholders' rights.			
China FAW Co., Ltd.	Commitment on measures to fill diluted spot returns	1. We will not interfere with the operation and management activities of the listed company beyond our authority and will not encroach on the interests of the listed company; 2. In this major asset restructuring, the listed company issued shares to FAW Car Co., Ltd. to purchase assets, and signed the Profit Forecast Compensation Agreement attached with effective conditions with FAW Car Co., Ltd., providing legally binding safeguard measures to avoid diluted spot returns in this transaction.	April 08, 2020	Long-term validity	The commitment is being fulfilled normally.
China FAW	Descrip	The production qualification and product announcement of Jiefang Limited will	April	Lon	The

	Group Co., Ltd.	tion on vehicle production qualification	be under the group management of FAW, that is, Jiefang Limited will use the production qualification of FAW vehicles, and its production qualification and product announcement declaration will be under the unified management of FAW. Upon completion of the restructuring, FAW will continue to maintain group management based on the actual needs of Jiefang Limited. Jiefang Limited can continue to use relevant production qualifications and keep the announcement of existing models unchanged. FAW will not hinder the continuous use of relevant qualifications by Jiefang Limited, and will cooperate with Jiefang Limited to maintain the validity of relevant qualifications.	08, 2020	g-term validity	commitment is being fulfilled normally.
	China FAW Co., Ltd.	Commitment on defects of underlying assets	Jiefang Limited and its holding subsidiaries cannot obtain the house ownership certificate for some properties due to historical reasons such as government planning and adjustment, land expropriation, incomplete construction application procedures, and construction beyond the red line. The above properties account for 0.6% of the total area of house ownership of Jiefang Limited and its holding subsidiaries, which is relatively small and will not have a significant adverse impact on the normal production and operation of Jiefang Limited. As the counterparty of the restructuring, the Company promises that the failure to obtain the corresponding ownership certificate of the above properties will not adversely affect the normal production and operation of Jiefang Limited, and will not constitute a substantial obstacle to the restructuring. If the listed company or Jiefang Limited suffers any punishment or loss due to the failure to obtain the corresponding ownership certificate of the above properties, the Company promises to make full compensation to the listed company or Jiefang Limited in cash timely.	November 27, 2019	Long-term validity	The commitment is being fulfilled normally.
Commitments made during asset	Relevant directors, supervisors and senior officers of	Other commitments	If I hold shares in FAW Jiefang prior to this restructuring, I will not reduce my FAW Jiefang shareholdings through direct or indirect means from the date of the first disclosure of this transaction by FAW Jiefang until its completion, nor do I have any plans to reduce FAW Jiefang shares. During this period, if I receive additional shares due to FAW Jiefang's issuance of bonus shares, conversion of	October 22, 2024	To the completion	The transfer procedures for the target

restructuri ng	the listed company (Wu Bilei, Li Sheng, Wang Hao, Liu Yanchang, Deng Weigong, Chen Hua, Han Fangming, Mao Zhihong, Dong Zhonglang, Li Ying, Xu Haigen, Wang Lijun, Duan Yinghui, Yu Changxin, Ji Yizhi, Wang Jianyu, Wang Jianxun)		capital reserves into share capital, or other such events, I will also abide by the aforementioned arrangements. If the China Securities Regulatory Commission and the Shenzhen Stock Exchange implement new regulations regarding share reduction, I will also strictly comply with such relevant regulations.		of impl eme ntati on	assets involved in this transaction have been fully completed. On April 28, 2025, the Company disclosed the “Announc ement on the Completi on of Transfer of Target Assets in Major Asset Disposal and Related Party Transactio n.”The
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						Company no longer holds equity in FAW Finance Co., Ltd.
Relevant directors, supervisors and senior officers of listed companies (Wu Bilei, Li Sheng, Wang Hao, Liu Yanchang, Deng Weigong, Chen Hua, Han Fangming, Mao Zhihong, Dong Zhonglang, Li Ying, Xu	Other commitments	<p>1. Not to convey interests to other entities or individuals gratuitously or on unfair terms, nor to adopt other methods to damage the interests of the listed company;</p> <p>2. To constrain one's own duty-related consumption behavior; 3. Not to use the assets of the listed company to engage in investment or consumption activities unrelated to the performance of one's duties; 4. The remuneration system formulated by the Board of Directors or the Compensation and Evaluation Committee shall be linked to the implementation of the listed company's measures to fill diluted immediate returns; 5. The exercise conditions of the listed company's equity incentives (if any) to be announced shall be linked to the implementation of the listed company's measures to fill diluted immediate returns. I commit to strictly fulfilling the above commitments to ensure the company's return compensation measures can be effectively implemented. If I violate or refuse to fulfill the above commitments resulting in losses to the listed company, I will bear legal responsibility for compensation, and agree to accept relevant penalties or management measures in accordance with regulations and rules established or issued by the China Securities Regulatory Commission, the Shenzhen Stock Exchange, and other securities regulatory authorities.</p>	October 29, 2024	Long-term validity	The commitment is being fulfilled normally.	

	<p>Haigen, Wang Lijun, Duan Yinghui, Yu Changxin, Ji Yizhi, Wang Jianyu, Wang Jianxun)</p>					
<p>China FAW Group Co., Ltd.</p>	<p>Commits regarding horizontal competi- tion, related party transact- ions, and fund appropri- ation</p>	<p>1. Following the completion of this restructuring, the Company will strictly exercise shareholder rights in accordance with the relevant provisions of the “Company Law” and other laws, administrative regulations, rules, and normative documents (hereinafter referred to as “laws and regulations”) and the “Articles of Association of the Company.” The Company will fulfill its obligation to abstain from voting when the Board of Directors and shareholders’ meetings vote on related party transactions involving the Company. 2. We will commit to putting an end to all illegal occupation of the funds and assets of the listed company, and guarantee not to illegally transfer the funds and assets of the listed company or harm the interests of the listed company and other shareholders of the listed company by making use of relevant transactions. 3. We will try best to avoid or reduce related transactions with listed companies and enterprises controlled by them. For related transactions that cannot be avoided or exist with reasonable reasons, we will strictly follow the principles of fairness, impartiality and openness in the market, sign standardized related transaction agreements with listed companies according to law, and perform related transaction decision-making procedures in accordance with relevant laws and regulations and the Articles of Association. The price of related transactions shall be determined based on the market-oriented pricing principle to ensure its fairness, and to</p>		<p>October 29, 2024</p>	<p>Long- term valid ity</p>	<p>The commit- ment is being fulfilled normally.</p>

		perform the information disclosure obligation of related transactions in accordance with relevant laws and regulations and the Articles of Association, and to ensure that the legitimate rights and interests of the listed company and other shareholders of the listed company will not be harmed through related transactions. 4. The above commitments on regulating related transactions will also apply to enterprises actually controlled by the Company, and within the scope of legal shareholders' rights, the Company will urge its actually controlled enterprises to fulfill the obligations of regulating existing or possible related transactions with listed companies. We will make every effort to urge joint ventures or associated enterprises other than those actually controlled by the Company to fulfill the obligations to regulate related transactions that have occurred or may occur with listed companies.			
China FAW Group Co., Ltd.	Other commitments	(I) Ensure the personnel independence of the listed company: 1. Maintain personnel independence with the listed company, and ensure that the General Manager, Deputy General Manager, Financial Director, Secretary of the Board of Directors and other senior executives of the listed company do not hold positions other than directors and supervisors in the Company and its wholly-owned, holding or other enterprises and public institutions under actual control (hereinafter referred to as "subordinate units"), and do not receive salary from the Company and its subordinate units. 2. Ensure that the listed company has a complete and independent labor, human resources and salary management system, which is completely independent of the Company and its subordinate units. (II) Ensure the independence and integrity of the assets of the listed company: 1. Ensure that the listed company has independent and complete assets, all of which are under the control of the listed company, and are independently owned and operated by the listed company. 2. Ensure that the Company and its subordinate units currently do not and will not illegally occupy the funds and assets of the listed company. 3. The Company will not use the assets of the listed company to guarantee its debts. (III) Ensure the financial independence of the	October 29, 2024	Long-term validity	The commitment is being fulfilled normally.

		<p>listed company: 1. Ensure that the listed company continues to maintain an independent financial department and an independent financial accounting system. 2. Ensure that the listed company has a standardized and independent financial and accounting system. 3. Ensure that the listed company opens a bank account independently and does not share a bank account with the Company. 4. Ensure that the financial personnel of the listed company do not take part-time jobs in the Company and its subordinate units. 5. Ensure that the listed company can make financial decisions independently, and the Company does not interfere with the use of funds by the listed company. 6. Ensure that the listed company pays taxes independently according to law. (IV) Ensure the institutional independence of the listed company: 1. Ensure that the listed company has an independent and complete organizational institution and can operate it independently. 2. Ensure that the office and production and business premises of the listed company are separated from the Company. 3. Ensure that the Board of Directors, Board of Supervisors and all functional departments of the listed company operate and exercise their functions and powers independently, without any affiliation or confusion with the functional departments of the Company. (V) Ensure the business independence of the listed company: 1. Maintain business independence with the listed company after the transaction, and ensure substantial horizontal competition or obviously unfair related transactions do not exist or occur. 2. Ensure that the listed company has the assets, personnel, qualifications and capabilities to independently carry out business activities, and has the ability to independently operate in the market. 3. Ensure that the Company does not interfere with the normal business activities of the listed company except for participating in the operation and management of the listed company by exercising shareholders' rights.</p>			
China FAW Co., Ltd.	Other commitments	From the date of the first disclosure of FAW Jiefang's restructuring until its completion, the Company will not reduce its FAW Jiefang shareholdings, nor does it have any plans to reduce FAW Jiefang shares. During this period, if the	October 22, 2024	To the com	The transfer procedures

			Company receive additional shares due to FAW Jiefang's issuance of bonus shares, conversion of capital reserves into share capital, or other such events, I will also abide by the aforementioned arrangements. If the China Securities Regulatory Commission and the Shenzhen Stock Exchange implement new regulations regarding share reduction, the Company will also strictly comply with such relevant regulations.		pletion of implementation	for the target assets involved in this transaction have been
	China FAW Co., Ltd.	Other commitments	1. The Company shall exercise shareholder rights in accordance with relevant laws, regulations, and the Articles of Association of the listed company, without exceeding its authority to interfere in the operation and management of the listed company, and without infringing upon the interests of the listed company;2. From the date of this commitment until the completion of the listed company's current restructuring, if the Shenzhen Stock Exchange issues new regulatory provisions regarding supplementary return measures and their commitments, and the above commitments cannot satisfy such provisions, the Company undertakes to issue supplementary commitments in accordance with the latest provisions of the Exchange;3. If the Company violates or refuses to fulfill the above commitments resulting in losses to the listed company, the Company will bear legal responsibility for compensation, and agrees to accept relevant penalties or management measures in accordance with regulations and rules established or issued by the China Securities Regulatory Commission, the Shenzhen Stock Exchange, and other securities regulatory authorities.	October 29, 2024	To the completion of implementation	fully completed. On April 28, 2025, the Company disclosed the "Announcement on the Completion of Transfer of Target
	FAW Bestune Auto Co., Ltd.	Other commitments	From the date of the first disclosure of FAW Jiefang's restructuring until its completion, the Company will not reduce its FAW Jiefang shareholdings, nor does it have any plans to reduce FAW Jiefang shares. During this period, if the Company receive additional shares due to FAW Jiefang's issuance of bonus shares, conversion of capital reserves into share capital, or other such events, I will also abide by the aforementioned arrangements. If the China Securities Regulatory Commission and the Shenzhen Stock Exchange implement new	October 22, 2024	To the completion of impl	Assets in Major Asset Disposal and Related Party

			regulations regarding share reduction, the Company will also strictly comply with such relevant regulations.		ementation	Transaction.”The Company no longer holds equity in FAW Finance Co., Ltd.
Commitment made upon initial public offering or refinancing	Relevant directors, supervisors and senior officers of listed companies (Hu Hanjie, Wu Bilei, Li Sheng, Yu Changxin, Liu Yanchang, Han Fangming, Mao Zhihong, Dong Zhonglang, Wang	Commitment on measures to fill diluted spot returns	<ol style="list-style-type: none"> 1. I commit not to transfer benefits to other units or individuals without compensation or on unfair terms, and not to use other methods that harm the Company’s interests; 2. I commit to restrict my position-related consumption behavior; 3. I commit not to use Company assets for investment or consumption activities unrelated to my duties; 4. I commit that the remuneration system established by the Board of Directors or the Compensation and Evaluation Committee will be linked to the implementation of the Company’s return compensation measures; 5. I commit that the exercise conditions for equity incentives will be linked to the implementation of the Company’s return compensation measures; 6. After the issuance date of this commitment and before the completion of this issuance, if the China Securities Regulatory Commission (CSRC) issues other new regulatory requirements regarding return compensation measures and related commitments, and the above commitments cannot satisfy these CSRC requirements, I commit to issue supplementary commitments in accordance with the CSRC’s latest requirements; 7. I commit to effectively fulfill all commitments made. If I violate or refuse to fulfill these commitments, I will publicly provide explanations and apologize at the Shareholders’ Meeting and in newspapers designated by the China Securities 	June 19, 2023	Long-term validity	The commitment is being fulfilled normally.

	Jianxun, Zhang Guohua, Bi Wenquan, Li Hongjian, Tian Haifeng, Ji Yizhi)		Regulatory Commission, accept relevant regulatory measures; if my violation of the commitments causes losses to the Company or investors, I will bear legal liability in accordance with the law.			
	China FAW Co., Ltd., FAW Bestune Auto Co., Ltd.	Commi tment on measur es to fill diluted spot returns	In accordance with relevant regulations, the Company's controlling shareholder FAW Bestune Auto Co., Ltd. and its party acting in concert, FAW Bestune Auto Co., Ltd., make the following commitments to ensure the Company's return compensation measures can be effectively implemented: 1. Not to interfere with the Company's business management activities beyond authorized powers, and not to misappropriate the Company's interests; 2. After the issuance date of this commitment and before the completion of this issuance, if the China Securities Regulatory Commission and Shenzhen Stock Exchange issue other new regulatory requirements regarding return compensation measures and related commitments, and this commitment cannot satisfy these requirements, the Company commits to issue supplementary commitments in accordance with the latest requirements issued by the China Securities Regulatory Commission and Shenzhen Stock Exchange.	June 19, 2023	Lon g- term valid ity	The commitme nt is being fulfilled normally.
Equity incentive commitme nt	N/A					N/A
Other commitme nts to	N/A					N/A

minority shareholders of the Company						
Other commitments	China FAW Co., Ltd.	Other commitments	Based on confidence in your company’s future development and recognition of its intrinsic value, and to enhance investor confidence, maintain capital market stability and protect investor interests, China FAW Co., Ltd. commits not to reduce its shareholding in your company through any means during 2025. During this commitment period, China FAW Co., Ltd. will also apply this commitment to any new shares acquired through your company’s conversion of capital reserves into share capital, distribution of stock dividends, rights issues, additional share issuances, or other similar corporate actions.	January 17, 2025	In 2025	Fulfilled
Whether the commitment is fulfilled on time	Yes					
If the commitment is not fulfilled within the time limit, the specific reasons for the failure and the	N/A					

next work
plan shall
be
explained
in detail

2. If There Is a Profit Forecast for the Company's Assets or Projects, and the Reporting Period Is Still in the Profit Forecast Period, the Company Shall Explain Whether the Assets or Projects Reach the Original Profit Forecast and the Reasons

Applicable Not applicable

3. Performance Commitments Involving the Company

Applicable Not applicable

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

Applicable Not applicable

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

III. Illegal External Guarantee

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

On September 4, 2025, the Company invested in establishing Jiefang Best Co., Ltd.

On November 9, 2025, the Company invested in establishing Jiefang Saudi Arabia Co., Ltd.

VIII. Appointment and Dismissal of Accounting Firm

Accounting Firm Currently Hired

Name of Domestic Accounting Firm	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)
Remuneration of Domestic Accounting Firm (CNY 10 thousand)	83.60
Consecutive Years of Audit Service Provided by Domestic Accounting Firm	1 years
Name of Certified Public Accountant of Domestic Accounting Firm	Xu Peimei, Liu Chongjun
Consecutive Years of Audit Service Provided by Certified Public Accountant of Domestic Accounting Firm	Xu Peimei and Liu Chongjun: 1 year each.

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

Yes No

Whether to change the accounting firm during the audit period

Yes No

Whether the approval procedures for changing the accounting firm have been performed.

Yes No

Detailed explanation of the re-appointment and change of accounting firm.

In view of the fact that the Company's former accounting firm, Grant Thornton Certified Public Accountants (Special General Partnership), has provided audit services to the Company for 8 consecutive years, in order to better ensure the independence and objectivity of audit work, and in accordance with relevant regulations such as the Management Measures for the Selection and Appointment of Accounting Firms by State-owned Enterprises and Listed Companies, after comprehensive evaluation and prudent research, the Company changed to BDO China Shu Lun Pan CPAs (Special General Partnership) to serve as the Company's audit institution for the 2025

financial and internal control audits. This matter has been deliberated and passed by the 29th meeting of the 10th Board of Directors and the 2025 Third Extraordinary General Meeting of Shareholders of the company.

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

Applicable Not applicable

After deliberation and adoption at the 29th meeting of the 10th Board of Directors and the Third Extraordinary Shareholders' Meeting of 2025, BDO China Shu Lun Pan Certified Public Accountants LLP was appointed as the Company's internal control audit institution for 2025, with an internal control audit fee of CNY 600 thousand.

IX. Delisting after Disclosure of Annual Report

Applicable Not applicable

X. Matters Related to Bankruptcy Reorganization

Applicable Not applicable

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

XI. Major Litigation and Arbitration Matters

Applicable Not applicable

Basic Information about Litigation (Arbitration)	Amount Involved (CNY 10 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	8,644.69	Including estimated liabilities of CNY 52.8228 million	Case not closed	No significant impact	Case not closed by the end of the reporting period		
	1,706.95	No	Case closed	No significant	Judgment has been		

				impact	made or the execution has been completed		
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XII. Punishment and Rectification

Applicable Not applicable

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

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

Applicable Not applicable

XIV. Major Related Transactions

1. Related Transactions in Daily Operations

☑Applicable ☐Not applicable

Related Transaction Party	Correlation	Type of Related Transaction	Content of Related Transaction	Pricing Principle of Related Transaction	Price of Related Transaction	Amount of Related Transaction (CNY 10 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
Fawer Auto Parts Co., Ltd.	Other related parties	Goods purchase and reception of labor services	Goods purchase and reception of labor services	Market price	Market price	155,462.64	2.76%	207,831	No	Cash + bill settlement	155,462.64	February 19, 2025	http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=gssz0000800&stockCode=000800&announcementId=1222570115&announcement
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Other related parties	Sales of goods	Sales of goods	Market price	Market price	218,692.94	3.49%	250,000	No	Cash + bill settlement	218,692.94		
Jiefang Times New Energy Technology Co., Ltd.	Other related parties	Sales of goods	Sales of goods	Market price	Market price	176,843.71	2.82%	205,000	No	Cash + bill settlement	176,843.71		
Total				--	--	550,999.29	--	662,831	--	--	--	--	--
Details of large sales returns						N/A							
Actual performance in the reporting period, if the total amount of daily related transactions to be incurred in the current period is estimated by category						For details about the actual performance of related transactions in the reporting period, please see Item XIV “Related Parties and Related Transactions” in Section VIII of this report.							

Reasons for large difference between transaction price and market reference price

N/A

2. Related Transactions Arising from the Acquisition and Sale of Assets or Equity

Applicable Not applicable

The Company has no related transactions 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 transactions 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		Closing 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.	The same ultimate controlling party	3,000,000	0.3%-1.85%	887,137.51	49,592,258.21	49,334,491.82	1,144,903.90

Credit Granting or Other Financial Businesses

Related Parties	Correlation	Business Type	Total (CNY 10 thousand)	Actual Amount Incurred (CNY 10 thousand)
First Automobile Finance	The same ultimate	Other financial	1,530,000	170,061.51

Co., Ltd.	controlling party	businesses		
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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 February 18, 2025, the 22nd meeting of the 10th Board of Directors of the Company reviewed and approved “The Proposal on Estimated Amount of Daily Related Transactions in 2025” and “The Proposal on Estimated Amount of Financial Business with First Automobile Finance Co., Ltd. in 2025”, which were reviewed and approved by the First Extraordinary Shareholders’ Meeting of the Company in 2025. On November 27, 2025, the “Proposal on Capital Increase in Jiefang Times New Energy Technology Co., Ltd. by the Subsidiary” was deliberated and adopted at the 31st Meeting of the 10th Board of Directors of the Company.

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

Name of Temporary Announcement	Disclosure Date of Temporary Announcement	Name of Temporary Announcement Disclosure Website
Announcement on estimated amount of daily related transactions in 2025	February 19, 2025	CNINFO (http://www.cninfo.com.cn)
Announcement on estimated amount of financial business with First Automobile Finance Co., Ltd. in 2025	February 19, 2025	CNINFO (http://www.cninfo.com.cn)
Announcement on Foreign Investment and Related Transactions	November 28, 2025	CNINFO (http://www.cninfo.com.cn)

XV. Major Contracts and Their Performance

1. Trusteeship, Contracting and Lease

(1) Trusteeship

Applicable Not applicable

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

(2) Contracting

Applicable Not applicable

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

(3) Lease

Applicable Not applicable

Description of lease

For details of the Company's operating lease, please refer to Note 14 "Investment Property", Note 15 "Fixed Assets", and Note 19 "Right-of-Use Assets" in VII "Notes to Items in Consolidated Financial Statements" of Section VIII "Financial Report", and 5 "Related Party 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 guarantees in the reporting period.

3. Cash Assets Management Entrusted to Others

(1) Entrusted Financial Management

Applicable Not applicable

Overview of Entrusted Wealth Management in the Reporting Period

Unit: CNY 10 thousand

Product Category	Risk Characteristics	The Balance of Entrusted Financial Management in the Reporting Period	Amount of Overdue Receivables
Bank Wealth Management Products	PR1, R1 low risk, low risk	0	0

Specific circumstances of the Company, acting as a single principal, entrusting financial institutions to conduct asset management, or investing in high-risk entrusted wealth management products with lower security and poorer liquidity

Applicable Not applicable

(2) Entrusted Loans

Applicable Not applicable

The Company has no entrusted loans in the reporting period.

4. Other Major Contracts

Applicable Not applicable

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

XVI. Use of Raised FundsApplicable Not applicable**1. Overall Use of Raised Funds**Applicable Not applicable

Unit: CNY 10 thousand

Fundraising Year	Fundraising Method	Securities Listing Date	Gross of Proceeds	Net of Proceeds (1)	Gross of Proceeds Utilized during Current Reporting Period	Cumulative Utilized Proceeds (2)	Utilization Rate as of the End of Reporting Period (3) = (2) / (1)	Gross of Proceeds Repurposed during Reporting Period	Cumulative Gross of Proceeds Repurposed	Percentage of Cumulative Gross of Proceeds Repurposed	Total Unused Gross of Proceeds	Allocation and Intended Use of Unused Proceeds	Amount of Proceeds Unutilized for over Two Years
2024	Private placement of shares	October 21, 2024	200,000	199,781.34	13,293.13	198,854.68	99.54%	0	0	0.00%	1,119.88	The funds are held in a dedicated fundraising account, with a segment currently	0

												allocated for cash managem ent.	
Total	--	--	200,000	199,781.34	13,293.13	198,854.68	99.54%	0	0	0.00%	1,119.88	--	0

Description of the Overall Use of Raised Funds:

As approved by the China Securities Regulatory Commission (CSRC) in its “Reply on Approving the Registration of FAW Jiefang Group Co., Ltd. for Issuance of Shares to Specific Objects” (CSRC Permit [2024] No. 972) and with consent from the Shenzhen Stock Exchange, the Company issued 298,507,462 ordinary shares (A shares) to specific objects through the Shenzhen Stock Exchange system via the lead underwriter China International Capital Corporation Limited (hereinafter “CICC”), at an issue price of CNY 6.7 per share. The gross proceeds totaled CNY 1,999,999,995.40, and after deducting issuance expenses of CNY 2,186,599.36 (excluding VAT), the net proceeds amounted to CNY 1,997,813,396.04. The above net proceeds have been verified by Grant Thornton Certified Public Accountants (Special General Partnership) in their “Verification Report.”

As of December 31, 2025, the accumulated raised funds invested in the raised fund investment projects amounted to CNY 1,988,546,789.38, with an unused amount of CNY 11,198,842.47 (including issuance expenses to be paid and interest income), of which: the balance of cash management using temporarily idle raised funds was CNY 10,000,000.00.

On April 29, 2025, the Company held the 25th Meeting of the 10th Board of Directors and the 21st Meeting of the 10th Board of Supervisors, during which the “Proposal on the Postponement of Certain Raised Fund Investment Projects” was reviewed and approved. In light of the actual construction progress of the fundraising investment projects, and with no change to the implementing entities, locations, investment purposes, or total committed fundraising investment amounts, it was agreed to postpone the completion date of the fundraising project “FAW Jiefang Wuxi R&D Base Construction Project” to June 30, 2026, and to postpone the completion date of the fundraising project “FAW Jiefang Transmission Division Axle Base Construction Project and Heavy-Duty Replacement Axle Technology Upgrade (Phase I)” to April 30, 2025.

As of December 31, 2025, the following projects funded by the raised funds have been completed: the “FAW Jiefang Commercial Vehicle 2022 New Energy Intelligent Connected R&D Capability Enhancement Project”, the “FAW Jiefang Commercial Vehicle Development Institute 2023 Electronic Control System Development and Verification Capability Enhancement Project”, the “FAW Jiefang Qingdao Base R&D Capability Enhancement Project”, the “FAW Jiefang Qingdao Vehicle Division Light Vehicle Frame Business Integration and Technology Upgrade Project”, the “FAW Jiefang Qingdao Vehicle Division Jimo Factory Sheet Metal Stamping Capacity Expansion Project”, the “FAW Jiefang Qingdao Vehicle Division Cab Painting Line Environmental Protection Technology Upgrade Project”, the “FAW Jiefang Transmission Division Integrated Heavy-duty AMT Transmission Technology Transformation Project”, the “New 13L and M Series Engine Shared Production Line Technology Transformation Project”, the “FAW Jiefang Transmission Division Axle Base Construction Project and Heavy-Duty Replacement Axle Technology Upgrade (Phase I) Project”, and the “FAW Jiefang Powertrain Division Heavy-duty MT Transmission Assembly Production Preparation Project”.

2. Raised Fund Committed Projects

Applicable Not applicable

3. Changes to Raised Fund Investment Projects

Applicable Not applicable

The Company had no changes to proceeds-funded projects during the reporting period.

4. Verification Opinions of Intermediaries on the Storage and Use of Raised Funds

Applicable Not applicable

After verification, the sponsor believes that:

The Special Report on the Deposit and Use of Raised Funds of FAW Jiefang for 2025 was prepared in accordance with the China Securities Regulatory Commission's "Rules for the Regulation of Raised Funds of Listed Companies" (CSRC Announcement [2025] No. 10) and the "Self-regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No. 1 - Standardized Operation of Main Board Listed Companies" and other relevant regulations, and truthfully reflects the deposit and use of raised funds of FAW Jiefang for 2025.

XVII. Other Major Matters to be Explained

Applicable Not applicable

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

XVIII. Major Events of Subsidiaries

Applicable Not applicable

Section VI Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in Shares

Unit: share

	Before the Change		Increase/Decrease Made by the Change (+, -)					After the Change	
	Qty.	Scale	Issue of New Shares	Bonus Shares	Share Transferred from Accumulation Fund	Others	Subtotal	Qty.	Scale
I. Restricted shares	300,017,695	6.09%				-299,574,903	-299,574,903	442,792	0.01%
1. Shares held by the state									
2. Shares held by the state-owned legal person	135,820,894	2.76%				-135,820,894	-135,820,894		
3. Shares held by other domestic enterprises	147,480,384	3.00%				-147,037,592	-147,037,592	442,792	0.01%
Including: shares held by domestic legal person	145,970,151	2.97%				-145,970,151	-145,970,151		
Shares held by domestic natural person	1,510,233	0.03%				-1,067,441	-1,067,441	442,792	0.01%
4. Shares held by foreign enterprises	16,716,417	0.34%				-16,716,417	-16,716,417		
Including: shares held by overseas legal person	16,716,417	0.34%				-16,716,417	-16,716,417		
Shares held by									

overseas natural person									
II. Unrestricted shares	4,622,353,481	93.91%				298,484,702	298,484,702	4,920,838,183	99.99%
1. CNY ordinary shares	4,622,353,481	93.91%				298,484,702	298,484,702	4,920,838,183	99.99%
2. Foreign shares listed in China									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	4,922,371,176	100.00%				-1,090,201	-1,090,201	4,921,280,975	100.00%

Reasons for changes in shares

Applicable Not applicable

During the reporting period, in view of the fact that the performance assessment objectives set for the third release period of the reserved grants under the Phase I Restricted Share Incentive Plan were not achieved, and that the restricted shares granted to certain incentive recipients were repurchased and canceled due to their assumption of positions such as employee supervisors, a total of 1,090,201 shares were repurchased and canceled.

Approval of share changes

Applicable Not applicable

On March 28, 2025, the 24th meeting of the 10th Board of Directors and the 20th meeting of the 10th Board of Supervisors of the Company reviewed and approved the “Proposal on the Failure to Achieve the Conditions for the Third Release Period of the Reserved Shares under the Phase I Restricted Share Incentive Plan, and on the Repurchase and Cancellation of Certain Restricted Shares and Adjustment of Repurchase Price,” with a total of 1,090,201 restricted shares repurchased and canceled. On April 18, 2025, the proposal was reviewed and approved at the Company’s 2024 Annual Shareholders’ Meeting.

Transfer of shares changes

Applicable Not applicable

On June 3, 2025, the Company submitted relevant registration materials to CSDC for the 1,090,201 shares involved in the equity incentive repurchase and cancellation. On June 6, 2025, CSDC issued the “Confirmation of Securities Transfer Registration” to the Company, and the total share capital of the Company was reduced to 4,921,280,975 shares.

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

Applicable Not applicable

In the reporting period, the share capital of the Company decreased by 1,090,201 shares, which had little impact on the Company’s financial indicators such as basic earnings per share, diluted earnings per share, and net assets per share attributable to shareholders with ordinary shares of the Company.

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

Applicable Not applicable

2. Changes in Restricted Shares

Applicable Not applicable

Unit: share

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Restricted Shares Increased in the Current Period	Number of Restricted Shares Released in the Current Period	Number of Restricted Shares at the End of the Period	Reason for Restriction	Release Date
National Manufacturing Transformation and Upgrading Fund Co., Ltd.	67,164,179	0	67,164,179	0	Non-public offering	April 21, 2025
Lord Abbett China Asset Management Co., Ltd.	57,611,940	0	57,611,940	0	Non-public offering	April 21, 2025
Jilin Province Private Equity Co., Ltd.	46,268,656	0	46,268,656	0	Non-public offering	April 21, 2025
Caitong Fund Management Co., Ltd.	30,447,765	0	30,447,765	0	Non-public offering	April 21, 2025
AEGON-INDUSTRIAL Fund Management Co., Ltd.	25,074,626	0	25,074,626	0	Non-public offering	April 21, 2025
Jilin Province Yandong State-Owned Capital Investment Co., Ltd.	22,388,059	0	22,388,059	0	Non-public offering	April 21, 2025
UBS AG	16,716,417	0	16,716,417	0	Non-public offering	April 21, 2025
Jilin Changbai Mountain Private Fund Management Co., Ltd. -	16,417,910	0	16,417,910	0	Non-public offering	April 21, 2025

Jilin Province Qianheng Investment Partnership (Limited Partnership)						
Changchun Equity Investment Fund Management Co., Ltd. - Changchun Changxing Equity Investment Fund Partnership (Limited Partnership)	16,417,910	0	16,417,910	0	Non-public offering	April 21, 2025
Other Senior Executives and Personnel	1,510,233	0	1,067,441	442,792	Executive lockup	The shares held are released from restriction annually in accordance with relevant regulations.
Total	300,017,695	0	299,574,903	442,792	--	--

II. Issuance and Listing of Securities

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

Applicable Not applicable

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

Applicable Not applicable

During the reporting period, in accordance with the restricted stock incentive plan, the Company repurchased and canceled the restricted stocks granted to relevant incentive recipients who did not meet the requirements under the restricted stock incentive plan, reducing the Company's share capital by a total of 1,090,201 shares, and the total number of the Company's shares changed from 4,922,371,176 shares to 4,921,280,975 shares.

3. Existing Internal Employee Shares

Applicable Not applicable

III. Shareholders and Actual Controllers

1. Number of Shareholders and Shareholdings of the Company

Unit: share

Total Number of Shareholders with Ordinary Shares at the End of the Reporting Period	78,938	Total Number of Ordinary Shareholders at the End of the Last Month before the Disclosure Date of the Annual Report	73,783	Total Number of Shareholders with Preferred Shares with Restored Voting Rights at the End of the Reporting Period	0	Total Number of Preferred Shareholders with Resumed Voting Rights at the End of the Last Month before the Disclosure Date	0
Shareholdings of Shareholders Holding More than 5% of the Shares or Top 10 Shareholders (Excluding Shares Lent through Securities Refinancing).							
Name of	Nature of	Share	Number of	Increase and	Numbe	Number of	Pledge, Marking

Shareholder	Shareholders	Proportion	Shares Held at the End of the Reporting Period	Decrease in the Reporting Period	Number of Restricted Shares Held	Unrestricted Shares Held	Locking or Freezing	
							Status of Shares	Qty.
China FAW Co., Ltd.	State-owned legal person	62.19%	3,060,649,901	0	0	3,060,649,901	N/A	0
FAW Bestune Auto Co., Ltd.	State-owned legal person	15.94%	784,500,000	0	0	784,500,000	N/A	0
National Manufacturing Transformation and Upgrading Fund Co., Ltd.	State-owned legal person	1.36%	67,164,179	0	0	67,164,179	N/A	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.98%	48,404,715	-12,068,978	0	48,404,715	N/A	0
Qu Hongzhen	Overseas natural person	0.73%	36,096,590	0	0	36,096,590	N/A	0
Duanmu Xiaoyi	Domestic natural person	0.64%	31,337,901	26,718,601	0	31,337,901	N/A	0
Jilin Province Private Equity Co., Ltd.	State-owned legal person	0.34%	16,573,152	-29,695,504	0	16,573,152	N/A	0
Liang Jianhui	Domestic natural person	0.29%	14,231,400	4,219,900	0	14,231,400	N/A	0
Chao Guo	Domestic natural person	0.17%	8,441,758	-19,000	0	8,441,758	N/A	0
Basic Pension Fund 901 Portfolio	Others	0.17%	8,304,665	8,304,665	0	8,304,665	N/A	0
Strategic investors or general legal persons who become the top 10 shareholders due to the		Among the above shareholders, investors such as National Manufacturing Transformation and Upgrading Fund Co., Ltd. and Jilin Province Private Equity Co., Ltd. became the Company's top ten shareholders due to the Company's issuance of shares to specific objects.						

issuance of new shares			
Description of correlation or concerted action of the above shareholders	Among the above shareholders, FAW Bestune is a holding subsidiary of FAW, and is a person acting in concert as specified in the Regulations for the Takeover of Listed Companies. The public disclosure data indicates that the Company does not know whether there is a correlation between other shareholders of outstanding shares, nor whether other shareholders of outstanding shares are persons acting in concert as specified in the Regulations for the Takeover of Listed Companies.		
Description of involvement of the above shareholders in entrusting/entrusted voting rights and waiving voting rights	N/A		
Special description of the existence of repurchase dedicated accounts among the top 10 shareholders	N/A		
Shareholding of the Top 10 Shareholders with Unrestricted Shares (Excluding Shares Lent via Margin Trading and Locked-up Shares of Senior Executives)			
Name of Shareholder	Number of Unrestricted Shares Held at the End of the Reporting Period	Type of Shares	
		Type of Shares	Qty.
China FAW Co., Ltd.	3,060,649,901	CNY ordinary shares	3,060,649,901
FAW Bestune Auto Co., Ltd.	784,500,000	CNY ordinary shares	784,500,000
National Manufacturing Transformation and Upgrading Fund Co., Ltd.	67,164,179	CNY ordinary shares	67,164,179
Hong Kong Securities Clearing Company Ltd.	48,404,715	CNY ordinary shares	48,404,715
Qu Hongzhen	36,096,590	CNY ordinary shares	36,096,590
Duanmu Xiaoyi	31,337,901	CNY ordinary shares	31,337,901
Jilin Province Private Equity Co., Ltd.	16,573,152	CNY ordinary shares	16,573,152
Liang Jianhui	14,231,400	CNY ordinary shares	14,231,400
Chao Guo	8,441,758	CNY ordinary shares	8,441,758
Basic Pension Fund 901 Portfolio	8,304,665	CNY ordinary shares	8,304,665
Description of correlation or concerted action between the top 10 shareholders of unrestricted shares, and between the top 10 shareholders of unrestricted	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		

shares and the top 10 shareholders	concert as specified in the Regulations for the Takeover of Listed Companies.
Description of participation in financing bonds business of the top 10 shareholders with ordinary shares	Qu Hongzhen, an overseas natural person, holds 36,096,590 shares of the Company through the customer credit trading guarantee securities account of CITIC Securities Company Limited; Duanmu Xiaoyi, a domestic natural person, holds 31,337,901 shares of the Company through the customer credit trading guarantee securities account of China Securities Co., Ltd.; Liang Jianhui, a domestic natural person, holds 14,231,400 shares of the Company through the customer credit trading guarantee securities account of CICC Wealth Management Securities Co., Ltd.; Chao Guo, a domestic natural person, holds 8,441,600 shares of the Company through the customer credit trading guarantee securities account of Minsheng Securities Co., Ltd.

Participation in securities lending business by shareholders holding more than 5%, the top 10 shareholders, and the top 10 shareholders of unrestricted tradable shares

Applicable Not applicable

Changes in the top 10 shareholders and top 10 shareholders of unrestricted tradable shares compared to the previous period due to securities lending/return activities

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.

2. Information of Controlling Shareholders of the Company

Nature of controlling shareholder: central state-owned holding

Type of controlling shareholder: legal person

Name of Controlling Shareholder	Legal Representative/Person in Charge	Date of Establishment	Organization Code	Main Business
China FAW Co., Ltd.	Qiu Xiandong	June 28, 2011	91220101571145270J	Automobile manufacturing and remanufacturing, new energy vehicle manufacturing; design, development, manufacturing and sales of automobile parts and components such as engines and

				transmissions; metal casting and forging, mold processing; engineering technology research and test; professional technical services; computer and software services; thermal power generation and power supply; heat production and supply; water and gas supply; road freight transport; warehousing; sales of mechanical equipment, hardware and electrical equipment, electronic products and vehicle materials; lease of mechanical equipment; advertising design, production and release; business services; labor service; sales of vehicles and second-hand vehicles (prohibited by laws, regulations and decisions of the State Council. Items subject to approval according to the law can be operated only after being approved by relevant authorities) **
Equity of Other Domestic and Foreign Listed Companies Controlled and Participated by Controlling Shareholders in the Reporting Period	N/A			

Changes in controlling shareholders in the reporting period

Applicable Not applicable

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

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

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

Type of actual controller: legal person

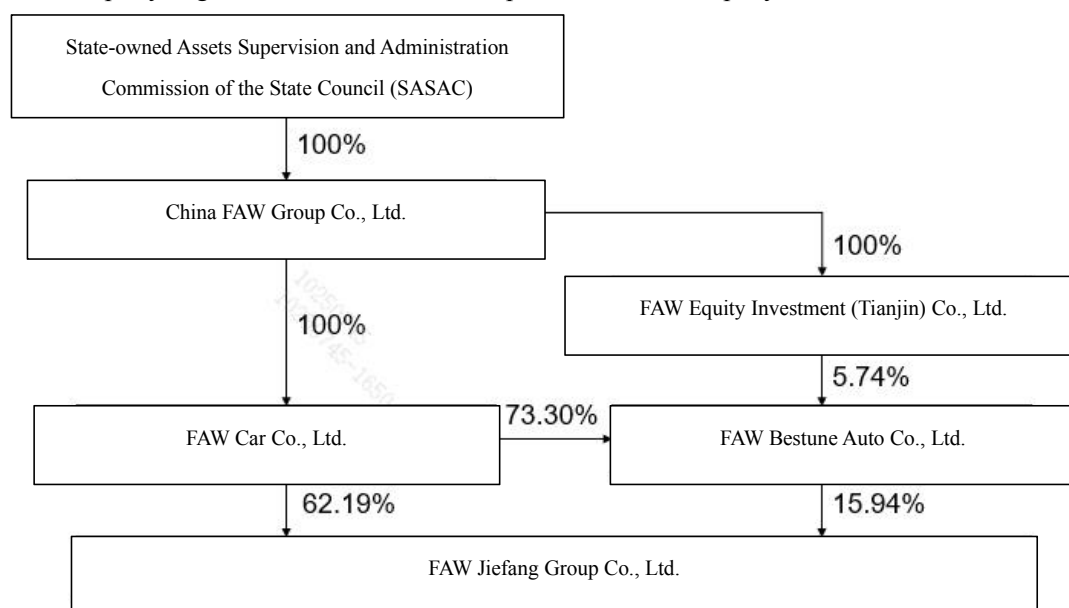
Name of Actual Controller	Legal Representative/Person in Charge	Date of Establishment	Organization Code	Main Business
State-owned Assets Supervision and Administration Commission of the State Council	N/A		N/A	N/A
Equity of Other Domestic and Foreign Listed Companies Controlled by Actual Controllers in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

Change of actual controller in the reporting period

Applicable Not applicable

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

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



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

Applicable Not applicable

4. The Cumulative Number of Pledged Shares of the Company's Controlling Shareholder or the Largest Shareholder and Persons Acting in Concert Accounts for 80% of the Company's Shares Held by Them

Applicable Not applicable

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

☑Applicable ☐Not applicable

Name of Corporate Shareholder	Legal Representative/Person in Charge	Date of Establishment	Registered Capital	Main Business or Management Activities
FAW Bestune Auto Co., Ltd.	Liu Zhongchen	June 28, 2019	CNY 5.173735913 billion	Development, manufacturing and sales of automobiles and parts (including new energy vehicles and their related batteries, motors, electronic controls, and excluding flammable and explosive hazardous chemicals), station wagons and their accessories, intelligent products and equipment; vehicle repair; processing of non-standard equipment; sales of mechanical accessories and mechanical and electrical products (excluding cars); sales of second-hand vehicles; lease of vehicles; lease of premises and plant; road general cargo transportation; modern trade logistics services; technical services and technical consultation in the automobile field; using the Internet to engage in automobile operation; import and export of goods and technology (excluding publication import and export business, as well as commodities and technologies that are restricted or prohibited for import and export by the state); second-hand vehicle brokerage; part-time insurance agency business; motor vehicle repair and maintenance; recycling of end-of-life motor vehicles; disassembly of end-of-life motor vehicles; business training (excluding education training, vocational skills training and other

				<p>training requiring licenses); stationery retail, stationery wholesale; sales of automotive decoration products; sales of lubricating oil; IoT technology R&D and technical services; manufacturing of power transmission and distribution and control equipment; advertising design, agency; advertising production; advertisement release (non-radio stations, TV stations, newspapers and periodicals publishers); labor service (excluding labor dispatch); motor vehicle safety technology testing service; artificial intelligence public data platform; data processing and storage support services; Internet data service; inspection and testing services; general cargo warehousing services (excluding hazardous chemicals and other items requiring licensing and approval); marketing planning; lease of computer and communication equipment; conference and exhibition services; lease of mechanical equipment; Category I value-added telecommunications services; Category II value-added telecommunications services; intellectual property services (items subject to approval according to law can be operated only after being approved by relevant authorities).</p>
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6. Restricted Reduction of Shares Held by Controlling Shareholders, Actual Controllers, Restructuring Parties and Other Commitment Subjects

Applicable Not applicable

IV. Specific Implementation of Share Repurchase in the Reporting Period

Implementation progress of share repurchase

Applicable Not applicable

Implementation Progress of Reducing Shareholding in Repurchased Shares by Centralized Bidding

Applicable Not applicable

V. Preferred Shares

Applicable Not applicable

The Company has no preferred shares in the reporting period.

Section VII Bonds

Applicable Not applicable

Section VIII Financial Report

I. Audit Report

Type of Audit Opinion	Standard unqualified opinion
Signing Date of Auditor Report	March 26, 2026
Name of Audit Institution	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)
Audit Report No.	Xin Hui Shi Bao Zi [2026] No. ZG10213
Name of Certified Public Accountant	Xu Peimei, Liu Chongjun

Text of Auditor Report

All shareholders of FAW Jiefang Group Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of FAW Jiefang Group Co., Ltd. (hereinafter referred to as “FAW Jiefang”), including the consolidated and parent company balance sheets as of December 31, 2025, the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in owners’ equity for the year 2025, as well as the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of FAW Jiefang as of December 31, 2025, and the consolidated and parent company results of operations and cash flows for the year 2025, in accordance with the provisions of the Accounting Standards for Business Enterprises.

II. Basis for Opinion

We have conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. The section in the Auditor’s Report titled “CPAs’ Responsibilities for the Audit of the Financial Statements” further describes our responsibilities under these standards. In accordance with the “China Standards on Auditing Independence No. 1 — Independence Requirements for Financial Statement Audit and Review Engagements” and the Code of Professional Ethics for Chinese Certified Public Accountants, we are independent of FAW Jiefang and have fulfilled our other ethical responsibilities. We have complied with the independence requirements for the audit of public interest entities throughout our audit. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, we consider to be most significant to the audit of the financial statements for the period. These matters were addressed in the context of our audit for the entire financial statements and the formation of our opinions thereon. We do not declare a separate opinion on these matters.

The key audit matters identified in our audit are summarized as follows:

- (I) Income Recognition
- (II) Provision for Decline in Value of Inventories
- (III) Provision for Product Quality Guarantee Deposit

Key Audit Matters	How the Matter Was Addressed in Our Audit
(I) Income Recognition	
<p>Please refer to the accounting policy described in Note III (XXVI) “Revenue” and Note V (XLV) “Operating Revenue and Operating Costs” in the notes to the consolidated financial statements.</p> <p>The sales revenue of FAW Jiefang mainly comes from the vehicle sales business. In 2025, the operating revenue was CNY 62.678001 billion, of which revenue from complete vehicle sales was CNY 58.0873282 billion, accounting for 92.68% of the operating revenue.</p> <p>The vehicle sales income has a significant impact on the financial statements of FAW Jiefang, so we identified income recognition as a key audit matter.</p>	<p>The audit procedures we performed for revenue recognition mainly included:</p> <p>(1) Understanding, evaluating and testing the effectiveness of the design and execution of internal controls related to operating revenue;</p> <p>(2) Selecting a sample of major sales contracts, reading and analyzing the contract terms related to the transfer of control and income recognition, and evaluating whether revenue recognition complies with the requirements of the Company’s accounting policies;</p> <p>(3) Selecting samples to perform detailed testing of income recognition, and inspecting supporting documents such as delivery notes, shipping documents, and sales invoices;</p> <p>(4) Analyzing and comparing income and gross margin by product type to determine whether income and gross margin for the current period are abnormal;</p> <p>(5) Performing accounts receivable and revenue</p>

	<p>confirmation procedures;</p> <p>(6) For revenue recognized around the balance sheet date, selecting samples to inspect supporting documents such as delivery notes, shipping documents, and sales invoices to evaluate whether the relevant revenue was recorded in the appropriate accounting period.</p>
(II) Provision for Decline in Value of Inventories	
<p>Please refer to the accounting policy described in Note III (XI) “Inventories” and Note V (VII) “Inventories” in the notes to the consolidated financial statements.</p> <p>As of December 31, 2025, the book balance of inventories of FAW Jiefang was CNY 13.730335 billion, and the balance of provision for inventory impairment was CNY 314.9215 million. Management performed an impairment test on inventories at the end of the period, and accrued provision for inventory impairment for inventories whose cost exceeded their net realizable value. Due to the complexity of the impairment testing process, and the fact that the annual inventory impairment test involves significant judgments and estimates, we identified the accrual of provision for inventory impairment as a key audit matter.</p>	<p>The audit procedures we performed regarding the accrual of provision for inventory impairment mainly included:</p> <p>(1) Understanding, evaluating and testing the effectiveness of the design and operation of management’s internal controls related to the accrual of provision for inventory impairment;</p> <p>(2) Obtaining the calculation sheet of provision for inventory impairment of FAW Jiefang, performing inventory impairment testing, and analyzing whether the accrual of provision for inventory impairment in the current period was sufficient;</p> <p>(3) In conjunction with the inventory observation procedures, inspecting the quantity and condition of inventories, and focusing on long-aged inventories to identify indications of impairment;</p> <p>(4) Check the changes in the provision for inventory depreciation reserves made in previous years in the current period, and analyze the rationality of the changes in the inventory depreciation reserves.</p>
(III) Provision for Product Quality Guarantee Deposit	
<p>Please refer to the accounting policy described in Note III (XXIV) “Estimated Liabilities” and Note V (XXXVI) “Estimated Liabilities” in the notes to the</p>	<p>The audit procedures we performed regarding the accrual of provision for product quality warranty mainly included:</p> <p>(1) Understanding the process and internal controls</p>

<p>consolidated financial statements.</p> <p>As of December 31, 2025, the balance of product quality warranty under estimated liabilities of FAW Jiefang was CNY 1.1059808 billion. In accordance with the vehicle sales contracts and relevant national laws and regulations, customers are entitled to warranty services provided by FAW Jiefang within the warranty period. The management of FAW Jiefang calculates the product quality deposit based on the relevant provisions in the product type, warranty period and warranty obligation clauses. The provision amount of product quality guarantee deposit is relatively large and involves significant estimation and judgment of the management, so we identified the provision for product quality guarantee deposit as a key audit matter.</p>	<p>related to product quality warranty, testing the effectiveness of key controls therein, and verifying the effectiveness of automated system controls;</p> <p>(2) Evaluating the reasonableness of the current accrual method for product quality warranty, assessing and testing the key assumptions in the accrual method; conducting sample testing on the actual product quality warranty expenses incurred during the year, and inspecting and reviewing the calculation of the balance;</p> <p>(3) Reviewing the adequacy of relevant disclosures in the notes to the financial statements.</p>
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IV. Other Information

The management of FAW Jiefang (hereinafter referred to as the management) is responsible for other information. Other information comprises the information included in the Annual Report of Year 2025 of FAW Jiefang, but does not include the financial statements and our auditor's report thereon.

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

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

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

V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for preparing financial statements that give a true and fair view in accordance with the Accounting Standards for Business Enterprises, and for designing, executing and maintaining such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing FAW Jiefang's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and applying the going concern assumption, unless management either intends to liquidate FAW Jiefang or to cease operations, or has no realistic alternative but to do so.

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

VI. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

(II) Obtain an understanding of internal controls relevant to the audit in order to design appropriate audit procedures.

(III) Evaluate the appropriateness of accounting policies selected by management and the reasonableness of accounting estimates and related disclosures made by management.

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

(V) Evaluate the overall presentation (including disclosures), structure, and content of the financial statements, and whether the financial statements fairly present the relevant transactions and events.

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within FAW Jiefang to express an audit opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the group audit, and assume all responsibilities for our opinion.

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

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

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

II. Financial Statements

The unit in the notes to the financial statement is CNY

1. Consolidated Balance Sheet

Prepared by: FAW Jiefang Group Co., Ltd.

December 31, 2025

Unit: CNY

Item	Closing Balance	Opening Balance
Current assets:		
Monetary capital	22,325,269,010.05	19,852,961,021.66
Settlement reserve fund		
Loans to banks and other financial institutions		
Financial assets held for trading		
Derivative financial assets		
Notes receivable	584,654,660.00	2,641,582.80
Accounts receivable	5,275,130,370.45	7,067,296,142.54
Accounts receivable financing	6,556,062,093.60	10,019,816,248.98
Prepayments	139,082,917.93	128,639,159.47
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	1,391,631,269.91	1,340,633,312.48
Including: interests receivable		
Dividends receivable		157,707,661.77
Financial assets purchased under agreements to resell		
Inventories	13,415,413,449.26	10,117,213,109.97
Including: Data resources		
Contract assets	70,941,700.86	14,455,542.05
Held-for-sale assets		
Current portion of non-current assets	355,532,986.69	377,668,442.06
Other current assets	1,157,140,694.91	1,413,638,174.22
Total current assets	51,270,859,153.66	50,334,962,736.23
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	44,977,617.32	110,911,235.61
Long-term equity investments	1,353,025,361.23	1,176,288,461.09
Other equity instruments	210,703,161.60	540,066,528.00

investments		
Other non-current financial assets		
Investment properties	44,712,225.12	52,835,976.31
Fixed assets	10,993,086,978.42	11,198,300,572.20
Project under construction	131,371,243.36	688,181,815.22
Productive biological assets		
Oil and gas assets		
Right-of-use assets	60,896,263.98	104,360,320.57
Intangible assets	2,286,284,523.47	2,337,101,200.98
Including: Data resources		
Development expenditures	641,106,331.24	500,611,951.24
Including: Data resources		
Goodwill		
Long-term deferred expenses	74,286.06	
Deferred Income tax assets	3,105,779,697.90	3,061,404,632.44
Other non-current assets	2,362,921,423.03	2,644,193,586.72
Total non-current assets	21,234,939,112.73	22,414,256,280.38
Total assets	72,505,798,266.39	72,749,219,016.61
Current liabilities:		
Short-term loans	50,000,000.00	
Borrowing from the central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	12,809,740,164.11	15,370,906,363.16
Accounts payable	21,550,325,781.23	17,246,353,969.05
Advance receipts	826,097.22	674,009.56
Contract liabilities	2,603,137,668.68	2,430,554,164.50
Financial assets sold under agreement to repurchase		
Deposits taking and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	1,083,725,750.16	1,043,554,896.06
Taxes payable	167,273,861.22	215,532,903.02
Other payables	2,544,536,206.49	4,526,208,921.23

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	525,893,395.61	29,941,701.02
Other current liabilities	66,560,308.63	217,767,924.33
Total current liabilities	41,402,019,233.35	41,081,494,851.93
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	136,000,000.00	
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liabilities	1,690,109.49	27,431,600.64
Long-term payables		
Long-term employee compensation payable	630,482,718.02	692,790,054.95
Estimated liabilities	668,680,940.39	992,714,878.02
Deferred income	2,846,844,806.70	2,936,362,847.77
Deferred income tax liabilities	594,286.27	423,775,650.57
Other non-current liabilities		
Total non-current liabilities	4,284,292,860.87	5,073,075,031.95
Total liabilities	45,686,312,094.22	46,154,569,883.88
Owner's equities:		
Share capital	4,921,280,975.00	4,922,371,176.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserves	11,955,912,510.16	11,961,480,047.74
Less: treasury shares		6,246,851.73
Other comprehensive incomes	-387,288,724.63	-96,912,346.71
Special reserves	243,304,714.89	277,345,883.15
Surplus reserves	3,205,602,868.01	3,204,548,247.40
General risk provision		
Undistributed profits	6,532,766,397.35	6,055,339,906.81
Total equity attributable to owners of the parent company	26,471,578,740.78	26,317,926,062.66

Minority equity	347,907,431.39	276,723,070.07
Total owners' equity	26,819,486,172.17	26,594,649,132.73
Total liabilities and owner's equities	72,505,798,266.39	72,749,219,016.61

Legal representative: Li Sheng

Person in charge of accounting: Yu Changxin

Person in charge of the accounting organization: Yang Li

2. Balance Sheet of Parent Company

Unit: CNY

Item	Closing Balance	Opening Balance
Current assets:		
Monetary capital	571,979,553.04	152,222,868.42
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments	57,405.15	
Other receivables	6,460,014,041.31	6,470,963,348.86
Including: interests receivable		
Dividends receivable		156,960,226.90
Inventories		
Including: Data resources		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	987,186.63	653,349.48
Total current assets	7,033,038,186.13	6,623,839,566.76
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	21,804,474,401.05	21,795,117,325.10
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	21,804,474,401.05	21,795,117,325.10
Total assets	28,837,512,587.18	28,418,956,891.86
Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	5,088,942.18	2,727,107.71
Advance receipts		
Contract liabilities		
Employee compensation payable		
Taxes payable	39,901.02	3,164,670.01
Other payables	853,949,657.23	342,246,068.80
Including: interests payable		
Dividends payable		
Held-for-sale liabilities		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	859,078,500.43	348,137,846.52
Non-current liabilities:		
Long-term loans	136,000,000.00	
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	136,000,000.00	
Total liabilities	995,078,500.43	348,137,846.52
Owner's equities:		
Share capital	4,921,280,975.00	4,922,371,176.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital reserves	13,797,364,225.24	13,802,357,345.82
Less: treasury shares		6,246,851.73
Other comprehensive incomes	19,640,620.81	12,671,266.92
Special reserves		
Surplus reserves	1,969,779,748.05	1,968,725,127.44
Undistributed profits	7,134,368,517.65	7,370,940,980.89
Total owners' equity	27,842,434,086.75	28,070,819,045.34
Total liabilities and owner's equities	28,837,512,587.18	28,418,956,891.86

3. Consolidated Profit Statement

Unit: CNY

Item	2025	2024
I. Total operating income	62,678,001,039.04	58,581,106,258.53
Including: operating income	62,678,001,039.04	58,581,106,258.53
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	62,979,266,238.23	59,785,978,592.21
Including: operating cost	58,262,038,619.09	54,908,076,523.43
Interest expense		
Handling charges and commission expense		
Surrender value		
Net payments for insurance claims		
Net allotment of reserves for insurance		

liabilities		
Policy dividend expenditure		
Reinsurance expenses		
Taxes and surcharges	262,863,207.79	220,408,020.64
Sales expenses	1,333,918,967.92	1,273,327,595.92
Administrative expenses	1,440,144,286.03	1,780,652,477.10
R&D expenses	2,283,177,259.70	2,409,485,641.76
Financial expenses	-602,876,102.30	-805,971,666.64
Including: interest expenses	2,035,470.45	2,594,098.03
Interest income	564,269,093.28	619,382,020.15
Add: Other incomes	943,091,998.64	1,129,409,077.07
Investment income (loss to be listed with “-”)	-43,164,824.61	629,692,626.51
Including: income from investment in associates and joint ventures	11,992,373.29	310,581,812.67
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 “-”)	-126,496,306.18	54,491,805.98
Asset impairment loss (loss to be listed with “-”)	-293,945,662.73	-352,823,109.54
Income from assets disposal (loss to be listed with “-”)	142,942,964.74	-2,556,989.65
III. Operating Profit (loss is listed with “-”)	321,162,970.67	253,341,076.69
Add: non-operating income	80,221,260.29	101,492,545.66
Less: non-operating expenses	4,238,368.61	28,784,917.57
IV. Total Profit (total loss is listed with “-”)	397,145,862.35	326,048,704.78
Less: income tax expenses	-391,407,360.39	-333,222,447.51
V. Net Profit (net loss is listed with “-”)	788,553,222.74	659,271,152.29
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss to be listed with “-”)	788,553,222.74	659,271,152.29
2. Net profit from discontinuing operations (net loss to be listed with “-”)		
(II) Classified by attribution of the ownership		
1. Net profit attributable to the parent company’s	724,545,159.90	622,427,699.65

shareholders		
2. Minority interests	64,008,062.84	36,843,452.64
VI. Net after-tax amount of other comprehensive income	-276,050,288.08	33,703,948.06
Net after-tax amount of other comprehensive income attributable to the owners of the parent company	-290,376,377.92	30,279,772.76
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	-300,094,012.51	27,627,126.17
1. Changes arising from re-measurement of the defined benefit plan	22,300,000.00	-49,140,000.00
2. Other comprehensive incomes that cannot be transferred to profits or losses under the equity method	6,969,353.89	17,480,598.17
3. Changes in fair value of investment in other equity instruments	-329,363,366.40	59,286,528.00
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	9,717,634.59	2,652,646.59
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method	-3,202.96	-5,729,510.11
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	9,720,837.55	8,382,156.70
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders	14,326,089.84	3,424,175.30
VII. Total comprehensive income	512,502,934.66	692,975,100.35
Total comprehensive income attributable to the owners of parent company	434,168,781.98	652,707,472.41
Total comprehensive income attributable to minority shareholders	78,334,152.68	40,267,627.94
VIII. Earnings per share:		
(I) Basic income per share	0.1472	0.1266

(II) Diluted income per share	0.1472	0.1266
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In case of business combination under common control in the current period, the net profit realized by the combined party before the combination and that in the previous period are CNY 0.00.

Legal representative: Li Sheng Person in charge of accounting: Yu Changxin Person in charge of the accounting organization: Yang Li

4. Profit Statement of Parent Company

Item	Unit: CNY	
	2025	2024
I. Operating income		
Less: operating costs		
Taxes and surcharges	-496,286.41	3,166,349.56
Sales expenses		
Administrative expenses	7,292,672.45	6,547,907.38
R&D expenses		
Financial expenses	-6,093,211.33	-2,851,411.56
Including: interest expenses	113,534.51	319,616.24
Interest income	6,213,187.24	3,172,289.49
Add: Other incomes	121,677.32	57,741.82
Investment Income (loss is listed with “-”)	11,461,994.70	1,097,043,292.58
Including: income from investment in associates and joint ventures	461,994.70	274,277,967.89
Gains on Derecognition of Financial Assets Measured at Amortized Cost (loss is 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 “-”)	-334,294.26	114,430.26
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 “-”)	10,546,203.05	1,090,352,619.28
Add: non-operating income	3.07	394.35
Less: non-operating expenses		
III. Total Profit (total loss is listed with “-”)	10,546,206.12	1,090,353,013.63
Less: income tax expenses		
IV. Net profit (net loss to be listed with “-”)	10,546,206.12	1,090,353,013.63

(I) Net profit from continuing operations (net loss to be listed with “-”)	10,546,206.12	1,090,353,013.63
(II) Net profit from discontinuing operations (net loss to be listed with “-”)		
V. Net after-tax amount of other comprehensive incomes	6,969,353.89	11,800,830.06
(I) Other comprehensive incomes that cannot be reclassified into profits or losses	6,969,353.89	17,530,340.17
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	6,969,353.89	17,530,340.17
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		-5,729,510.11
1. Other comprehensive incomes that can be transferred to profits or losses under the equity method		-5,729,510.11
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	17,515,560.01	1,102,153,843.69
VII. Income per share:		
(I) Basic income per share		
(II) Diluted income per share		

5. Consolidated Cash Flow Statement

Unit: CNY

Item	2025	2024
I. Cash flows from operating activities:		
Cash received from sales of goods and	60,972,563,470.02	54,819,630,825.44

provision of services		
Net increase in customer bank deposits 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	475,223,292.85	145,692,795.01
Other cash received relating to operating activities	1,518,045,902.10	1,146,308,516.29
Subtotal of cash inflows from operating activities	62,965,832,664.97	56,111,632,136.74
Cash paid for goods and services	51,608,983,893.26	54,675,385,707.83
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash paid for policyholder dividend		
Cash paid to and on behalf of employees	5,096,326,625.63	4,710,884,428.17
Taxes paid	1,224,219,502.15	1,151,234,164.25
Cash paid for other operating activities	2,351,270,211.27	1,424,414,143.54
Subtotal of cash outflows from operating activities	60,280,800,232.31	61,961,918,443.79
Net cash flows from operating activities	2,685,032,432.66	-5,850,286,307.05

II. Cash flows from investment activities:		
Cash received from the return of investment	30,700,000,000.00	4,357,068,905.33
Cash received from acquirement of investment income	216,333,782.63	574,641,722.82
Net cash received from fixed assets disposal, intangible assets and other long-term assets	328,940,943.77	167,582,454.39
Net cash received from the disposal of subsidiaries and other business entities		
Cash received from other investment activities		
Subtotal of cash inflows from investment activities	31,245,274,726.40	5,099,293,082.54
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,041,543,628.36	1,513,680,646.75
Cash paid to acquire investments	30,891,000,000.00	4,900,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units	147,576,957.96	220,832,137.93
Other cash paid relating to investment activities	1,500,000,000.00	2,400,000,000.00
Subtotal of cash outflows from investment activities	33,580,120,586.32	4,139,412,784.68
Net cash flows from investment activities	-2,334,845,859.92	959,880,297.86
III. Cash flows from financing activities:		
Cash received from absorbing investment	1,850,208.64	1,999,915,089.75
Including: cash received by subsidiaries absorbing minority shareholders' investments	1,850,208.64	
Cash received from borrowings	186,000,000.00	
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities	187,850,208.64	1,999,915,089.75
Cash paid for repayment of debts		99,890,000.00
Cash paid for distribution of dividends, profits or interest repayment	256,192,696.39	713,696,364.17
Including: dividends and profits paid to minority shareholders by subsidiaries	9,000,000.00	20,000,000.00
Other cash paid relating to financing activities	5,720,929.25	16,667,194.16
Subtotal of cash outflows from financing activities	261,913,625.64	830,253,558.33
Net cash flows from financing activities	-74,063,417.00	1,169,661,531.42
IV. Effects from change of exchange rate on cash	-4,087,194.40	3,231,527.59

and cash equivalents		
V. Net increase in cash and cash equivalents	272,035,961.34	-3,717,512,950.18
Add: opening balance of cash and cash equivalents	19,391,201,104.68	23,108,714,054.86
VI. Closing balance of cash and cash equivalents	19,663,237,066.02	19,391,201,104.68

6. Cash Flow Statement of Parent Company

Unit: CNY

Item	2025	2024
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	1,263,477,201.81	884,438,956.93
Subtotal of cash inflows from operating activities	1,263,477,201.81	884,438,956.93
Cash paid for goods and services		
Cash paid to and on behalf of employees	390,000.00	378,000.00
Taxes paid	3,348,222.21	
Cash paid for other operating activities	747,247,140.17	7,100,228,311.31
Subtotal of cash outflows from operating activities	750,985,362.38	7,100,606,311.31
Net cash flows from operating activities	512,491,839.43	-6,216,167,354.38
II. Cash flows from investment activities:		
Cash received from the return of investment		4,357,068,905.33
Cash received from acquirement of investment income	167,960,226.90	920,317,192.20
Net cash received from fixed assets disposal, 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		
Subtotal of cash inflows from investment activities	167,960,226.90	5,277,386,097.53
Cash paid to acquire fixed assets, intangible assets and other long-term assets		
Cash paid to acquire investments	1,925,727.36	380,371,837.52
Net cash paid to acquire subsidiaries and other business units	147,576,957.96	
Other cash paid relating to investment		

activities		
Subtotal of cash outflows from investment activities	149,502,685.32	380,371,837.52
Net cash flows from investment activities	18,457,541.58	4,897,014,260.01
III. Cash flows from financing activities:		
Cash received from absorbing investment		1,999,915,089.75
Cash received from borrowings	136,000,000.00	
Cash received relating to other financing activities		
Subtotal of cash inflows from financing activities	136,000,000.00	1,999,915,089.75
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits or interest repayment	247,192,696.39	693,696,364.17
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities	247,192,696.39	693,696,364.17
Net cash flows from financing activities	-111,192,696.39	1,306,218,725.58
IV. Effects from change of exchange rate on cash and cash equivalents		
V. Net increase in cash and cash equivalents	419,756,684.62	-12,934,368.79
Add: opening balance of cash and cash equivalents	152,222,868.42	165,157,237.21
VI. Closing balance of cash and cash equivalents	571,979,553.04	152,222,868.42

7. Consolidated Statement of Changes in Owners' Equity

Amount in the current period

Unit: CNY

Item	2025												
	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
I. Closing balance of the previous year	4,922,371,176		11,961,480,047.74	6,246,851.73	-96,912,346.71	277,345,883.15	3,204,548,247.40		6,055,339,906.81		26,317,926,062.66	276,723,070.07	26,594,649,132.73
Add: changes in													

accounting policies													
Correction of prior period errors													
Others													
II. Opening Balance of the current year	4,922,371,176			11,961,480,047.74	6,246,851.73	-96,912,346.71	277,345,883.15	3,204,548,247.40	6,055,339,906.81	26,317,926,062.66	276,723,070.07	26,594,649,132.73	
III. Increase/decrease in amount of the current period (decrease to be listed with “-”)	-1,090,201			-5,567,537.58	-6,246,851.73	-290,376,377.92	-34,041,168.26	1,054,620.61	477,426,490.54	153,652,678.12	71,184,361.32	224,837,039.44	
(I) Total comprehensive income						-290,376,377.92			724,545,159.90	434,168,781.98	78,334,152.68	512,502,934.66	
(II) Invested and	-1,090,201			-5,567,537.58	-6,246,851.73					-410,886.85	1,850,208.64	1,439,321.79	

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decreased capital of owners													
1. Ordinary shares invested by owners	-1,090,201			-4,993,120.58							-6,083,321.58	1,850,208.64	-4,233,112.94
2. Capital contributed by holders of other equity instruments													
3. Amounts of share-based payments recorded in owner's equity													
4. Others				-574,417.00	-6,246,851.73						5,672,434.73		5,672,434.73
(III) Profit distribution							1,054,620.61	-247,118,669.36			-246,064,048.75	-9,000,000.00	-255,064,048.75

1. Appropriation to surplus reserves								1,054,620.61		-1,054,620.61			
2. Appropriation to general risk reserves													
3. Distribution to owners (or shareholders)										-246,064,048.75	-246,064,048.75	-9,000,000.00	-255,064,048.75
4. Others													
(IV) Internal carryover of owners' equity													
1. Transfer 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. Recove ry of losses by surplus reserve s														
4. Retaine d earning s carried forward from changes in defined benefit plans														
5. Retaine														

d earning s carried forward from other compre hensive income													
6. Others													
(V) Special reserve s							-34,041,168.26				-34,041,168.26		-34,041,168.26
1. Approp riation in the current period							34,868,716.60				34,868,716.60		34,868,716.60
2. Use in the current period							-68,909,884.86				-68,909,884.86		-68,909,884.86
(VI) Others													
IV. Closing balance of the current period	4,921,280,975			11,955,912,510.16		-387,288,724.63	243,304,714.89	3,205,602,868.01		6,532,766,397.35	26,471,578,740.78	347,907,431.39	26,819,486,172.17

Amount of the Previous Period

Unit: CNY

2024															
Item	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	G e n e r a l R i s k P r o v i s i o n			Undistributed Profits	O t h e r s	Subtotal
		P r e f e r r e d S h a r e s	P e r p e t u a l S h a r e s	O t h e r S h a r e s											
I. Closing balance of the previous year	4,636,485,668			10,717,437,551.72	86,131,497.27	-127,199,418.40	319,314,527.85	3,095,513,675.93		6,246,533,634.66		24,801,954,142.49	245,455,442.13	25,047,409,584.62	
Add: changes in accounting policies															
Correction of															

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prior period errors													
Others													
II. Opening Balance of the current year	4,636,485,668			10,717,437,551.72	86,131,497.27	-127,199,418.40	319,314,527.85	3,095,513,675.93	6,246,533,634.66	24,801,954,142.49	245,455,442.13	25,047,409,584.62	
III. Increase/decrease in amount of the current period (decrease to be listed with “-”)	285,885,508			1,244,042,496.02	-79,884,645.54	30,287,071.69	-41,968,644.70	109,034,571.47	-191,193,727.85	1,515,971,920.17	31,267,627.94	1,547,239,548.11	
(I) Total comprehensive income						30,279,772.76			622,427,699.65	652,707,472.41	40,267,627.94	692,975,100.35	
(II) Invested and decreased capital of owners	285,885,508			1,244,042,496.02	-79,884,645.54					1,609,812,649.56		1,609,812,649.56	

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1. Ordinary shares invested by owners	285,885,508			1,632,043,242.50							1,917,928,750.50		1,917,928,750.50
2. Capital contributed by holders of other equity instruments													
3. Amounts of share-based payments recorded in owner's equity				-2,522,576.52							-2,522,576.52		-2,522,576.52
4. Others				-385,478,169.96	-79,884,645.54						-305,593,524.42		-305,593,524.42
(III) Profit distribution								109,035,301.36	-813,614,858.46		-704,579,557.10	-9,000,000.00	-713,579,557.10
1. Appropriation to surplus								109,035,301.36	-109,035,301.36				

reserve s														
2. Appropriation to general risk reserve s														
3. Distrib ution to owners (or shareho lders)										-693,579,557.10	-693,579,557.10	-9,000,000.00	-702,579,557.10	
4. Others										-11,000,000.00	-11,000,000.00		-11,000,000.00	
(IV) Internal carryov er of owners' equity						7,298.93			-729.89	-6,569.04				
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						7,298.93		-729.89		-6,569.04			

from other comprehensive income													
6. Others													
(V) Special reserves							-41,968,644.70				-41,968,644.70		-41,968,644.70
1. Appropriation in the current period							28,475,434.87				28,475,434.87		28,475,434.87
2. Use in the current period							-70,444,079.57				-70,444,079.57		-70,444,079.57
(VI) Others													
IV. Closing balance of the current period	4,922,371,176			11,961,480,047.74	6,246,851.73	-96,912,346.71	277,345,883.15	3,204,548,247.40		6,055,339,906.81	26,317,926,062.66	276,723,070.07	26,594,649,132.73

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

Amount in the current period

Unit: CNY

Item	2025									
	Share Capital	Other Equity	Capital Reserves	Less: Treasury	Other	Speci	Surplus Reserves	Undistributed	Ot	Total Owners' Equity

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		Instruments				Shares	Comprehensive Incomes	al Reserves		Profits	her s	
		Pre fer red Shares	Per pet ual Bond	Ot her s								
I. Closing balance of the previous year	4,922,371,176				13,802,357,345.82	6,246,851.73	12,671,266.92		1,968,725,127.44	7,370,940,980.89		28,070,819,045.34
Add: changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening Balance of the current year	4,922,371,176				13,802,357,345.82	6,246,851.73	12,671,266.92		1,968,725,127.44	7,370,940,980.89		28,070,819,045.34
III. Increase/decrease in amount of the current period (decrease to be listed with “-”)	-1,090,201				-4,993,120.58	-6,246,851.73	6,969,353.89		1,054,620.61	-236,572,463.24		-228,384,958.59
(I) Total comprehensive income							6,969,353.89			10,546,206.12		17,515,560.01
(II) Invested and decreased capital of owners	-1,090,201				-4,993,120.58	-6,246,851.73						163,530.15
1. Ordinary shares invested by owners	-1,090,201				-4,993,120.58							-6,083,321.58
2. Capital contributed by holders of other equity instruments												
3. Amounts of share-based payments recorded in owner's equity												
4. Others						-6,246,851.73						6,246,851.73
(III) Profit distribution									1,054,620.61	-247,118,669.36		-246,064,048.75
1. Appropriation to surplus reserves									1,054,620.61	-1,054,620.61		
2. Distribution to owners (or shareholders)										-246,064,048.75		-246,064,048.75
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												

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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. Closing balance of the current period	4,921,280,975				13,797,364,225.24		19,640,620.81		1,969,779,748.05	7,134,368,517.65	27,842,434,086.75

Amount of the Previous Period

Unit: CNY

Item	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 Shares	Perpetual Bonds	Others								
I. Closing balance of the previous year	4,636,485,668				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				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 “-”)	285,885,508				1,630,664,003.72	-79,884,645.54	11,808,128.99		109,034,571.47	287,731,586.13		2,405,008,443.85
(I) Total comprehensive income							11,800,830.06			1,090,353,013.63		1,102,153,843.69
(II) Invested and decreased capital of owners	285,885,508				1,630,664,003.72	-79,884,645.54						1,996,434,157.26
1. Ordinary shares invested by owners	285,885,508				1,632,043,242.50							1,917,928,750.50
2. Capital contributed by holders of other equity												

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instruments											
3. Amounts of share-based payments recorded in owner's equity					-2,522,576.52						-2,522,576.52
4. Others					1,143,337.74	-79,884,645.54					81,027,983.28
(III) Profit distribution								109,035,301.36	-802,614,858.46		-693,579,557.10
1. Appropriation to surplus reserves								109,035,301.36	-109,035,301.36		
2. Distribution to owners (or shareholders)									-693,579,557.10		-693,579,557.10
3. Others											
(IV) Internal carryover of owners' equity							7,298.93	-729.89	-6,569.04		
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							7,298.93	-729.89	-6,569.04		
6. Others											
(V) Special reserves											
1. Appropriation in the current period											
2. Use in the current period											
(VI) Others											
IV. Closing balance of the current period	4,922,371,176				13,802,357,345.82	6,246,851.73	12,671,266.92	1,968,725,127.44	7,370,940,980.89		28,070,819,045.34

III. Company Profile

FAW Jiefang Group Co., Ltd., formerly known as FAW Car Co., Ltd., is a limited liability company registered in Changchun City, Jilin Province.

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

On November 28, 2019, FAW Car held the 10th meeting of the 8th Board of Directors, and reviewed and approved the adjustment plan for major asset restructuring. After the adjustment, FAW Car Co., Ltd. transferred all its assets and liabilities, except for the equity interests in First Automobile Finance Co., Ltd. and Sanguard Automobile Insurance Co., Ltd. and certain reserved assets, to FAW Bestune Co., Ltd. (now renamed as FAW Bestune Auto Co., Ltd.). Subsequently, FAW Car Co., Ltd. used the 100% equity in FAW Bestune as disposed assets to exchange for an equivalent portion of the 100% equity interest of FAW Jiefang Automotive Co., Ltd. held by China FAW Co., Ltd. Meanwhile, 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 Chinese name of FAW Car Co., Ltd. was changed to FAW Jiefang Group Co., Ltd., and the stock abbreviation was changed to “FAW Jiefang”.

On January 11, 2021, the Company held the first 2021 extraordinary shareholders’ meeting, and reviewed and approved the Proposal on the Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd. (Draft) and Its Abstract, the Proposal on the Regulations for the Implementation Assessment of Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd., the Proposal on the Regulations for Restricted Share Incentive of FAW Jiefang Group Co., Ltd., and the Proposal on Requesting the Shareholders Meeting to Authorize the Board of Directors to Handle Matters Related to the Company’s Restricted Share Incentive Plan. On January 15, 2021, the Company held the 12th meeting of the 9th Board of Directors, and reviewed and approved the Proposal on

Adjusting the List of the First Batch of Incentive Objects and the Number of Grants in the Phase I Restricted Share Incentive Plan and the Proposal on Granting Restricted Shares to the Incentive Objects of the Phase I Restricted Share Incentive Plan for the First Time. Nine directors and senior executives, including Hu Hanjie, Zhu Qixin, Zhang Guohua, Wang Ruijian, Shang Xingwu, Ou Aimin, Kong Dejun, Wu Bilei and Wang Jianxun, and 310 other core employees with the title of senior director and above were granted to subscribe for 40,987,657 new shares of the Company at an issue price of CNY 7.54 per share, and the registered capital of the Company was changed to CNY 4,650,653,869.00. This change was verified by the Capital Verification Report (ZTYZ (2021) No.110C000033) issued by Grant Thornton 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. 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 participants 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. 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 Company held the 11th meeting of the 10th Board of Directors and the 10th meeting of the 10th Board of Supervisors. Subsequently, on April 25, 2024, the Company held its 2023 Annual General Meeting of Shareholders. These meetings reviewed and approved “Proposal on Unfulfilling Conditions for Releasing Restricted Sales in the Third Period of Releasing Restricted Shares Firstly Granted and Conditions for the Second Period of Releasing Restricted Shares Reserved for Granting in Phase I Restricted Share Incentive Plan and Repurchase and Cancellation of Some Restricted Shares.” The meetings approved the repurchase and cancellation of 12,621,954 restricted shares that had been granted to plan participants but had not yet vested. As a result, the Company’s registered capital will be 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.

On March 28, 2025, the Company held the 24th meeting of the 10th Board of Directors and the 20th meeting of the 10th Board of Supervisors, and subsequently, on April 18, 2025, the 2024 Annual General Meeting of Shareholders. At these meetings, the “Proposal on Unfulfilled Conditions for the Third Release Period of the Phase I Restricted Share Incentive Plan and the Repurchase and Cancellation of Some Restricted Shares, as well as Adjustment of Repurchase Price” was reviewed and approved. The meetings approved the repurchase and cancellation of 1,090,201 restricted shares that had been granted to incentive participants but had not yet been released from restriction. Consequently, the Company’s registered capital will be adjusted to CNY 4,921,280,975. This change was verified by the Capital Verification Report (ZTYZ (2025) No.110C000149) issued by Grant Thornton Accounting Firm (special general partnership). On June 10, 2025, the Company disclosed the Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares.

According to the resolutions passed at the Company’s Second Extraordinary General Meeting of Shareholders in 2023 and the Second Extraordinary General Meeting of Shareholders in 2024, and as approved by the CSRC’s document “Reply on Approving the Registration of FAW Jiefang Group Co., Ltd.’s Non-public Issuance of Shares” (CSRC [2024] No.972) issued on June 21, 2024, the Company conducted a non-public issuance of 298,507,462.00 A-shares, increasing the registered capital by CNY 298,507,462.00. Consequently, the Company’s registered capital has changed to CNY 4,922,371,176.00. This non-public issuance of shares has been verified by the Capital Verification Report (ZTYZ [2024] No.110C000357) issued by Grant Thornton Accounting Firm (special general partnership).

The Company has established a corporate governance structure consisting of a Shareholders’ Meeting and a Board of Directors, and has 5 wholly-owned subsidiaries, namely Jiefang Limited, FAW Jiefang Group International Automobile Co., Ltd., Jiefang Saudi Arabia Co., Ltd., FAW Jiefang Uni-D Transportation Technology (Tianjin) Co., Ltd., and FAW Jiefang Lvdong Renewable Technology (Wuxi) Co., Ltd., and 2 non-wholly-owned subsidiaries, namely Jiefang Best Co., Ltd. and FAW (Africa) Investment Co., Ltd. Jiefang

Limited has 4 wholly-owned subsidiaries, namely FAW Jiefang (Qingdao) Automotive Co., Ltd., FAW Jiefang Dalian Diesel Engine Co., Ltd., FAW Jiefang Austria R&D Co., Ltd., and FAW Jiefang Automobile Sales Co., Ltd., and 1 non-wholly-owned subsidiary, Jiefang Motors Tanzania Ltd. The Company also has 10 associates, namely, Sanguard Automobile Insurance Co., Ltd., FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd., FAW Changchun Ansteel Jiefang Steel Processing and Distribution Co., Ltd., Changchun Wabco Automotive Control System Co., Ltd., Suzhou Zhito Technology Co., Ltd., FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., Smartlink Intelligent Technology (Nanjing) Co., Ltd., Foshan Diyi Yuansu New Energy Technology Co., Ltd., Changchun Automotive Test Center Co., Ltd., and Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd. Additionally, it owns one joint venture company, Jiefang Times New Energy Technology Co., Ltd., while FAW (Africa) Investment Co., Ltd. has one non-wholly-owned subsidiary, FAW Vehicle Manufacturing South Africa Co., Ltd.

Business scope of the Company: R&D, production and sales of medium and heavy trucks, 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 restricted or prohibited for import and export by the state); (the following items are operated by the branch company) Chinese food production and sales, warehousing and logistics (excluding flammable, explosive and precursor dangerous chemicals), automobile repair, tank manufacturing of chemical liquid tanker, automobile trunk manufacturing (items subject to approval according to law can be operated only after being approved by relevant authorities).

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

The legal representative of the Company is Li Sheng.

The financial statements and notes to the financial statements were approved for issue by the Board of Directors of the Company on March 26, 2026.

IV. Basis of Preparation for Financial Statements

1. Preparation Basis

The financial statements have been prepared in accordance with the “Accounting Standards for Business Enterprises – Basic Standard” and various specific accounting standards, application guidance, interpretations and other relevant provisions (collectively referred to as the “Accounting Standards for Business Enterprises”) promulgated by the Ministry of Finance, as well as the relevant provisions of the “Rules for Information Disclosure and Reporting by Companies that Publicly Issue Securities No. 15 – General Provisions on Financial Reports” issued by the China Securities Regulatory Commission (CSRC).

2. Continuing Operations

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

V. Significant Accounting Policies and Accounting Estimates

Tips for specific accounting policies and accounting estimates:

The following disclosures have covered the specific accounting policies and accounting estimates formulated by the Company based on its actual production and operating characteristics; please refer to Section VIII Financial Report V “Significant Accounting Policies and Accounting Estimates” for details.

1. Statement of Compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and truly and completely reflect the consolidated and parent company financial position of the Company as of December 31, 2025, and the consolidated and parent company operating results and cash flows for the year 2025.

2. Accounting Period

The accounting year runs from January 1 to December 31 of each calendar year.

3. Operating Cycle

The operating cycle of the Company is 12 months.

4. Recording Currency

The Company adopts CNY as its reporting currency.

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	Amount greater than CNY 10 million
Significant other receivables with bad debt provision accrued on an individual basis	Amount greater than CNY 10 million
Significant accounts payable aged over one year or overdue	Amount greater than CNY 10 million
Significant other payables aged over one year or overdue	Amount greater than CNY 10 million
Major projects under construction	10% of the absolute value of net profit or 10% of similar transactions
Significant capitalized R&D projects	10% of the absolute value of net profit or 10% of

similar transactions

6. Accounting Treatment Method for Business Combination under Common Control and Not under Common Control

Business combinations involving enterprises under common control: The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the acquiree) obtained by the acquirer in a business combination shall be measured based on the carrying amounts of the acquiree's assets and liabilities in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired in the combination and the carrying amount of the consideration paid for the combination (or the total face value of shares issued) shall be used to adjust the share premium within capital reserve; any excess that cannot be offset against the share premium within capital reserve shall be used to adjust retained earnings.

Business combinations involving enterprises not under common control: The cost of combination shall be the fair value of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control of the acquiree at the acquisition date. The excess of the cost of combination over the acquirer's interest in the fair value of the identifiable net assets of the acquiree acquired in the combination shall be recognized as goodwill; the excess of the acquirer's interest in the fair value of the identifiable net assets of the acquiree acquired in the combination over the cost of combination shall be recognized in profit or loss for the current period. The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the combination that meet the recognition criteria shall be measured at fair value at the acquisition date.

Directly related expenses incurred for the business combination shall be recognized in profit or loss for the current period when incurred; transaction costs of issuing equity or debt securities for the business combination shall be included in the initial recognition amount of the equity or debt securities.

7. Criteria for Control and Preparation Method of Consolidated Financial Statements

Criteria for Determining Control

The scope of consolidation of the consolidated financial statements is determined on the basis of control, and encompasses the Company and all its subsidiaries. Control means that the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the returns.

Consolidation Procedures

The Company regards the entire enterprise group as a single accounting entity and prepares consolidated financial statements in accordance with uniform accounting policies to reflect the overall financial position, operating results, and cash flows of the enterprise group. The effects of internal transactions between the Company and its subsidiaries, and among subsidiaries, are eliminated. Where internal transactions indicate that impairment losses have occurred on the related assets, such losses shall be recognized in full. Where the accounting policies or accounting periods adopted by a subsidiary are inconsistent with those of the Company,

necessary adjustments shall be made in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements.

The portions of a subsidiary's owners' equity, current net profit or loss, and current comprehensive income attributable to non-controlling interests are presented separately under the owners' equity section in the consolidated balance sheet, under the net profit line item in the consolidated income statement, and under the total comprehensive income line item, respectively. Where the current period losses attributable to the non-controlling interests of a subsidiary exceed the non-controlling interests' share in the subsidiary's owners' equity at the beginning of the period, the resulting balance shall be deducted from the non-controlling interests.

(1) Addition of subsidiaries or businesses

During the reporting period, for subsidiaries or businesses added through business combinations involving enterprises under common control, the operating results and cash flows of the subsidiary or business from the beginning of the combination period to the end of the reporting period shall be included in the consolidated financial statements. Meanwhile, the opening balances of the consolidated financial statements and the related items of the comparative statements shall be adjusted, as if the combined reporting entity had existed since the point in time when the ultimate controlling party first obtained control.

Where control is obtained over an investee under common control due to additional investments or other reasons, for the equity investment held before obtaining control over the acquiree, the relevant profit or loss, other comprehensive income, and other changes in net assets previously recognized during the period from the later of the date on which the original equity was acquired and the date on which the acquirer and the acquiree came under common control to the combination date shall be adjusted against the opening retained earnings of the comparative reporting period or profit or loss for the current period, respectively.

During the reporting period, for subsidiaries or businesses added through business combinations involving enterprises not under common control, they shall be included in the consolidated financial statements from the acquisition date based on the fair value of the identifiable assets, liabilities, and contingent liabilities determined as of the acquisition date.

Where control is obtained over an investee not under common control due to additional investments or other reasons, the equity interest previously held in the acquiree before the acquisition date shall be remeasured at its fair value as of the acquisition date, and the difference between the fair value and its carrying amount shall be recognized in investment income for the current period. The other comprehensive income that may be subsequently reclassified to profit or loss, and the other changes in owners' equity under the equity method, related to the equity interest in the acquiree held before the acquisition date, shall be transferred to investment income for the period in which the acquisition date falls.

(2) Disposal of subsidiaries

① General treatment method

Where control over an investee is lost due to the disposal of a portion of the equity investment or other reasons, the remaining equity investment shall be remeasured at its fair value as of the date on which control is lost. The

difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity investment, and the sum of the share of the net assets of the former subsidiary continuously calculated from the acquisition date or the combination date at the original shareholding ratio plus the associated goodwill, shall be recognized in investment income for the period in which control is lost. The other comprehensive income that may be subsequently reclassified to profit or loss and the other changes in owners' equity under the equity method, related to the equity investment in the former subsidiary, shall be transferred to investment income for the current period upon the loss of control.

② Step-by-step disposal of subsidiaries

Where the equity investment in a subsidiary is disposed of in stages through multiple transactions until control is lost, and where the terms, conditions, and economic effects of the individual transactions for the disposal of the equity investment in the subsidiary meet one or more of the following criteria, it usually indicates that such multiple transactions constitute a package deal:

- i . These transactions are entered into simultaneously or with consideration of their mutual effects;
- ii . These transactions as a whole can achieve a complete commercial result only when taken together;
- iii . The occurrence of one transaction depends on the occurrence of at least one other transaction;
- iv . A transaction is uneconomic when viewed in isolation but economic when considered together with other transactions.

Where the individual transactions constitute a package deal, they shall be accounted for as a single transaction involving the disposal of the subsidiary and the loss of control; prior to the loss of control, the difference between the disposal consideration for each transaction and the corresponding share of the subsidiary's net assets attributable to the disposed investment shall be recognized as other comprehensive income in the consolidated financial statements, and shall be transferred in aggregate to profit or loss for the period in which control is lost upon the loss of control.

Where the individual transactions do not constitute a package deal, prior to the loss of control, they shall be accounted for as a partial disposal of the equity investment in the subsidiary without the loss of control; upon the loss of control, they shall be accounted for in accordance with the general treatment method for the disposal of subsidiaries.

(3) Acquisition of non-controlling interests in subsidiaries

The difference between the cost of the newly acquired long-term equity investment arising from the acquisition of non-controlling interests and the share of the subsidiary's net assets continuously calculated from the acquisition date or combination date at the newly increased shareholding ratio shall be used to adjust the share premium within capital reserve in the consolidated balance sheet; any excess that cannot be offset against the share premium within capital reserve shall be used to adjust retained earnings.

(4) Partial disposal of equity investment in a subsidiary without losing control

The difference between the disposal consideration and the corresponding share of the subsidiary's net assets continuously calculated from the acquisition date or combination date attributable to the disposed long-term

equity investment shall be used to adjust the share premium within capital reserve in the consolidated balance sheet; any excess that cannot be offset against the share premium within capital reserve shall be used to adjust retained earnings.

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

Joint arrangements are classified as joint operations and joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items relating to its interest in a joint operation:

- (1) Its assets held solely, and its share of any jointly held assets;
- (2) Its liabilities incurred solely, and its share of any jointly incurred liabilities;
- (3) Its revenue from the sale of its share of the output arising from the joint operation;
- (4) Its share of the revenue from the sale of output by the joint operation;
- (5) Its expenses incurred solely, and its share of any expenses incurred jointly.

The Company accounts for its investments in joint ventures using the equity method; please refer to Item 19 “Long-term Equity Investments” in Section V “Significant Accounting Policies and Accounting Estimates” of Section VIII Financial Report for details.

9. Standards for Recognition of Cash and Cash Equivalents

Cash refers to the Company’s cash on hand and deposits that are readily available for payment. Cash equivalents refer to short-term, highly liquid investments held by the Company that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

10. Foreign Currency Transaction and Foreign Currency Statement Translation

Foreign Currency Transactions

Foreign currency transactions shall be recorded in CNY at the spot exchange rate prevailing on the date of the transaction as the translation rate.

On the balance sheet date, balances of foreign currency monetary items shall be translated at the spot exchange rate prevailing on the balance sheet date. The resulting exchange differences shall be recognized in profit or loss for the current period, except for those arising from specific-purpose foreign currency borrowings designated for the acquisition or construction of qualifying assets, which shall be treated in accordance with the capitalization principles for borrowing costs.

Translation of Foreign Currency Financial Statements

Asset and liability items in the balance sheet shall be translated at the spot exchange rate prevailing on the balance sheet date; owners' equity items, except for "Undistributed Profits", shall be translated at the spot exchange rate prevailing at the time of occurrence. Revenue and expense items in the income statement shall be translated at the spot exchange rate prevailing on the date of the transactions.

Upon disposal of a foreign operation, the exchange differences arising from the translation of the foreign currency financial statements of the foreign operation previously recognized in owners' equity shall be transferred to profit or loss for the period in which the disposal occurs.

11. Financial Instruments

The Company shall recognize a financial asset, a financial liability or an equity instrument when it becomes a party to the contractual provisions of a financial instrument.

Classification of Financial Instruments

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets, financial assets shall be classified at initial recognition into: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVTOCI), and financial assets measured at fair value through profit or loss (FVTPL).

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 business model objective is to hold financial assets in order to collect contractual cash flows;
- The contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company classifies financial assets that simultaneously meet the following conditions and have not been designated as financial assets at FVTPL as financial assets at FVTOCI (debt instruments):

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets;
- The contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

For investments in equity instruments that are not held for trading, the Company may, upon initial recognition, irrevocably designate them as financial assets measured at fair value through other comprehensive income (equity instruments). Such designation is made on an investment-by-investment basis, and the relevant investment shall meet the definition of an equity instrument from the issuer's perspective.

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 initial recognition, if doing so eliminates or significantly reduces an accounting mismatch, the Company may irrevocably designate a financial asset that would otherwise be classified as measured at amortized cost or measured at fair value through other comprehensive income as a financial asset measured at fair value through profit or loss.

Financial liabilities shall be classified at initial recognition into: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost.

A financial liability that meets one of the following conditions may be designated at initial measurement as a financial liability measured at fair value through profit or loss:

- 1) Such designation can eliminate or significantly reduce an accounting mismatch.
- 2) In accordance with a documented risk management or investment strategy of the Company, a group of financial liabilities, or a group of financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis, and information about such group is reported internally on that basis to key management personnel.
- 3) The financial liability contains an embedded derivative that needs to be separated independently.

Recognition Basis and Measurement Methods for Financial Instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc., and shall be initially measured at fair value, with related transaction costs included in the initial recognition amount; accounts receivable that do not contain a significant financing component, as well as accounts receivable for which the Company has elected not to consider the financing component of one year or less, shall be initially measured at the transaction price as defined in the contract.

Interest calculated using the effective interest method during the holding period shall be recognized in profit or loss for the current period.

Upon collection or disposal, the difference between the consideration obtained and the carrying amount of the financial asset shall be recognized in profit or loss for the current period.

(2) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets measured at fair value through other comprehensive income (debt instruments) include receivables financing, other debt investments, etc. They shall be initially measured at fair value, with related transaction costs included in the initial recognition amount. Such financial assets shall be subsequently measured at fair value. Changes in fair value, except for interest calculated using the effective interest method, impairment losses or gains, and foreign exchange gains and losses, shall be recognized in other comprehensive income.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income shall be transferred from other comprehensive income and recognized in profit or loss for the current period.

(3) Financial assets measured at fair value through other comprehensive income (equity instruments)

Financial assets measured at fair value through other comprehensive income (equity instruments) include investments in other equity instruments, etc. They are initially measured at fair value, and related transaction costs are included in the initial recognition amount. Such financial assets shall be subsequently measured at fair value, and changes in fair value shall be recognized in other comprehensive income. Dividends obtained shall be recognized in profit or loss for the current period.

Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income shall be transferred from other comprehensive income and recognized in retained earnings.

(4) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include trading financial assets, derivative financial assets, other non-current financial assets, etc. They are initially measured at fair value, and related transaction costs are recognized in profit or loss for the current period. The financial asset is subsequently measured at fair value, and changes in fair value are recognized in profit or loss for the current period.

(5) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities, derivative financial liabilities, etc. They are initially measured at fair value, and related transaction costs are recognized in profit or loss for the current period. The financial liability is subsequently measured at fair value, and changes in fair value are recognized in profit or loss for the current period.

Upon derecognition, the difference between its carrying amount and the consideration paid shall be recognized in profit or loss for the current period.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables, and shall be initially measured at fair value, with related transaction costs included in the initial recognition amount.

Interest calculated using the effective interest method during the holding period is included in current profit or loss.

Upon derecognition, the difference between the consideration paid and the carrying amount of the financial liability is included in current profit or loss.

Basis for Derecognition of Financial Assets and Recognition Criteria and Measurement Methods for Transfer of Financial Assets

The Company derecognizes a financial asset when one of the following conditions is met:

- The contractual rights to collect the cash flows of the financial asset have terminated;
- The financial asset has been transferred, and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee;
- The financial asset has been transferred, and although the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, the Company has not retained control over the financial asset.

Where the Company modifies or renegotiates a contract with a counterparty and such modification constitutes a substantive modification, the original financial asset shall be derecognized, and a new financial asset shall be recognized in accordance with the modified terms.

When a transfer of a financial asset occurs, where substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset shall not be derecognized.

When determining whether the transfer of financial assets meets the aforementioned criteria for derecognition of financial assets, the principle of substance over form shall be applied.

The Company classifies the transfer of financial assets into transfers of entire financial assets and transfers of parts of financial assets. Where the entire transfer of a financial asset meets the criteria for derecognition, the difference between the following two amounts shall be recognized in profit or loss for the current period:

- (1) The carrying amount of the transferred financial asset;
- (2) The sum of the consideration received from the transfer and the cumulative changes in fair value previously recognized directly in owners' equity (in the case where the financial asset being transferred is a financial asset measured at fair value through other comprehensive income (debt instruments)).

Where the partial transfer of a financial asset meets the criteria for derecognition, the total carrying amount of the transferred financial asset shall be allocated between the derecognized portion and the portion that is not derecognized, based on their respective relative fair values, and the difference between the following two amounts shall be recognized in profit or loss for the current period:

- (1) The carrying amount of the derecognized portion;
- (2) The sum of the consideration for the derecognized portion and the amount of the cumulative changes in fair value previously recognized directly in owners' equity attributable to the derecognized portion (in the case where the financial asset being transferred is a financial asset measured at fair value through other comprehensive income (debt instruments)).

Where the transfer of a financial asset does not meet the criteria for derecognition, the financial asset shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

Derecognition of Financial Liabilities

Where the present obligation of a financial liability has been discharged in whole or in part, the financial liability or a portion thereof shall be derecognized; where the Company enters into an agreement with a creditor to replace an existing financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are substantively different from those of the existing financial liability, the existing financial liability shall be derecognized and the new financial liability shall be simultaneously recognized.

Where a substantive modification is made to all or part of the contractual terms of an existing financial liability, the existing financial liability or a portion thereof shall be derecognized, and simultaneously the financial liability with modified terms shall be recognized as a new financial liability.

Upon full or partial derecognition of a financial liability, the difference between the carrying amount of the derecognized portion of the financial liability and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) shall be recognized in profit or loss for the current period.

Where the Company repurchases a portion of a financial liability, on the repurchase date, the total carrying amount of the financial liability shall be allocated between the portion that continues to be recognized and the portion that is derecognized, based on their respective relative fair values. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including non-cash assets transferred out or new financial liabilities assumed) shall be recognized in profit or loss for the current period.

Methods for Determining the Fair Value of Financial Assets and Financial Liabilities

For financial instruments with an active market, the fair value shall be determined by the quoted prices in the active market. For financial instruments without an active market, the fair value shall be determined using valuation techniques. In performing valuations, the Company shall adopt valuation techniques that are applicable under current circumstances and are supported by sufficient available data and other information, shall select inputs consistent with the characteristics of the assets or liabilities that market participants would consider in transactions involving the relevant assets or liabilities, and shall prioritize the use of relevant observable inputs. Unobservable inputs shall be used only where relevant observable inputs are unavailable or it is impracticable to obtain them.

Impairment Testing Methods and Accounting Treatment for Financial Instruments

The Company shall perform impairment accounting on the basis of expected credit losses (ECL) for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), financial guarantee contracts, and other applicable instruments.

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.

For receivables and contract assets arising from transactions within the scope of “Accounting Standards for Business Enterprises No. 14 — Revenue” (ASBE 14), regardless of whether they contain a significant financing component, the Company shall always measure the loss allowances at an amount equal to lifetime expected credit losses.

For lease receivables arising from transactions within the scope of “Accounting Standards for Business Enterprises No. 21 — Leases” (ASBE 21), the Company has elected to always measure the loss allowances at an amount equal to lifetime expected credit losses.

For other financial instruments, the Company shall assess, on each balance sheet date, the changes in the credit risk of the relevant financial instruments since initial recognition.

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. Generally, where a financial instrument is overdue for more than 30 days, the Company shall consider that the credit risk of such financial instrument has increased significantly since initial recognition, unless there is conclusive evidence demonstrating that the credit risk of such financial instrument has not increased significantly since initial recognition.

Where the credit risk of a financial instrument is low as of the balance sheet date, the Company shall consider that the credit risk of such financial instrument has not increased significantly since initial recognition.

Where the credit risk of a financial instrument has increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to the lifetime expected credit losses of such financial instrument; where the credit risk of such financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to the 12-month expected credit losses of such financial instrument. The resulting increase or reversal of the loss allowance shall be recognized as an impairment loss or gain in profit or loss for the current period. For financial assets measured at fair value through other comprehensive income (debt instruments), the loss allowances shall be recognized in other comprehensive income, and impairment losses or gains shall be recognized in profit or loss for the current period, without reducing the carrying amount of such financial assets as presented in the balance sheet.

Where there is objective evidence indicating that a certain receivable has been subject to credit impairment, the Company shall make a provision for impairment on an individual basis for such receivable.

Other than the aforementioned receivables for which provision for bad debts has been made on an individual basis, the Company shall classify the remaining financial instruments into various portfolios based on their credit risk characteristics, and shall determine the expected credit losses on a portfolio basis. The portfolio categories and the basis for determining the ECL provision for the Company’s notes receivable, accounts receivable, receivables financing, other receivables, contract assets, long-term receivables, etc. are as follows:

Item	Portfolio Categories
Notes receivable	Bank acceptance notes, commercial acceptance notes

Item	Portfolio Categories
Accounts receivable	Aging portfolio
Contract assets	Aging portfolio
Other receivables	Portfolio of guarantee deposits, security deposits and petty cash; aging portfolio
Long-term receivables	Receivables from installment sales of goods; other receivables

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.

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.

For long-term receivables classified into portfolios, with respect to receivables from installment sales of goods, the Company calculates expected credit losses by reference to historical credit loss experience, in combination with current conditions and forecasts of future economic conditions, through the default risk exposure and the lifetime expected credit loss rate.

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.

For debt investments and other debt investments, the Company calculates expected credit losses according to the nature of the investments, by various types of counterparties and risk exposures, through default risk exposures and the 12-month or lifetime expected credit loss rates.

12. Notes Receivable

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

13. Accounts Receivable

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

14. Receivables Financing

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

15. Other Receivables

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

16. Contract Assets

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

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’s right to receive consideration for goods transferred to or services provided to customers (where such right is contingent upon factors other than the passage of time) is presented as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company’s unconditional right (subject only to the passage of time) to receive consideration from customers is presented separately as receivables.

Methods for Determining Expected Credit Losses of Contract Assets and Accounting Treatment

The methods for determining expected credit losses of contract assets and the related accounting treatment are detailed in the section on “Impairment Testing Methods and Accounting Treatment for Financial Instruments” under Section 11 “Financial Instruments” herein.

17. Inventories

Classification and Cost of Inventories

Inventories are classified as: raw materials, self-produced semi-finished goods and work in progress, finished goods in stock, turnover materials, etc.

Inventories are initially measured at cost. Inventory costs include purchase costs, processing costs, and other expenditures incurred to bring the inventories to their current location and condition.

Valuation Method for Inventories Issued

The Company’s inventories are accounted for at the planned cost when acquired. The difference between planned costs and actual costs is accounted for through the cost variance account, and the cost variances attributable to inventories issued are carried forward periodically to adjust planned costs to actual costs.

Inventory Count System

The perpetual inventory system is adopted.

Amortization Method for Low-Value Consumables and Packaging Materials

(1) Low-value consumables are amortized using the immediate write-off method;

(2) Packaging materials are amortized using the immediate write-off method.

Recognition Criteria and Provision Method for Inventory Impairment

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. Where the cost of inventories exceeds their net realizable value, a provision for decline in value of inventories shall be recognized. Net realizable value refers to the estimated selling price in the ordinary course of business, less the estimated costs to completion, the estimated selling expenses, and the related taxes and surcharges.

For merchandise inventories directly held for sale, such as finished products, commodities in stock, and materials held for sale, in the normal course of production and operations, the net realizable value shall be determined as the estimated selling price less the estimated selling expenses and related taxes and surcharges. For material inventories that require further processing, in the normal course of production and operations, the net realizable value shall be determined as the estimated selling price of the finished products to be produced, less the estimated costs to completion, the estimated selling expenses, and the related taxes and surcharges. For inventories held for the purpose of fulfilling sales contracts or service contracts, the net realizable value shall be calculated based on the contract price; where the quantity of inventories held exceeds the quantity stipulated in the sales contract, the net realizable value of the excess inventories shall be calculated based on the prevailing selling price.

The Company makes provision for inventory depreciation reserves on an individual inventory item basis. For inventories of large quantities and low unit prices, the provision for decline in value of inventories shall be made by inventory category.

After the provision for decline in value of inventories has been recognized, where the factors that previously caused the write-down of inventory values no longer exist, such that the net realizable value of the inventories exceeds the carrying amount, the provision shall be reversed to the extent of the amount of the provision originally recognized, and the amount reversed shall be recognized in profit or loss for the current period.

18. Long-term Receivables

Refer to 11 “Financial Instruments” in V “Significant Accounting Policies and Accounting Estimates” of Section VIII — Financial Report.

19. Long-Term Equity Investments

(1) Criteria for Determining Joint Control and Significant Influence

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. Where

the Company, together with other venturers, jointly controls an investee and has rights to the net assets of the investee, the investee shall be classified as a joint venture of the Company.

Significant influence refers to the power to participate in the financial and operating policy decisions of an investee, but does not constitute control over, or joint control of, the formulation of such policies. Where the Company is able to exert significant influence over an investee, the investee shall be classified as an associate of the Company.

(2) Determination of Initial Investment Cost

① Long-Term Equity Investments Arising from Business Combinations

For a long-term equity investment in a subsidiary arising from a business combination under common control, the initial investment cost shall be determined as the Company's share of the carrying amount of the merged party's owners' equity as stated in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid shall be adjusted against the share premium under capital reserves; where the share premium under capital reserves is insufficient to offset the difference, the retained earnings shall be adjusted accordingly. Where the Company is able to exercise control over an investee under common control due to reasons such as additional investment, the difference between the initial investment cost of the long-term equity investment determined in accordance with the aforementioned principles and the sum of the carrying amount of the long-term equity investment prior to the combination plus the carrying amount of the newly paid consideration for the further acquisition of shares on the combination date shall be adjusted against the share premium. Where the share premium is insufficient for such offset, the retained earnings shall be adjusted accordingly.

For a long-term equity investment in a subsidiary arising from a business combination not under common control, the initial investment cost shall be the cost of combination determined on the acquisition date. Where the Company is able to exercise control over an investee not under common control due to reasons such as additional investment, the sum of the carrying amount of the previously held equity investment and the cost of the new investment shall be used as the initial investment cost.

② Long-Term Equity Investments Acquired through Means Other than Business Combinations

For a long-term equity investment acquired through cash payment, the initial investment cost shall be the actual purchase consideration paid.

For a long-term equity investment acquired through the issuance of equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(3) Subsequent measurement and recognition of profit or loss

① Long-Term Equity Investments Accounted for Using the Cost Method

The Company's long-term equity investments in subsidiaries shall be accounted for using the cost method, unless the investments meet the criteria for classification as held for sale. Except for cash dividends or profits declared but not yet distributed that are included in the actual price or consideration paid at the time of acquiring the investment, the Company shall recognize investment income for the current period based on its share of the cash dividends or profits declared for distribution by the investee.

② Long-Term Equity Investments Accounted for Using the Equity Method

Long-term equity investments in associates and joint ventures shall be accounted for using the equity method. Where the initial investment cost exceeds the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost of the long-term equity investment shall not be adjusted; where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the difference shall be recognized in profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

The Company shall recognize investment income and other comprehensive income respectively based on its entitled or attributable share of the net profit or loss realized and other comprehensive income of the investee, and adjust the carrying amount of the long-term equity investment accordingly; the Company shall calculate its entitled share based on the profits or cash dividends declared for distribution by the investee, and reduce the carrying amount of the long-term equity investment correspondingly; for other changes in the investee's owners' equity other than net profit or loss, other comprehensive income, and profit distribution (hereinafter referred to as "other changes in owners' equity"), the Company shall adjust the carrying amount of the long-term equity investment and recognize such changes in owners' equity.

When recognizing its entitled share of the investee's net profit or loss, other comprehensive income, and other changes in owners' equity, the recognition shall be made based on the fair value of the investee's identifiable net assets at the time of obtaining the investment, and after making adjustments to the investee's net profit and other comprehensive income etc. in accordance with the Company's accounting policies and accounting periods.

Unrealized gains or losses on internal transactions between the Company and its associates or joint ventures shall be offset to the extent of the Company's proportionate share, and investment income shall be recognized on that basis, except where the assets invested or sold constitute a business. Unrealized losses on internal transactions with the investee that constitute asset impairment losses shall be recognized in full.

For net losses incurred by a joint venture or an associate, the Company shall recognize such losses to the extent of reducing the carrying amount of the long-term equity investment and other long-term interests that in substance constitute a net investment in the joint venture or associate to zero, except where the Company has an obligation to assume additional losses. Where the joint venture or associate subsequently realizes net profits, the Company shall resume recognizing its share of income after the income sharing amount has offset the previously unrecognized loss sharing amount.

③ Disposal of Long-Term Equity Investments

Upon the disposal of a long-term equity investment, the difference between its carrying amount and the actual consideration received shall be recognized in profit or loss for the current period.

Where a long-term equity investment accounted for using the equity method is partially disposed of and the remaining equity interest continues to be accounted for using the equity method, the other comprehensive income previously recognized under the equity method shall be transferred on a pro-rata basis on the same basis as would apply if the investee had directly disposed of the related assets or liabilities, and other changes in owners' equity shall be transferred on a pro-rata basis to profit or loss for the current period.

Where joint control or significant influence over the investee is lost due to the disposal of equity investments or other reasons, the other comprehensive income previously recognized in respect of the original equity investment accounted for using the equity method shall be accounted for on the same basis as would apply if the investee had directly disposed of the related assets or liabilities upon the discontinuation of the equity method, and other changes in owners' equity shall be transferred in full to profit or loss for the current period upon the discontinuation of the equity method.

Where control over an investee is lost due to reasons such as the disposal of a portion of the equity investments, in preparing the separate financial statements: Where the remaining equity interest is able to exercise joint control or exert significant influence over the investee, it shall be reclassified for accounting under the equity method, and such remaining equity interest shall be adjusted as if it had been accounted for under the equity method from the date of its initial acquisition. The other comprehensive income recognized prior to obtaining control over the investee shall be transferred proportionately on the same basis as would apply if the investee had directly disposed of the related assets or liabilities, and other changes in owners' equity recognized as a result of applying the equity method shall be transferred proportionately to profit or loss for the current period. Where the remaining equity interest is unable to exercise joint control or exert significant influence over the investee, it shall be reclassified as a financial asset, and the difference between the fair value and the carrying amount as at the date of loss of control shall be recognized in profit or loss for the current period; all other comprehensive income and other changes in owners' equity recognized prior to obtaining control over the investee shall be transferred in full.

Where the equity investment in a subsidiary is disposed of in stages through multiple transactions until control is lost, and such transactions constitute a package deal, the various transactions shall be accounted for as a single transaction for the disposal of the equity investment in the subsidiary and the loss of control; the difference between the consideration received from each disposal prior to the loss of control and the carrying amount of the long-term equity investment corresponding to the equity disposed of shall first be recognized in the separate financial statements as other comprehensive income, and then transferred in aggregate to profit or loss for the period in which control is lost. Where the transactions do not constitute a package deal, each transaction shall be accounted for separately.

20. Investment Properties

Measurement mode of investment properties: cost method

Depreciation or amortization method

Investment property refers to property held to earn rentals or for capital appreciation, or both, including land use rights that have been leased out, land use rights held for transfer upon appreciation, and buildings that have been leased out (including buildings self-constructed or developed for the purpose of being leased out upon

completion, as well as buildings under construction or development that are intended to be leased out in the future).

Subsequent expenditures related to investment property shall be included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Company and the cost can be measured reliably; otherwise, such expenditures shall be recognized in profit or loss for the current period as incurred.

The Company adopts the cost model to measure its existing investment property. For investment property measured using the cost model—buildings held for leasing out, the same depreciation policy as that applied to the Company's fixed assets shall be adopted; for land use rights held for leasing out, the same amortization policy as that applied to intangible assets shall be applied.

21. Fixed Assets

(1) Recognition conditions

Recognition and Initial Measurement of Fixed Assets

Fixed assets refer to tangible assets held for the production of goods, the rendering of services, leasing, or for operational and administrative purposes, with a useful life exceeding one accounting year. A fixed asset shall be recognized when the following conditions are simultaneously met:

- (1) It is probable that the economic benefits associated with the fixed asset will flow to the Company;
- (2) The cost of the fixed asset can be measured reliably.

Fixed assets shall be initially measured at cost (taking into account the impact of estimated decommissioning and restoration costs).

Subsequent expenditures related to a fixed asset shall be included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the cost can be measured reliably; the carrying amount of the replaced part shall be derecognized. All other subsequent expenditures shall be recognized in profit or loss for the current period as incurred.

(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

Depreciation of fixed assets shall be calculated on a category basis using the straight-line method, and the depreciation rate shall be determined based on the category of fixed assets, the estimated useful life, and the estimated residual value ratio. For fixed assets for which impairment provisions have been made, the depreciation amounts in future periods shall be determined based on the carrying amount net of the impairment provisions and the remaining useful life. Where the individual components of a fixed asset have different useful lives or provide economic benefits to the Company in different ways, different depreciation rates or depreciation methods shall be adopted and depreciation shall be calculated separately for each component.

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

Construction in progress shall be measured at actual costs incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization, and other necessary expenditures incurred to bring the construction in progress to its intended state of use. Construction in progress shall be transferred to fixed assets when it reaches its intended state of use, and depreciation shall commence from the following month.

23. Borrowing Costs

(1) Recognition principles for capitalization of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of a qualifying asset shall be capitalized and included in the cost of the relevant assets; other borrowing costs shall be recognized as expenses when incurred and charged to profit or loss for the current period.

Qualifying assets refer to assets — such as fixed assets, investment property, and inventories — that require a substantial period of time for acquisition, construction, or production activities to reach their intended state of use or sale.

(2) Capitalization period of borrowing costs

The capitalization period refers to the period from the commencement of capitalization of borrowing costs to the cessation of capitalization, excluding any period during which capitalization is suspended.

Capitalization of borrowing costs shall commence when the following conditions are simultaneously met:

- ① Expenditures on the asset have been incurred, which include expenditures in the form of cash payments, transfers of non-cash assets, or the assumption of interest-bearing debt for the acquisition, construction, or production of a qualifying asset;
- ② Borrowing costs have been incurred;
- ③ Acquisition, construction, or production activities that are necessary to bring the asset to its intended state of use or sale have commenced.

Capitalization of borrowing costs shall cease when the qualifying asset under acquisition, construction, or production reaches its intended state of use or sale.

Suspension of Capitalization

Where the acquisition, construction, or production of a qualifying asset is subject to an abnormal interruption and the interruption lasts for a continuous period of more than 3 months, capitalization of borrowing costs shall be suspended; however, where the interruption is a necessary procedure for the qualifying asset under acquisition, construction, or production to reach its intended state of use or sale, capitalization of borrowing costs shall continue. Borrowing costs incurred during the interruption period shall be recognized in profit or loss for the current period until the acquisition, construction, or production activities resume, after which capitalization of borrowing costs shall continue.

(3) Calculation Methods for the Capitalization Rate and Capitalized Amount of Borrowing Costs

For specific borrowings obtained for the acquisition, construction, or production of a qualifying asset, the capitalized amount of borrowing costs shall be determined as the actual borrowing costs incurred on the specific borrowings during the current period, less any interest income earned on unused borrowing funds deposited in banks or any investment income earned from temporary investments of such funds.

For general borrowings utilized for the acquisition, construction, or production of a qualifying asset, the amount of borrowing costs from general borrowings to be capitalized shall be determined by multiplying the weighted average amount of cumulative asset expenditures in excess of the specific borrowings by the capitalization rate of the general borrowings utilized. The capitalization rate shall be determined based on the weighted average actual interest rate of the general borrowings.

During the capitalization period, exchange differences arising from the principal and interest of specific foreign currency borrowings shall be capitalized and included in the cost of the qualifying asset. Exchange differences arising from the principal and interest of foreign currency borrowings other than specific foreign currency borrowings shall be recognized in profit or loss for the current period.

24. Intangible Assets

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

Valuation Method for Intangible Assets

The Company shall initially measure intangible assets at cost upon acquisition;

The cost of externally acquired intangible assets includes the purchase price, relevant taxes and surcharges, and other expenditures directly attributable to bringing the asset to its intended use.

Subsequent Measurement

Upon acquisition of an intangible asset, its useful life shall be analyzed and determined.

Intangible assets with finite useful lives shall be amortized over the period during which they are expected to generate economic benefits for the Company; where it is not possible to foresee the period during which an intangible asset will generate economic benefits for the Company, it shall be classified as an intangible asset with an indefinite useful life and shall not be amortized.

Estimation of Useful Lives of Intangible Assets with Finite Useful Lives

Item	Estimated Useful Life	Amortization Method
Land use right	50 years	Straight-line method
Software	2-10 years	Straight-line method
Non-patented technology	5-10 years	Straight-line method

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

Scope of Collection of Research and Development Expenditures

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.

Specific Criteria for Distinguishing Between the Research Phase and the Development Phase

Expenditures on the Company's internal research and development projects shall be classified into research phase expenditures and development phase expenditures.

Specific Conditions for Capitalization of Development Phase Expenditures

The expenditures at the research stage are included in current profits and losses when incurred. Expenditures in the development phase that simultaneously meet the following conditions shall be recognized as intangible assets; development phase expenditures that fail to meet the following conditions shall be charged to profit or loss for the current period:

- ① It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- ② The Company has the intention to complete the intangible asset and to use or sell it;
- ③ The way in which the intangible asset will generate economic benefits can be demonstrated — including evidence that a market exists for the products produced using the intangible asset or for the intangible asset itself; where the intangible asset is to be used internally, its usefulness can be demonstrated;
- ④ There are adequate technical, financial, and other resources available to support the completion of the development of the intangible asset, and the Company has the ability to use or sell the intangible asset;
- ⑤ The expenditures attributable to the development phase of the intangible asset can be reliably measured.

Where it is not possible to distinguish between research phase expenditures and development phase expenditures, all research and development expenditures incurred shall be charged to profit or loss for the current period.

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).

Expenses incurred during the planning stage prior to project commencement shall be directly charged to profit or loss for the current period, and expenses incurred in the stage following project commencement shall be included in development phase expenditures.

25. Impairment of Long-term Assets

Where there are indications of impairment as at the balance sheet date for long-term assets such as long-term equity investments, investment property measured using the cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives, an impairment test shall be performed. Where the results of the impairment test indicate that the recoverable amount of an asset is lower than its carrying amount, an impairment provision shall be recognized for the difference and charged to impairment losses. The recoverable amount shall be the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. Impairment provisions shall be calculated and recognized on an individual asset basis. Where it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount shall be determined at the level of the asset group to which the asset belongs. An asset group is the smallest group of assets that is capable of generating cash inflows independently.

For goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets that have not yet reached a state ready for use, an impairment test shall be performed at least at the end of each year, regardless of whether there is any indication of impairment.

The Company shall perform impairment testing on goodwill. The carrying amount of goodwill arising from a business combination shall be allocated, from the acquisition date, to the relevant asset groups on a reasonable basis; where it is difficult to allocate goodwill to the relevant asset groups, it shall be allocated to the relevant groups of asset groups. The relevant asset group or group of asset groups refers to an asset group or group of asset groups that is expected to benefit from the synergies of the business combination.

When performing an impairment test on the relevant asset group or group of asset groups containing goodwill, where there are indications of impairment in the asset group or group of asset groups related to goodwill, an impairment test shall first be performed on the asset group or group of asset groups excluding goodwill. The recoverable amount shall be calculated and compared with the relevant carrying amount, and the corresponding impairment loss shall be recognized accordingly. Subsequently, an impairment test shall be performed on the asset group or group of asset groups containing goodwill, by comparing its carrying amount with its recoverable amount. Where the recoverable amount is lower than the carrying amount, the impairment loss shall first be applied to reduce the carrying amount of goodwill allocated to the asset group or group of asset groups, and then shall be allocated pro rata to reduce the carrying amounts of the other individual assets within the asset group or group of asset groups based on their respective proportionate carrying amounts.

Once the above asset impairment losses are recognized, they shall not be reversed in subsequent accounting periods.

26. Long-term Deferred Expenses

Long-term prepaid expenses refer to various expenses that have been incurred but are to be borne by the current and subsequent periods, with an amortization period of more than one year.

27.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's obligation to transfer goods or render services to a customer, for which consideration has been received or is receivable from the customer, shall be presented as a contract liability. Contract assets and contract liabilities under the same contract shall be presented on a net basis.

28.Employee Compensation

(1) Accounting method of short-term compensation

During the accounting period in which employees render services to the Company, the Company shall recognize the short-term employee benefits actually incurred as a liability, and charge such liability to profit or loss for the current period or to the cost of the relevant asset.

For social insurance premiums and housing provident fund contributions paid by the Company on behalf of employees, as well as labor union funds and employee education funds accrued in accordance with regulations, the corresponding amount of employee benefits shall be determined based on the prescribed accrual basis and accrual ratios during the accounting period in which the employees render services to the Company.

Employee welfare expenses incurred by the Company shall be charged to profit or loss for the current period or to the cost of the relevant asset based on the actual amount when incurred; non-monetary benefits shall be measured at fair value.

(2) Accounting method of post-employment benefits

Defined contribution plan

The Company makes basic pension insurance and unemployment insurance contributions for its employees in accordance with the relevant regulations of the local government. During the accounting period in which employees render services to the Company, the amount payable shall be calculated based on the locally prescribed contribution base and contribution rate, recognized as a liability, and charged to profit or loss for the current period or to the cost of the relevant asset. In addition, the Company participates in enterprise annuity plans approved by the relevant national authorities. The Company contributes to the annuity plans at a certain percentage of total employee wages, and the corresponding expenditures shall be charged to profit or loss for the current period or to the cost of the relevant asset.

Defined benefit plan

The Company shall attribute the benefit obligations arising from defined benefit plans to the periods in which employees render services, in accordance with the formula determined under the projected unit credit method, and shall charge them to profit or loss for the current period or to the cost of the relevant asset.

The deficit or surplus arising from the present value of the defined benefit obligations less the fair value of the defined benefit plan assets shall be recognized as a net defined benefit liability or net defined benefit asset. Where there is a surplus in the defined benefit plan, the Company shall measure the net defined benefit asset at the lower of the surplus and the asset ceiling.

All defined benefit obligations, including those expected to be settled within twelve months after the end of the annual reporting period in which the employees render services, shall be discounted at market yields, as at the balance sheet date, on government bonds or on high-quality corporate bonds traded in an active market whose currency and term are consistent with those of the defined benefit obligations.

Service costs arising from defined benefit plans and the net interest on the net defined benefit liability or net defined benefit asset shall be charged to profit or loss for the current period or to the cost of the relevant asset; changes arising from the remeasurement of the net defined benefit liability or net defined benefit asset shall be recognized in other comprehensive income and shall not be reclassified to profit or loss in subsequent accounting periods. Upon termination of the original defined benefit plan, the amounts previously recognized in other comprehensive income shall be transferred in full to retained earnings within equity.

Upon settlement of the defined benefit plan, a settlement gain or loss shall be recognized as the difference between the present value of the defined benefit obligation as determined on the settlement date and the settlement price.

(3) Accounting method of dismissal welfare

When the Company provides termination benefits to employees, the employee benefit liabilities arising from such termination benefits shall be recognized at the earlier of the following two dates and charged to profit or loss for the current period: (1) when the Company can no longer unilaterally withdraw the termination benefits offered under a plan to terminate the employment relationship or a redundancy proposal; (2) when the Company recognizes the costs or expenses related to a restructuring that involves the payment of termination benefits.

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

Other long-term employee benefits provided by the Company to its employees that satisfy the conditions for classification as a defined contribution plan shall be accounted for in accordance with the above provisions relating to defined contribution plans. Those that satisfy the conditions for classification as a defined benefit plan shall be accounted for in accordance with the above provisions relating to defined benefit plans; however, the “changes arising from the remeasurement of the net defined benefit liability or net defined benefit asset” component of the related employee benefit costs shall be charged to profit or loss for the current period or to the cost of the relevant asset.

29. Provisions

The Company shall recognize a provision when an obligation related to a contingency simultaneously meets all of the following conditions:

- ① The obligation is a present obligation assumed by the Company;

- ② The fulfillment of the obligation is likely to result in an outflow of economic benefits from the Company;
- ③ The amount of the obligation can be reliably measured.

A provision shall be initially measured at the best estimate of the expenditure required to settle the related present obligation.

In determining the best estimate, the Company shall take into consideration factors such as the risks, uncertainties, and the time value of money associated with the contingency. Where the impact of the time value of money is material, the best estimate shall be determined by discounting the relevant future cash outflows.

Where the required expenditure falls within a continuous range and each outcome within such range is equally likely to occur, the best estimate shall be determined as the midpoint of that range; in other cases, the best estimate shall be determined as follows:

- Where the contingency involves a single item, the best estimate shall be determined at the most likely outcome.
- Where the contingency involves multiple items, the best estimate shall be calculated based on all possible outcomes and their associated probabilities.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement shall be separately recognized as an asset when it is virtually certain that the reimbursement will be received, provided that the amount so recognized shall not exceed the carrying amount of the provision.

At each balance sheet date, the Company shall review the carrying amount of each provision. Where there is conclusive evidence that such carrying amount does not reflect the current best estimate, the carrying amount shall be adjusted to the current best estimate.

30.Share-based Payment

A share-based payment of the Company is a transaction in which the Company grants equity instruments or incurs liabilities determined on the basis of equity instruments in exchange for services rendered by employees or other parties. The Company's share-based payments are classified into equity-settled share-based payments and cash-settled share-based payments.

Equity-Settled Share-Based Payments and Equity Instruments

Where equity-settled share-based payments are made in exchange for services rendered by employees, such payments shall be measured at the fair value of the equity instruments granted to the employees. For share-based payment transactions that vest immediately upon grant, the fair value of the equity instruments shall be charged to the relevant costs or expenses on the grant date, with a corresponding increase in capital reserve. For share-based payment transactions that vest only upon completion of services during the vesting period or upon the achievement of specified performance conditions, at each balance sheet date during the vesting period, the Company shall, based on the best estimate of the number of equity instruments expected to vest and at the grant-date fair value, charge the services received during the current period to the relevant costs or expenses, with a corresponding increase in capital reserve.

Where the terms of an equity-settled share-based payment are modified, the services received shall be recognized at a minimum as if the terms had not been modified. In addition, any modification that increases the fair value of the equity instruments granted, or any change that is favorable to the employees on the modification date, shall be recognized as an increase in the services received.

Where equity instruments granted are canceled during the vesting period, the Company shall treat such cancellation as an acceleration of vesting, and shall immediately charge to profit or loss for the current period the amount that would otherwise have been recognized over the remaining vesting period, with a corresponding increase in capital reserve. However, where new equity instruments are granted and are identified, on the grant date of such new equity instruments, as replacements for the canceled equity instruments, the replacement equity instruments so granted shall be accounted for in the same manner as a modification of the terms and conditions of the original equity instruments.

Cash-Settled Share-Based Payments and Equity Instruments

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. For share-based payment transactions that are vested immediately upon grant, the Company recognizes the fair value of the liability incurred in the relevant cost or expense on the grant date, with a corresponding increase in liabilities. For share-based payment transactions that vest only upon completion of services during the vesting period or upon the achievement of specified performance conditions, at each balance sheet date during the vesting period, the Company shall, based on the best estimate of the vesting outcome and at the fair value of the liability assumed by the Company, charge the services received during the current period to the relevant costs or expenses, with a corresponding increase in liabilities. 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.

Where the Company modifies the terms and conditions of a cash-settled share-based payment agreement so as to reclassify it as an equity-settled share-based payment, on the modification date (whether such modification occurs during or after the vesting period), the Company shall measure the equity-settled share-based payment at the fair value of the equity instruments granted on that date, recognize the services already received in capital reserve, and simultaneously derecognize the liability recognized for the cash-settled share-based payment as at the modification date, with any difference between the two amounts charged to profit or loss for the current period. Where the modification results in an extension or shortening of the vesting period, the Company shall apply the accounting treatment based on the modified vesting period.

31. Income

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

The Company shall recognize revenue when it has satisfied its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods or services. Obtaining control of the relevant goods or services refers to the ability to direct the use of the goods or services and obtain substantially all of the remaining economic benefits from them.

Where a contract contains two or more performance obligations, the Company shall, at contract inception, allocate the transaction price to each separate performance obligation on a relative stand-alone selling price basis for the goods or services promised under each such performance obligation. The Company shall measure revenue at the transaction price allocated to each separate performance obligation.

The transaction price refers to the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company shall determine the transaction price based on the contract terms and its past customary practices, taking into account the effects of factors such as variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to the customer. The Company shall include variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where a contract contains a significant financing component, the Company shall determine the transaction price at the amount that would be payable if the customer had paid cash at the time of obtaining control of the goods or services, and shall amortize the difference between such transaction price and the contract consideration over the contract period using the effective interest rate method.

A performance obligation is satisfied over time if it meets any one of the following criteria. Otherwise, it is satisfied at a point in time:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- The customer controls the asset as it is created or enhanced by the Company's performance;
- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

For a performance obligation satisfied over time, the Company shall recognize revenue over that period by measuring the progress towards complete satisfaction of that performance obligation, except where such progress cannot be reasonably determined. The Company shall determine the progress of satisfaction by using either the output method or the input method, taking into consideration the nature of the goods or services. Where the progress of satisfaction cannot be reasonably determined but the costs incurred are expected to be recoverable, the Company shall recognize revenue only to the extent of the costs incurred, until such time as the progress of satisfaction can be reasonably determined.

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 the customer has obtained control of the goods or services, the Company shall consider the following indicators:

- The Company has a present right to payment for the goods or services, i.e., the customer has a present obligation to pay for the goods or services.

- The Company has transferred legal title to the asset to the customer, i.e., the customer has legal title to the asset;
- The Company has transferred physical possession of the asset to the customer, i.e., the customer has physical possession of the asset;
- The Company has transferred the significant risks and rewards of ownership of the asset to the customer, i.e., the customer has assumed the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset or service; etc.

The Company shall determine whether it acts as a principal or an agent in a transaction based on whether it controls the goods or services before they are transferred to the customer. Where the Company controls the specified goods or services before they are transferred to the customer, the Company is the principal and shall recognize revenue in the gross amount of consideration received or receivable; otherwise, the Company is an agent and shall recognize revenue in the amount of any fee or commission to which it expects to be entitled.

The specific revenue recognition methods and measurement methods are disclosed by business type.

The Company's specific method for recognizing revenue from sales of vehicles and their accessories is as follows: When vehicles and their accessories are transported to the agreed delivery location as specified in the contract, and the customer has accepted the goods and obtained control of the goods, the Company recognizes revenue.

Situations where different operating models for similar businesses involve different revenue recognition methods and measurement approaches

32. Contract Cost

Contract costs comprise contract fulfillment costs and contract acquisition costs.

Where costs incurred by the Company in fulfilling a contract are not within the scope of other applicable standards such as those relating to inventories, fixed assets, or intangible assets, and the following conditions are met, the Company shall recognize such costs as an asset (contract fulfillment costs):

- The costs relate directly to a contract or to an anticipated contract.
- The costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future;
- The costs are expected to be recovered.

Where the incremental costs of obtaining a contract are expected to be recoverable, the Company shall recognize them as an asset (contract acquisition costs).

An asset recognized in accordance with the above provisions shall be amortized on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates; however, where the amortization period of contract acquisition costs does not exceed one year, the Company shall charge such costs to profit or loss for the current period when incurred.

Where the carrying amount of an asset related to contract costs exceeds the difference between the following two items, the Company shall make an impairment provision for the excess amount and recognize it as an asset impairment loss:

1. The remaining consideration that the Company expects to receive in exchange for the transfer of goods or services to which the asset relates;
2. The costs that the Company estimates it will incur in transferring those goods or services.

Where the factors giving rise to impairment in prior periods subsequently change, such that the aforementioned difference exceeds the carrying amount of the asset, the Company shall reverse the previously recognized impairment provision and charge the reversal to profit or loss for the current period, provided that the reversed carrying amount of the asset shall not exceed the carrying amount that would have been determined on the reversal date had no impairment provision been recognized.

33. Government Subsidies

Type

Government grants refer to monetary assets or non-monetary assets received by the Company from the government free of charge, and are classified into asset-related government grants and income-related government grants.

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 grants refer to government grants received by the Company for the purpose of acquiring, constructing, or otherwise forming long-term assets. Income-related government grants refer to government grants other than asset-related government grants.

Where the government documents do not specifically designate the object of a government grant, the portion of the grant that can form long-term assets and corresponds to the value of such assets shall be classified as an asset-related government grant, and the remainder shall be classified as an income-related government grant. Where it is difficult to distinguish between the two, the government grant shall be classified in its entirety as an income-related government grant.

Timing of Recognition

Government grants shall be recognized when the Company is able to satisfy the conditions attached thereto and it is virtually certain that the grants will be received.

Accounting Treatment

Asset-related government grants shall either be offset against the carrying amount of the related assets or be recognized as deferred income. Where recognized as deferred income, such grants shall be allocated to profit or loss on a reasonable and systematic basis over the useful life of the related assets (grants related to the Company's ordinary course of business shall be recognized in other income; grants not related to the Company's ordinary course of business shall be recognized in non-operating income).

Income-related government grants intended to compensate the Company for related costs, expenses, or losses to be incurred in future periods shall be recognized as deferred income, and shall be charged to profit or loss (grants related to the Company's ordinary course of business shall be recognized in other income; grants not related to the Company's ordinary course of business shall be recognized in non-operating income) or offset against the related costs, expenses, or losses in the periods in which such costs, expenses, or losses are recognized. Income-related government grants intended to compensate the Company for related costs, expenses, or losses already incurred shall be directly recognized in profit or loss for the current period (grants related to the Company's ordinary course of business shall be recognized in other income; grants not related to the Company's ordinary course of business shall be recognized in non-operating income) or offset against the related costs, expenses, or losses.

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.

34. Deferred Tax Assets and Deferred Tax Liabilities

Income tax includes current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events that are directly recognized in owners' equity (including other comprehensive income), the Company shall recognize current income tax and deferred tax in profit or loss for the current period.

Deferred tax assets and deferred tax liabilities are recognized based on the differences between the tax bases of assets and liabilities and their carrying amounts (i.e., temporary differences).

Deferred tax assets shall be recognized for deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The Company shall recognize deferred tax assets for deductible tax losses and tax credits that can be carried forward to subsequent years, to the extent that it is probable that future taxable profit will be available against which such deductible tax losses and tax credits can be utilized.

Deferred tax liabilities shall be recognized for all taxable temporary differences, except in the specific circumstances described below.

The specific circumstances in which deferred tax assets or deferred tax liabilities are not recognized include:

- The initial recognition of goodwill;
- A transaction or event that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (or deductible tax losses), and for which the initial recognition of the assets and liabilities does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities shall be recognized for taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except where the Company is able to control the timing of the reversal of the temporary differences and it is probable that such temporary differences will not reverse in the foreseeable future. Deferred tax assets shall be recognized for deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profit will be available against which such deductible temporary differences can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities shall be measured at the tax rates that are expected to apply to the period when the related assets are recovered or the related liabilities are settled, in accordance with the provisions of tax laws.

At the balance sheet date, the Company reviews the book value of a deferred income tax asset. Where it is probable that sufficient taxable profit will not be available to allow the benefit of part or all of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset shall be written down accordingly. Any such write-down shall be subsequently reversed where it becomes probable that sufficient taxable income will be available.

Where the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously, current tax assets and current tax liabilities shall be presented on a net basis.

At the balance sheet date, deferred tax assets and deferred tax liabilities shall be presented on a net basis when both of the following conditions are met:

- The taxpaying entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

35. Lease

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

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. At the inception of a contract, the Company shall assess whether

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

Where a contract contains multiple separate lease components, the Company shall separate the contract and account for each lease component separately. Where a contract contains both lease and non-lease components, the lessee and the lessor shall separate the lease components from the non-lease components.

The Company as Lessee

Right-of-use assets

At the commencement date, the Company shall recognize a right-of-use asset for all leases other than short-term leases and leases of low-value assets. The right-of-use asset shall be initially measured at cost. The cost comprises:

the amount of the initial measurement of the lease liability;

lease payments made on or before the lease commencement date, from which any lease incentives enjoyed (if any) needed to be deducted;

any initial direct costs incurred by the Company;

an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which the underlying asset is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received, but excluding costs attributable to the production of inventories.

The Company shall subsequently depreciate the right-of-use asset on a straight-line basis. Where it is reasonably certain that the Company will obtain ownership of the underlying asset by the end of the lease term, the right-of-use asset shall be depreciated over the remaining useful life of the underlying asset. Otherwise, the right-of-use asset shall be depreciated over the shorter of the lease term and the remaining useful life of the underlying asset.

The Company shall determine whether a right-of-use asset is impaired and shall account for any identified impairment loss in accordance with the principles set out in Section 25 “Impairment of Long-term Assets” herein.

Lease liabilities

At the commencement date, the Company shall recognize a lease liability for all leases other than short-term leases and leases of low-value assets. The lease liability shall be initially measured at the present value of the lease payments that are not paid at the commencement date. Lease payments comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate;
- Amounts expected to be payable by the Company under residual value guarantees;

- The exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The Company shall use the interest rate implicit in the lease as the discount rate. Where the interest rate implicit in the lease cannot be readily determined, the Company shall use its incremental borrowing rate as the discount rate.

The Company shall calculate interest on the lease liability in each period during the lease term at a constant periodic rate of interest, and shall charge such interest to profit or loss for the current period or to the cost of the related asset.

Variable lease payments not included in the measurement of the lease liability shall be recognized in profit or loss for the period in which the event or condition that triggers those payments occurs, or included in the cost of the related asset as applicable.

After the commencement date, where any of the following circumstances occur, the Company shall remeasure the lease liability and adjust the carrying amount of the corresponding right-of-use asset accordingly. Where the carrying amount of the right-of-use asset has been reduced to zero and a further reduction in the measurement of the lease liability is required, any remaining amount of the remeasurement shall be recognized in profit or loss for the current period:

- Where there is a change in the assessment of an option to purchase the underlying asset, an option to extend the lease, or an option to terminate the lease, or where the actual exercise of the aforementioned options differs from the original assessment, the Company shall remeasure the lease liability at the present value of the revised lease payments discounted using a revised discount rate;
- Where there is a change in the in-substance fixed payments, a change in the amounts expected to be payable under a residual value guarantee, or a change in the index or rate used to determine the lease payments, the Company shall remeasure the lease liability at the present value of the revised lease payments discounted using the unchanged (original) discount rate. However, where the change in lease payments results from a change in floating interest rates, a revised discount rate shall be used to discount the revised lease payments.

Short-term Leases and Leases of Low-value Assets

Where the Company elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, the related lease payments shall be recognized in profit or loss or the cost of the related asset on a straight-line basis over the lease term. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A lease of a low-value asset is a lease for which the underlying asset is of low value when new. Where the Company subleases, or expects to sublease, the underlying asset, the head lease does not qualify as a lease of a low-value asset. For the purposes of the Company, a lease of a low-value asset refers to a lease for which the value of a single underlying asset, when new, is less than CNY 40 thousand.

Lease change

Where a lease is modified and both of the following conditions are met, the Company shall account for the lease modification as a separate lease:

The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope, adjusted to reflect the circumstances of the particular contract.

Where a lease modification is not accounted for as a separate lease, on the effective date of the modification, the Company shall reallocate the consideration in the modified contract, redetermine the lease term, and remeasure the lease liability at the present value of the revised lease payments discounted using a 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

At the inception date of the lease, the Company shall classify each lease as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Title may or may not eventually be transferred. An operating lease refers to a lease other than a finance lease. When the Company acts as an intermediate lessor, it shall classify the sublease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

Accounting Treatment for Operating Leases

Lease payments from operating leases shall be recognized as lease income on a straight-line basis over the lease term. Initial direct costs incurred by the Company in obtaining an operating lease shall be added to the carrying amount of the underlying asset and recognized as an expense over the lease term on the same basis as the lease income. Variable lease payments not included in the lease payments shall be recognized as income in profit or loss for the period in which they are earned. Where an operating lease is modified, the Company shall account for the modification as a new lease from the effective date of the modification, and any prepaid or accrued lease payments relating to the original lease shall be treated as part of the lease payments of the new lease.

Accounting Treatment for Finance Leases

At the commencement date, the Company shall recognize finance lease receivables for finance leases and derecognize the underlying asset. On initial measurement of the finance lease receivables, the Company shall record such receivables at an amount equal to the net investment in the lease. The net investment in the lease equals the sum of the unguaranteed residual value and the present value of the lease payments not yet received at the commencement date, discounted at the interest rate implicit in the lease.

The Company shall recognize finance income over the lease term based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease. Derecognition and impairment of finance lease receivables shall be accounted for in accordance with "III. (X) Financial Instruments" in this note.

Variable lease payments not included in the measurement of the net investment in the lease shall be recognized in profit or loss in the period in which they are earned.

Where a finance lease is modified and both of the following conditions are met, the Company shall account for the lease modification as a separate lease:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope, adjusted to reflect the circumstances of the particular contract.

Where a finance lease modification is not accounted for as a separate lease, the Company shall account for the modified lease according to the following circumstances:

- If the modification had been in effect at the inception date of the lease and the lease would have been classified as an operating lease, the Company shall account for the lease modification as a new lease from the effective date of the modification, and shall measure the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the modification;
- If the modification had been in effect at the inception date of the lease and the lease would have been classified as a finance lease, the Company shall apply the accounting policy for the modification or renegotiation of contracts as set out in "III. (X) Financial Instruments" in this note.

36. Other Significant Accounting Policies and Accounting Estimates

Work Safety Expenses and Maintenance & Simple Reproduction Expenses

In accordance with the provisions of CZ [2022] No. 136, the Company accrues work safety expenses on a monthly basis in equal amounts, using a progressive regression method, with the actual operating revenue of the previous year as the accrual basis. 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 expenses and maintenance & simple reproduction expenses shall,

upon accrual, be charged to the cost of the related products or to profit or loss for the current period, and shall be simultaneously credited to 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.

Repurchase of the Company’s 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.

37. 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 2025

Applicable Not applicable

VI. Taxes

1. Main Taxes and Tax Rates

Tax Category	Tax Basis	Tax Rate
VAT	Output VAT is calculated on the basis of revenue from sales of goods and taxable services as determined in accordance with applicable tax laws. After deducting	18%, 15%, 13%, 9%, 6%, 5%

	the input VAT creditable for the current period, the balance represents the VAT payable.	
Urban maintenance and construction tax	Calculated and paid based on the VAT actually paid	7%, 5%, 3%
Corporate income tax	Taxable income	25%
Education surcharges	Calculated and paid based on the VAT actually paid	3%
Local educational surcharges	Calculated and paid based on the VAT 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
Jiefang Limited	15%
FAW Jiefang Dalian Diesel Engine Co., Ltd.	15%
Other Organizations	Apart from the preferential tax rates mentioned above, other organizations are subject to the local statutory tax rates.

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.

Pursuant to the second batch of High and New Technology Enterprise (HNTE) filing list for 2024 issued by Dalian Municipal Government on December 24, 2024 (Certificate No.: GR202421200987), FAW Jiefang Dalian Diesel Engine Co., Ltd., a subsidiary of the Company, has been recognized as a High and New Technology Enterprise with a validity period of three years, during which it is subject to corporate income tax at a preferential rate of 15%.

(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	Closing Balance	Opening Balance
Cash on hand	1,828,617.96	300,158.23
Bank deposit	10,852,193,765.21	10,959,276,854.87
Other monetary capital	22,207,584.57	22,157,571.16
Deposit in finance companies	11,449,039,042.31	8,871,226,437.40
Total	22,325,269,010.05	19,852,961,021.66
Including: total amount deposited abroad	593,126,699.86	442,153,591.03

Other description:

2. Notes Receivable

(1) Classified presentation of notes receivable

Unit: CNY

Item	Closing Balance	Opening Balance
Commercial acceptance notes	584,654,660.00	2,641,582.80
Total	584,654,660.00	2,641,582.80

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

Unit: CNY

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision on Proportion		Amount	Scale	Amount	Provision on Proportion	
Including:										
Notes receivable with provision for bad debts by portfolio	585,340,000.00	100.00%	685,340.00	0.12%	584,654,660.00	2,649,000.00	100.00%	7,417.20	0.28%	2,641,582.80
Including:										
Commercial acceptance bill	585,340,000.00	100.00%	685,340.00	0.12%	584,654,660.00	2,649,000.00	100.00%	7,417.20	0.28%	2,641,582.80
Total	585,340,000.00	100.00%	685,340.00	0.12%	584,654,660.00	2,649,000.00	100.00%	7,417.20	0.28%	2,641,582.80

Provision for bad debts by portfolio: commercial acceptance bill

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	585,340,000.00	685,340.00	0.12%
Total	585,340,000.00	685,340.00	

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

(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				Closing Balance
		Provision	Recovery or Reversal	Write-off	Others	
Commercial acceptance bill	7,417.20	677,922.80				685,340.00
Total	7,417.20	677,922.80				685,340.00

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	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	3,300,727,255.73	6,872,611,350.77
1-2 years	1,980,252,488.65	157,505,139.84
2-3 years	52,721,529.62	75,249,438.78
Over 3 years	260,578,970.27	217,725,478.29
3-4 years	56,330,191.95	23,161,532.86
4-5 years	24,104,043.53	38,071,959.47
Over 5 years	180,144,734.79	156,491,985.96
Total	5,594,280,244.27	7,323,091,407.68

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

Unit: CNY

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Accounts receivable with provision for bad debts on an individual basis	233,830,588.76	4.18%	212,773,844.79	90.99%	21,056,743.97	178,969,510.25	2.44%	156,416,729.05	87.40%	22,552,781.20
Including:										
Accounts receivable with provision for bad debts by portfolio	5,360,449,655.51	95.82%	106,376,029.03	1.98%	5,254,073,626.48	7,144,121,897.43	97.56%	99,378,536.09	1.39%	7,044,743,361.34

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Including:										
Aging portfolio	5,360,449,655.51	95.82%	106,376,029.03	1.98%	5,254,073,626.48	7,144,121,897.43	97.56%	99,378,536.09	1.39%	7,044,743,361.34
Total	5,594,280,244.27	100.00%	319,149,873.82	5.70%	5,275,130,370.45	7,323,091,407.68	100.00%	255,795,265.14	3.49%	7,067,296,142.54

Provision for bad debts on an individual basis

Unit: CNY

Name	Opening Balance		Closing Balance			
	Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts	Provision Proportion	Reasons for Provision
Customer 1	37,612,001.70	37,612,001.70	43,842,501.70	43,842,501.70	100.00%	It is highly probable that the amounts will not be recovered
FAW-HONGTA Yunnan Automobile Co., Ltd.			43,170,001.84	43,170,001.84	100.00%	It is highly probable that the amounts will not be recovered
Customer 2	11,948,079.30	11,948,079.30	11,682,802.81	11,682,802.81	100.00%	It is highly probable that the amounts will not be recovered
Customer 3	11,226,311.19	11,226,311.19	10,977,059.71	10,977,059.71	100.00%	It is highly probable that the amounts will not be recovered
Customer 4	10,820,948.89	3,246,284.67	10,567,768.47	3,170,330.54	30.00%	It is highly probable that the amounts will not be recovered
Customer 5	10,066,741.31	3,052,841.31	9,843,235.14	2,829,335.13	28.74%	It is highly

						probable that the amounts will not be recovered
Aggregation of Other Entities	97,295,427.86	89,331,210.88	103,747,219.09	97,101,813.06	93.60%	It is highly probable that the amounts will not be recovered
Total	178,969,510.25	156,416,729.05	233,830,588.76	212,773,844.79		

Bad debt provision made as per portfolio:

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	3,300,517,217.31	13,562,803.30	0.41%
1-2 years	1,947,837,139.61	31,805,548.72	1.63%
2-3 years	42,231,592.71	5,075,095.00	12.02%
3-4 years	21,152,632.66	7,221,508.79	34.14%
4-5 years	1,895,877.11	1,895,877.11	100.00%
Over 5 years	46,815,196.11	46,815,196.11	100.00%
Total	5,360,449,655.51	106,376,029.03	

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

(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				Closing Balance
		Provision	Recovery or Reversal	Write-off	Others	
Provision assessed on an individual basis	156,416,729.05	56,219,279.09	2,272,859.28		2,410,695.93	212,773,844.79
Provision	99,378,536.09	-18,548,009.63		7,603,672.35	33,149,174.92	106,376,029.03

assessed on a collective basis by portfolio of credit risk characteristics						
Total	255,795,265.14	37,671,269.46	2,272,859.28	7,603,672.35	35,559,870.85	319,149,873.82

(4) Accounts Receivable Actually Written off in Current Period

Unit: CNY

Item	Amount Written off
Accounts receivable actually written off	7,603,672.35

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

Unit: CNY

Name of Unit	Closing Balance of Accounts Receivable	Closing Balance of Contractual Assets	Closing Balance of Accounts Receivable and Contractual Assets	Proportion in Total Closing Balance of Accounts Receivable and Contractual Assets	Closing Balance of Bad Debt Provision for Accounts Receivable and Impairment Provision for Contractual Assets
China FAW Group Import & Export Co., Ltd.	2,234,511,326.78		2,234,511,326.78	39.44%	10,305,219.33
Customer 1	141,293,345.19		141,293,345.19	2.49%	141,239.35
China FAW Group Co., Ltd.	129,510,000.00		129,510,000.00	2.29%	323,775.00
Customer 2	110,984,600.00		110,984,600.00	1.96%	110,984.60
Customer 3	90,651,775.53		90,651,775.53	1.60%	90,651.78
Total	2,706,951,047.50		2,706,951,047.50	47.78%	10,971,870.06

4. Contract Assets**(1) Contractual assets**

Unit: CNY

Item	Closing Balance	Opening Balance
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	Book Balance	Provision for Bad Debts	Book Value	Book Balance	Provision for Bad Debts	Book Value
Contract assets	71,442,590.62	500,889.76	70,941,700.86	15,055,893.05	600,351.00	14,455,542.05
Total	71,442,590.62	500,889.76	70,941,700.86	15,055,893.05	600,351.00	14,455,542.05

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

Unit: CNY

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision on Proportion		Amount	Scale	Amount	Provision on Proportion	
Including:										
Provision for bad debts made by portfolio	71,442,590.62	100.00%	500,889.76	0.70%	70,941,700.86	15,055,893.05	100.00%	600,351.00	3.99%	14,455,542.05
Including:										
Aging portfolio	71,442,590.62	100.00%	500,889.76	0.70%	70,941,700.86	15,055,893.05	100.00%	600,351.00	3.99%	14,455,542.05
Total	71,442,590.62	100.00%	500,889.76	0.70%	70,941,700.86	15,055,893.05	100.00%	600,351.00	3.99%	14,455,542.05

Provision for bad debts by portfolio: aging portfolio

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Aging portfolio	71,442,590.62	500,889.76	0.70%
Total	71,442,590.62	500,889.76	

Description of the basis for determining this portfolio:

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

Applicable Not applicable

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

Unit: CNY

Item	Provision in the Current Period	Recovery or Reversal in the Current Period	Charge-off/Write-off in the Current Period	Reason
Impairment provision of contract assets	-99,461.24			Risks in payment collection
Total	-99,461.24			—

5. Receivables Financing

(1) Presentation of receivables financing by category

Unit: CNY

Item	Closing Balance	Opening Balance
Notes receivable	6,556,062,093.60	10,019,816,248.98
Total	6,556,062,093.60	10,019,816,248.98

(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	4,467,366,839.63	
Total	4,467,366,839.63	

6. Other Receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividends receivable		157,707,661.77
Other receivables	1,391,631,269.91	1,182,925,650.71
Total	1,391,631,269.91	1,340,633,312.48

(1) Dividends receivable

1) Classification of dividends receivable

Unit: CNY

Item (or Investee)	Closing Balance	Opening Balance
First Automobile Finance Co., Ltd.		156,960,226.90
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.		747,434.87
Total		157,707,661.77

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

Unit: CNY

Nature	Closing Book Balance	Opening Book Balance
Current account	824,659,856.88	916,206,955.43
Claim payment	334,971,419.71	262,619,355.01
Margin, deposit	32,890,443.24	30,382,472.86
Reserve fund	1,522,107.26	9,876,260.52
Export tax rebate	292,305,791.19	
Others	5,782,820.39	
Total	1,492,132,438.67	1,219,085,043.82

2) Disclosure by aging

Unit: CNY

Aging	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	891,664,767.81	348,766,762.84
1-2 years	55,307,717.81	164,029,838.32
2-3 years	96,389,137.89	688,094,494.92
Over 3 years	448,770,815.16	18,193,947.74
3-4 years	433,989,633.00	726,113.75
4-5 years	462,406.26	3,701,471.89
Over 5 years	14,318,775.90	13,766,362.10
Total	1,492,132,438.67	1,219,085,043.82

3) Disclosure by the method of provision for bad debts

☑Applicable ☐Not applicable

Unit: CNY

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Provision for bad debts made by individual item	54,673,642.70	3.66%	54,673,642.70	100.00%						
Including:										
Provision for bad debts made by portfolio	1,437,458,795.97	96.34%	45,827,526.06	3.19%	1,391,631,269.91	1,216,987,304.41	99.83%	34,061,653.70	2.80%	1,182,925,650.71
Including:										
Agging portfolio	1,403,594,845.47	94.07%	45,827,526.06	3.27%	1,357,767,319.41	1,176,728,571.03	96.53%	34,061,653.70	2.89%	1,142,666,917.33
Portf	33,863,950.50	2.27%			33,863,950.50	40,258,733.38	3.30%			40,258,733.38

olio of guara ntees, depos its, and petty cash reser ves										
Total	1,492,132,438.67	100.00%	100,501,168.76	6.74%	1,391,631,269.91	1,219,085,043.82	100.00%	36,159,393.11	2.97%	1,182,925,650.71

Provision for bad debts on an individual basis

Unit: CNY

Name	Opening Balance		Closing Balance			
	Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts	Provision Proportion	Reasons for Provision
Beijing Guoneng Battery Technology Co., Ltd.			53,118,196.29	53,118,196.29	100.00%	It is highly probable that the amounts will not be recovered
Other Organizations	2,097,739.41	2,097,739.41	1,555,446.41	1,555,446.41	100.00%	It is highly probable that the amounts will not be recovered
Total	2,097,739.41	2,097,739.41	54,673,642.70	54,673,642.70		

Bad debt provision made as per portfolio:

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Within 1 year	838,546,571.52	6,189,551.84	0.74%
1-2 years	55,307,717.81	2,369,631.87	4.28%
2-3 years	96,389,137.89	7,190,692.48	7.46%
3-4 years	433,989,633.00	17,626,014.12	4.06%
4-5 years	462,406.26	459,006.26	99.26%
Over 5 years	12,763,329.49	11,992,629.49	93.96%
Total	1,437,458,795.97	45,827,526.06	

Description of the basis for determining the portfolio classification

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 Has Not Occurred)	Expected Credit Loss for the Entire Duration (With Credit Impairment)	
Balance as of January 01, 2025	2,970,998.62	31,090,655.08	2,097,739.41	36,159,393.11
Balance on January 1, 2025 in the current period				
-- Transfer to stage II	-413,307.88	413,307.88		
Provision in the current period	3,632,461.10	8,134,011.26	53,118,196.29	64,884,668.65
Write-off in the current	600.00		542,293.00	542,893.00

period				
Balance as of December 31, 2025	6,189,551.84	39,637,974.22	54,673,642.70	100,501,168.76

Basis for stage division and proportion of bad debt provision: For Stage 1 and Stage 2, bad debt provisions are made based on aging analysis, at a rate of 0.74% for Stage 1 and 6.62% for Stage 2. For accounts classified under Stage 3, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses of such accounts receivable.

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				Closing Balance
		Provision	Recovery or Reversal	Charge-off or Write-off	Other s	
Provision for bad debts made by individual item	2,097,739.41	53,118,196.29		542,293.00		54,673,642.70
Loss allowance assessed on a collective basis by portfolio of credit risk characteristics	34,061,653.70	11,766,472.36		600.00		45,827,526.06
Total	36,159,393.11	64,884,668.65		542,893.00		100,501,168.76

5) Other receivables written off in the current period

Unit: CNY

Item	Amount Written off
Other receivables written off during the period	542,893.00

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

Unit: CNY

Name of Unit	Nature of Payment	Closing Balance	Aging	Proportion In Total Closing Balance of Other Receivables	Closing Balance of Provision for Bad Debts
Customer 1	Funds for land purchase and reserve	410,862,800.00	3-4 years	27.54%	17,626,014.12
Customer 2	Export tax refund	243,166,382.22	Within 1 year	16.30%	802,449.06

	receivable				
Customer 3	Receivables from disposal of assets	129,042,064.00	Within 1 year	8.65%	1,445,271.12
Customer 4	New energy subsidy	62,417,699.12	Within 1 year	4.18%	699,078.23
Customer 5	Current account	53,118,196.29	Within 1 year	3.56%	53,118,196.29
Total		898,607,141.63		60.23%	73,691,008.82

7. Advance Payment

(1) Presentation of advance payment by aging

Unit: CNY

Aging	Closing Balance		Opening Balance	
	Amount	Scale	Amount	Scale
Within 1 year	117,553,190.64	84.52%	118,197,236.62	91.88%
1-2 years	14,008,226.93	10.07%	1,609,861.97	1.25%
2-3 years	196,210.66	0.14%	8,541,250.38	6.64%
Over 3 years	7,325,289.70	5.27%	290,810.50	0.23%
Total	139,082,917.93		128,639,159.47	

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

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

The aggregate closing balance of the top five prepayments grouped by prepayment counterparty amounted to CNY 51,346,793.33, representing 36.91% of the total closing balance of prepayments.

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	Closing 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	107,089,403.09	694,789.05	106,394,614.04	314,311,378.76	38,992,671.09	275,318,707.67

Goods in process	437,687,716.13	4,124,290.30	433,563,425.83	445,006,311.26	11,526,023.10	433,480,288.16
Goods in stock	10,584,120,202.88	196,982,278.91	10,387,137,923.97	7,452,128,355.61	253,655,992.67	7,198,472,362.94
Revolving material	265,751,386.82	44,429,158.03	221,322,228.79	77,088,960.57	2,406,972.14	74,681,988.43
Outsourced semi-finished products	2,335,686,262.76	68,691,006.13	2,266,995,256.63	2,270,730,746.00	135,470,983.23	2,135,259,762.77
Total	13,730,334,971.68	314,921,522.42	13,415,413,449.26	10,559,265,752.20	442,052,642.23	10,117,213,109.97

(2) Impairment provision of inventories and contract performance costs

Unit: CNY

Item	Opening Balance	Increase in the Current Period		Decrease in the Current Period		Closing Balance
		Provision	Others	Reverse or Charge-off	Others	
Raw material	38,992,671.09	717,565.45	1,850,934.32	4,069,802.48	36,796,579.33	694,789.05
Goods in process	11,526,023.10	25,290,864.72		31,908,263.31	784,334.21	4,124,290.30
Goods in stock	253,655,992.67	234,616,382.58	2,150,370.55	273,326,828.51	20,113,638.38	196,982,278.91
Revolving material	2,406,972.14	9,817,331.10	40,195,541.42	2,877,264.46	5,113,422.17	44,429,158.03
Outsourced semi-finished products	135,470,983.23	23,578,594.20	21,471,229.10	111,082,989.46	746,810.94	68,691,006.13
Total	442,052,642.23	294,020,738.05	65,668,075.39	423,265,148.22	63,554,785.03	314,921,522.42

9. Long-Term Receivables Due Within 1 Year

Unit: CNY

Item	Closing Balance	Opening Balance
Long-term receivables due within one year	355,532,986.69	377,668,442.06
Total	355,532,986.69	377,668,442.06

10. Other Current Assets

Unit: CNY

Item	Closing Balance	Opening Balance
Input VAT to be credited	661,738,191.96	802,923,987.38
Prepaid taxes	9,159,294.16	
Input VAT to be certified	482,448,569.27	610,578,724.24
Others	3,794,639.52	135,462.60
Total	1,157,140,694.91	1,413,638,174.22

Other description:

11. Investment in Other Equity Instruments

Unit: CNY

Project Name	Closing Balance	Opening Balance	Gains Included in Other Comprehensive Incomes in the Current Period	Losses Included in Other Comprehensive Incomes in the Current Period	Cumulative Gains Are Included in Other Comprehensive Incomes at the End of the Current Period	Cumulative Losses Are Included in Other Comprehensive Incomes at the End of the Current Period	Dividend Income Recognized in the Current Period	Reason for Being Designated as Being Measured at Fair Value and Changes Included in Other Comprehensive Incomes
REFIRE	210,703,161.60	540,066,528.00		329,363,366.40		270,076,838.40		Investments designated for long-term holding for strategic purposes
Total	210,703,161.60	540,066,528.00		329,363,366.40		270,076,838.40		

Other description:

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

Unit: CNY

Item	Closing 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	448,333,877.38	47,823,273.37	400,510,604.01	542,060,036.98	53,480,359.31	488,579,677.67	
Long-term receivables	-403,237,832.06	-47,704,845.37	-355,532,986.69	-430,595,782.49	-52,927,340.43	-377,668,442.06	

due within one year							
Total	45,096,045.32	118,428.00	44,977,617.32	111,464,254.49	553,018.88	110,911,235.61	

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

Unit: CNY

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision Proportion		Amount	Scale	Amount	Provision Proportion	
Including:										
Provision for bad debts made by portfolio	448,333,877.38	100.00%	47,823,273.37	10.67%	400,510,604.01	542,060,036.98	100.00%	53,480,359.31	9.87%	488,579,677.67
Including:										
Aging portfolio	448,333,877.38	100.00%	47,823,273.37	10.67%	400,510,604.01	542,060,036.98	100.00%	53,480,359.31	9.87%	488,579,677.67
Total	448,333,877.38	100.00%	47,823,273.37	10.67%	400,510,604.01	542,060,036.98	100.00%	53,480,359.31	9.87%	488,579,677.67

Provision for bad debts by portfolio: aging portfolio

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Long-term receivables	448,333,877.38	47,823,273.37	10.67%
Total	448,333,877.38	47,823,273.37	

Description of the basis for determining this portfolio:

13. Long-Term Equity Investments

Unit: CNY

Investee	Opening Balance (Book Value)	Openi ng Balan ce of Impair ment Provis ion	Increase/Decrease in the Current Period								Closing Balance (Book Value)	Closin g Balan ce of Impair ment Provis ion	
			Additional Investment	Reduc ed Invest ment	Investment Gains or Losses Recognized under the Equity Method	Adjustment to Other Comprehensiv e Income	Changes in Other Equity	Cash Dividends and Profits Are Declared to Be Paid	Impair ment Provis ion	Others			
I. Joint ventures													
Jiefang Times New Energy Technol ogy Co., Ltd.	40,983,228.82		191,000,000.00		4,754,785.30			331,582.58			-2,372,061.61	234,697,535.09	
Subtotal	40,983,228.82		191,000,000.00		4,754,785.30			331,582.58			-2,372,061.61	234,697,535.09	
II. Associated enterprises													
Change hun Automo tive Test Center Co., Ltd.	735,066,941.17				22,097,037.33			-817,976.65		33,768,915.54		722,577,086.31	
Sanguar d Automo bile Insuranc e Co., Ltd.	184,102,155.37				461,994.70	6,969,353.89						191,533,503.96	
FAW Change	87,914,511.50				1,508,935.87			-88,022.93		1,240,000.00		88,095,424.44	

hun Ansteel Jiefang Steel Processi ng and Distribu tion Co., Ltd.												
FAW Change hun Baoyou Jiefang Steel Processi ng and Distribu tion Co., Ltd.	43,865,938.84				5,388,497.15				6,902,383.03			42,352,052.96
FAW Jiefang Fujie (Tianjin) Technol ogy Industry Co., Ltd.	37,096,903.44				1,228,110.06	-3,202.96			1,000,000.00		386,153.10	37,707,963.64
Foshan Diyiyua nsu New Energy Technol ogy Co., Ltd.	28,484,079.98				-4,481,215.23							24,002,864.75
Change hun Wabco	14,733,920.76				-2,674,990.68							12,058,930.08

Automotive Control System Co., Ltd.											
Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.	4,040,781.21		12,250,000.00		-16,290,781.21						
Suzhou Zhito Technology Co., Ltd.											
SmartLink											
Subtotal	1,135,305,232.27		12,250,000.00		7,237,587.99	6,966,150.93	-905,999.58	42,911,298.57		386,153.10	1,118,327,826.14
Total	1,176,288,461.09		203,250,000.00		11,992,373.29	6,966,150.93	-574,417.00	42,911,298.57		-1,985,908.51	1,353,025,361.23

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

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	108,628,147.40	7,498,763.44		116,126,910.84
2. Increase in the current period	133,356.96			133,356.96
(1) Purchase				
(2) Transfer from inventories/fixed assets/construction in progress	133,356.96			133,356.96
(3) Increase due to business combination				
3. Decrease in the current period	6,242,345.44			6,242,345.44
(1) Disposal	6,242,345.44			6,242,345.44
(2) Other transfer-out				
4. Closing balance	102,519,158.92	7,498,763.44		110,017,922.36
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	61,732,028.88	1,558,905.65		63,290,934.53
2. Increase in the current period	5,059,872.58	152,577.60		5,212,450.18
(1) Provision or amortization	5,059,872.58	152,577.60		5,212,450.18
3. Decrease in the current period	3,197,687.47			3,197,687.47
(1) Disposal	3,197,687.47			3,197,687.47
(2) Other transfer-out				
4. Closing balance	63,594,213.99	1,711,483.25		65,305,697.24
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				

(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance				
IV. Book value				
1. Closing book value	38,924,944.93	5,787,280.19		44,712,225.12
2. Opening book value	46,896,118.52	5,939,857.79		52,835,976.31

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

(2) Investment properties measured at fair value

Applicable Not applicable

15. Fixed Assets

Unit: CNY

Item	Closing Balance	Opening Balance
Fixed assets	10,988,508,730.09	11,192,711,830.63
Disposal of fixed assets	4,578,248.33	5,588,741.57
Total	10,993,086,978.42	11,198,300,572.20

(1) Details of fixed assets

Unit: CNY

Item	Houses and Buildings	Machinery Equipment	Transportation Equipment	Electronic Equipment	Office Equipment	Others	Total
I. Original book value							
1. Opening balance	6,345,629,801.82	18,907,276,323.97	190,421,010.75	751,797,169.08	66,794,647.34	1,402,060,800.25	27,663,979,753.21
2. Increase in the current period	694,967,071.99	955,131,219.01	17,328,388.82	70,661,295.62	19,941,261.56	107,986,239.78	1,866,015,476.78
(1) Purchase		399,750,826.81	17,334,744.50	58,815,233.85	19,846,695.72	107,637,217.35	603,384,718.23
(2) Transfer from construction in progress	687,558,109.47	549,176,027.70		11,582,166.88		349,396.56	1,248,665,700.61
(3) Increase due to business combination							
(4) Others	7,408,962.52	6,204,364.50	-6,355.68	263,894.89	94,565.84	-374.13	13,965,057.94
3. Decrease in the current period	49,069,755.16	982,438,369.63	28,088,145.69	20,376,915.71	5,905,682.00	31,561,326.79	1,117,440,194.98
(1) Disposal or retirement	49,069,755.16	981,396,887.52	28,088,145.69	20,376,915.71	5,905,682.00	31,561,326.79	1,116,398,712.87
(2) Transferred to investment properties		133,356.96					133,356.96
(3) Others		908,125.15					908,125.15
4. Closing balance	6,991,527,118.65	18,879,969,173.35	179,661,253.88	802,081,548.99	80,830,226.90	1,478,485,713.24	28,412,555,035.01
II. Accumulated depreciation							
1. Opening balance	2,647,820,937.69	11,765,076,408.49	142,301,805.63	651,297,497.99	47,989,583.56	1,193,334,887.79	16,447,821,121.15
2. Increase in the current period	331,380,783.38	1,214,954,481.28	23,117,509.36	89,504,673.05	6,632,155.59	77,002,981.26	1,742,592,583.92
(1) Provision	329,866,202.67	1,211,205,445.32	22,947,061.05	88,937,688.43	6,449,177.43	77,004,099.25	1,736,409,674.15
(2) Others	1,514,580.71	3,749,035.96	170,448.31	566,984.62	182,978.16	-1,117.99	6,182,909.77
3. Decrease in the current period	34,668,094.69	662,038,464.43	23,728,680.81	28,389,867.62	4,248,873.42	30,224,168.45	783,298,149.42
(1) Disposal or retirement	34,668,094.69	661,617,403.62	23,728,680.81	28,389,867.62	4,248,873.42	30,224,168.45	782,877,088.61
(2) Others		421,060.81					421,060.81

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4. Closing balance	2,944,533,626.38	12,317,992,425.34	141,690,634.18	712,412,303.42	50,372,865.73	1,240,113,700.60	17,407,115,555.65
III. Impairment provision							
1. Opening balance	12,344.37	20,451,354.58			42,350.40	2,940,752.08	23,446,801.43
2. Increase in the current period							
(1) Provision							
3. Decrease in the current period	12,344.37	5,658,638.41			42,142.85	802,926.53	6,516,052.16
(1) Disposal or retirement	12,344.37	5,658,638.41			42,142.85	802,926.53	6,516,052.16
4. Closing balance		14,792,716.17			207.55	2,137,825.55	16,930,749.27
IV. Book value							
1. Closing book value	4,046,993,492.27	6,547,184,031.84	37,970,619.70	89,669,245.57	30,457,153.62	236,234,187.09	10,988,508,730.09
2. Opening book value	3,697,796,519.76	7,121,748,560.90	48,119,205.12	100,499,671.09	18,762,713.38	205,785,160.38	11,192,711,830.63

(2) Fixed assets without property ownership certificates

Unit: CNY

Item	Book Value	Reasons for Failure to Obtain the Certificate
Guanghan base project	238,248,670.02	Property ownership certificate to be processed after the government issues the completion acceptance and filing procedures
Project of exiting the city and entering the industrial park	35,862,009.64	The new factory is in the process of being handled.
Equipment workshop works	358,128,902.27	The property ownership certificate has not yet been applied for

Other description:

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

Unit: CNY

Item	Closing Balance	Opening Balance
Houses and buildings		44,184.97
Machinery equipment	4,089,685.63	3,066,994.74
Means of transport	70,688.57	357,163.02
Electronic equipment	12,750.00	23,158.49
Office equipment	86,291.45	1,004,714.07
Others	318,832.68	1,092,526.28
Total	4,578,248.33	5,588,741.57

Other description:

16. Construction in Progress

Unit: CNY

Item	Closing Balance	Opening Balance
Project under construction	131,371,243.36	688,181,815.22
Total	131,371,243.36	688,181,815.22

(1) Construction in Progress

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment Provi	Book Value	Book Balance	Impairment Provision	Book Value

		sion				
New and reconstructed investment project	167,885.85		167,885.85	30,573,415.10	1,945,416.12	28,627,998.98
Technical transformation investment project	131,203,357.51		131,203,357.51	659,609,313.43	55,497.19	659,553,816.24
Total	131,371,243.36		131,371,243.36	690,182,728.53	2,000,913.31	688,181,815.22

(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	Closing 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
Construction of an integrated business and finance platform	95,500,000.00	17,719,690.62	40,316,634.82			58,036,325.44	60.77%	60.77%				Self-funded
Medium and heavy-duty engine upgrade and renovation project	667,780,000.00		56,974,238.16	15,567,560.60		41,406,677.56	12.93%	19.44%				Self-funded
Heavy-duty MT gearbox assembly production preparation project	83,480,000.00	14,051,898.37	43,378,010.19	47,321,528.91		10,108,379.65	57.00%	57.00%				Proceeds + self-raised funds

Business integration and technology upgrading project of light vehicle frame of Qingdao Vehicle Division of Jiefang Limited	227,508,500.00	8,751,554.22	11,902,858.26	11,902,858.26		8,751,554.22	92.00%	100.00%				Proceeds + self-raised funds
Environmental protection technology upgrade project of cab coating line of Qingdao Vehicle Division of Jiefang Limited	79,800,000.00	7,060,643.17	36,318,078.65	36,318,078.65		7,060,643.17	46.00%	100.00%				Proceeds + self-raised funds
FAW Jiefang	423,550,000.00	126,583,954.80	237,488,519.50	364,072,474.30			87.65%	100.00%				Proceeds +

Wuxi R&D Base Construction Project (23V8501)												self-raised funds
Engine construction and natural gas test capacity improvement project (16L) (20V8503)	1,227,430,000.00		6,555,229.67	6,555,229.67			79.58%	100.00%				Self-funded
6DM3 upgraded engine adaptability transformation project (23V8508)	57,479,980.00	4,063,791.49	38,775,270.77	42,839,062.26			84.96%	100.00%				Self-funded
R&D capacity improvement	691,362,100.00	413,094,135.26	129,860,314.44	542,954,449.70			89.45%	100.00%				Proceeds + self-

ent project of FAW Jiefang Qingdao Base												raised funds
Project of exiting the city and entering the industrial park	936,068,800.00	19,204,724.39	4,517,467.76	23,722,192.15			94.00%	100.00%				Self-funded
FAW Jiefang south new energy base project	413,800,000.00	5,243,154.69	3,617,637.19	8,860,791.88			93.63%	99.00%				Self-funded
Total	4,903,759,380.00	615,773,547.01	609,704,259.41	1,100,114,226.38		125,363,580.04						

(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) Impairment test of productive biological assets measured at cost

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	183,128,392.44	58,312,113.04	17,802,288.94	259,242,794.42
2. Increase in the current period	1,386,167.38			1,386,167.38
(1) New lease	1,378,304.83			1,378,304.83
(2) Others	7,862.55			7,862.55
3. Decrease in the current period	63,150,685.28	4,064,325.43	431,485.91	67,646,496.62
(1) Lease expiration	62,366,936.78	3,533,351.98	431,485.91	66,331,774.67
(2) Revaluation adjustment	705,756.88	530,973.45		1,236,730.33
(3) Others	77,991.62			77,991.62
4. Closing balance	121,363,874.54	54,247,787.61	17,370,803.03	192,982,465.18
II. Accumulated depreciation				
1. Opening balance	116,760,390.73	22,624,377.20	15,497,705.92	154,882,473.85

2. Increase in the current period	25,421,550.49	10,987,838.66	1,302,252.77	37,711,641.92
(1) Provision	25,421,550.49	10,987,838.66	1,302,252.77	37,711,641.92
3. Decrease in the current period	58,800,495.96	1,275,932.70	431,485.91	60,507,914.57
(1) Disposal				
(2) Lease expiration	58,733,684.29	1,275,932.70	431,485.91	60,441,102.90
(3) Others	66,811.67			66,811.67
4. Closing balance	83,381,445.26	32,336,283.16	16,368,472.78	132,086,201.20
III. Impairment provision				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
4. Closing balance				
IV. Book value				
1. Closing book value	37,982,429.28	21,911,504.45	1,002,330.25	60,896,263.98
2. Opening book value	66,368,001.71	35,687,735.84	2,304,583.02	104,360,320.57

(2) Impairment test 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	2,613,919,878.90		518,350,613.94	633,044,419.57	3,765,314,912.41
2. Increase in the current period	1,916,351.08		158,151,362.07	30,465,179.47	190,532,892.62

(1) Purchase	453,245.00			28,591,040.04	29,044,285.04
(2) Internal R&D			158,151,362.07		158,151,362.07
(3) Increase due to business combination					
(3) Others	1,463,106.08			1,874,139.43	3,337,245.51
3. Decrease in the current period	49,093,947.05			12,844,495.49	61,938,442.54
(1) Disposal	48,881,314.36			12,784,764.95	61,666,079.31
(2) Others	212,632.69			59,730.54	272,363.23
4. Closing balance	2,566,742,282.93		676,501,976.01	650,665,103.55	3,893,909,362.49
II. Accumulated amortization					
1. Opening balance	662,152,276.59		375,747,341.98	390,187,329.45	1,428,086,948.02
2. Increase in the current period	57,475,093.07		48,936,000.55	101,349,667.72	207,760,761.34
(1) Provision	56,529,666.40		48,936,000.55	101,332,552.36	206,798,219.31
(2) Others	945,426.67			17,115.36	962,542.03
3. Decrease in the current period	15,622,500.99			12,721,516.66	28,344,017.65
(1) Disposal	15,475,937.08			12,714,506.47	28,190,443.55
(2) Others	146,563.91			7,010.19	153,574.10
4. Closing balance	704,004,868.67		424,683,342.53	478,815,480.51	1,607,503,691.71
III. Impairment provision					
1. Opening balance	126,763.41				126,763.41
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period	5,616.10				5,616.10
(1) Disposal					
(2) Others	5,616.10				5,616.10
4. Closing balance	121,147.31				121,147.31
IV. Book value					
1. Closing book value	1,862,616,266.95		251,818,633.48	171,849,623.04	2,286,284,523.47

2. Opening book value	1,951,640,838.90		142,603,271.96	242,857,090.12	2,337,101,200.98
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Intangible assets developed internally through the Company's R&D activities accounted for 18.30% of the total intangible assets at the end of the current period.

(2) Data resources recognized as intangible assets

Applicable Not applicable

(3) Impairment testing of intangible assets

Applicable Not applicable

21. Long-term Deferred Expenses

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Amortization Amount in the Current Period	Other Decreases	Closing Balance
Start-up costs		74,286.06			74,286.06
Total		74,286.06			74,286.06

Other description:

22. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets not offset

Unit: CNY

Item	Closing Balance		Opening Balance	
	Deductible Temporary Difference	Deferred Income Tax Assets	Deductible Temporary Difference	Deferred Income Tax Assets
Impairment provision of assets	775,878,032.77	158,507,658.22	797,768,103.97	148,751,169.98
Unrealized gains of internal transactions	322,451,184.88	73,647,117.10	153,881,436.39	38,470,359.10
Deductible losses	13,958,566,650.04	2,347,598,363.35	10,589,766,314.64	1,765,089,314.84
Estimated liabilities	1,031,139,209.41	196,723,844.62	697,556,880.11	115,586,665.72
Deferred income – government grants	518,347,372.61	107,910,350.35	512,685,762.47	109,012,100.36
Assets	54,129.96	16,238.99	653,809.89	196,142.97

depreciation differences				
Lease liabilities	7,983,859.73	1,392,527.67	58,263,018.99	13,770,069.13
Accrued expenses	2,290,146,273.70	541,067,851.81	3,227,055,244.11	769,751,687.24
Employee compensation payable	94,922,683.27	15,029,861.21	94,430,202.39	15,390,464.58
Contract liabilities	558,137,107.28	85,969,638.33	553,633,245.41	85,386,658.52
Total	19,557,626,503.65	3,527,863,451.65	16,685,694,018.37	3,061,404,632.44

(2) Deferred income tax liabilities not offset

Unit: CNY

Item	Closing 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	1,417,506,057.59	272,294,678.03	1,833,126,166.73	337,124,836.34
Right-of-use assets	60,896,263.98	15,114,028.65	43,191,229.17	10,183,212.28
Accrued interest income	829,617,777.78	135,269,333.34	476,710,852.22	76,467,601.95
Total	2,308,020,099.35	422,678,040.02	2,353,028,248.12	423,775,650.57

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

Unit: CNY

Item	Closing Mutual Offset Amount of Deferred Tax Assets and Liabilities	Closing 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	422,083,753.75	3,105,779,697.90		3,061,404,632.44
Deferred income tax liabilities	422,083,753.75	594,286.27		423,775,650.57

(4) Details of unrecognized deferred tax assets

Unit: CNY

Item	Closing Balance	Opening Balance
Deductible temporary difference	490,033,723.19	572,093,879.05

Deductible losses	89,728,296.79	225,388,600.72
Total	579,762,019.98	797,482,479.77

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

Unit: CNY

Year	Closing Amount	Opening Amount	Remarks
2026	1,117,141.38	1,441,940.00	
2027	3,276,878.63	3,524,136.57	
2028	6,680,332.89	6,764,901.92	
2029	7,171,414.01	15,796,963.90	
2030	581,497.39		
2032	70,901,032.49	197,860,658.33	
Total	89,728,296.79	225,388,600.72	

Other description:

23. Other current assets

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment Provision	Book Value	Book Balance	Impairment Provision	Book Value
Advance payments for construction projects	108,920,866.51		108,920,866.51	113,186,886.26		113,186,886.26
Advance payments for equipment and software	135,167,223.18		135,167,223.18	65,245,589.33		65,245,589.33
Fixed deposits and accrued interest	2,118,833,333.34		2,118,833,333.34	2,465,761,111.13		2,465,761,111.13
Total	2,362,921,423.03		2,362,921,423.03	2,644,193,586.72		2,644,193,586.72

Other description:

24. Assets with Restricted Ownership or Use Right

Unit: CNY

Item	Closing				Opening			
	Book Balance	Book Value	Restriction Type	Restriction	Book Balance	Book Value	Restriction Type	Restriction
Monetary capital	51,247,499.59	51,247,499.59	Withdrawal restricted	Housing maintenance fund, security deposit for three types of personnel	50,810,175.89	50,810,175.89	Withdrawal restricted	Housing maintenance fund, security deposits for three categories of personnel, and frozen funds
Intangible assets	1,846,858.87	1,072,038.65	Others	Due to the Tanzanian government's central railway reconstruction project, approximately 2000 square meters of land belonging to the Company's Tanzanian subsidiary was expropriated in March 2017. To date, no official documentation or notification has been received from the Tanzanian authorities.	2,059,491.56	1,150,344.99	Others	Due to the Tanzanian government's central railway reconstruction project, approximately 2000 square meters of land belonging to the Company's Tanzanian subsidiary was expropriated in March 2017. To date, no official documentation or notification has been received from the Tanzanian authorities.
Total	53,094,358.46	52,319,538.24			52,869,667.45	51,960,520.88		

Other description:

25. Short-term Borrowings**(1) Classification of short-term borrowings**

Unit: CNY

Item	Closing Balance	Opening Balance
Credit loans	50,000,000.00	
Total	50,000,000.00	

Notes to the classification of short-term borrowings:

26. Notes Payable

Unit: CNY

Category	Closing Balance	Opening Balance
Bank acceptance bill	12,809,740,164.11	15,370,906,363.16
Total	12,809,740,164.11	15,370,906,363.16

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

27. Accounts Payable**(1) Presentation of accounts payable**

Unit: CNY

Item	Closing Balance	Opening Balance
Payment for goods	19,831,192,964.14	16,650,985,030.88
Expenses and others	1,719,132,817.09	595,368,938.17
Total	21,550,325,781.23	17,246,353,969.05

(2) Significant accounts payable with aging over one year or overdue

Unit: CNY

Item	Closing Balance	Reasons for Not Being Repaid or Carried Over
China FAW Group Import & Export Co., Ltd.	63,241,767.29	Outstanding
Supplier 1	39,358,458.00	Contract not yet matured
Supplier 2	38,868,983.46	Outstanding
Supplier 3	28,659,999.04	Outstanding
Supplier 4	20,946,238.91	Contract not yet due
Total	191,075,446.70	

Other description:

(3) Whether there are any overdue payments to small and medium-sized enterprises (SMEs)

Whether the Company qualifies as a large enterprise

Yes No

28. Other Payables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividends payable	171,500.02	171,500.02
Other payables	2,544,364,706.47	4,526,037,421.21
Total	2,544,536,206.49	4,526,208,921.23

(1) Dividends payable

Unit: CNY

Item	Closing 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	Closing Balance	Opening Balance
Intercompany payables	250,480,926.86	429,144,255.09
Deposits and guarantees received	180,304,571.09	235,940,482.07
Expenses payable	1,215,617,066.06	2,665,746,970.54
Project funds payable	897,745,578.97	1,188,958,861.78
Repurchase obligations of restricted shares	216,563.49	6,246,851.73
Total	2,544,364,706.47	4,526,037,421.21

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

Unit: CNY

Item	Closing Balance	Reasons for Not Being Repaid or Carried Over
Supplier 1	16,950,000.00	Pending warranty acceptance
Supplier 2	14,952,289.90	Pending warranty acceptance
Supplier 3	10,400,000.00	Pending final acceptance and warranty acceptance
Supplier 4	10,085,000.00	Pending warranty acceptance
Total	52,387,289.90	

Other description:

29. Advance Receipts**(1) Presentation of advance receipts**

Unit: CNY

Item	Closing Balance	Opening Balance
Rental fee	826,097.22	674,009.56
Total	826,097.22	674,009.56

30. Contract Liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Payment for goods	1,914,561,508.84	2,015,193,856.18
Others	755,136,468.47	633,128,232.65
Contract liabilities are included in other current liabilities	-66,560,308.63	-217,767,924.33
Total	2,603,137,668.68	2,430,554,164.50

Significant contractual liabilities with aging over 1 year

31. Employee Compensation Payable**(1) Presentation of employee compensation payable**

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
I. Short-term compensation	954,241,602.96	4,510,721,834.28	4,470,440,387.05	994,523,050.19
II. Post-employment benefits - defined contribution plan	771,551.66	627,418,615.23	625,317,338.82	2,872,828.07
III. Dismissal welfare	39,431,741.44	57,371,654.14	57,623,523.68	39,179,871.90
IV. Other benefits due within one year	49,110,000.00	42,449,093.77	44,409,093.77	47,150,000.00
Total	1,043,554,896.06	5,237,961,197.42	5,197,790,343.32	1,083,725,750.16

(2) Presentation of short-term compensation

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
1. Wages, bonuses,	626,337,023.60	3,146,167,491.65	3,144,489,091.86	628,015,423.39

allowances and subsidies				
2. Employee welfare expenses		235,631,763.45	235,631,763.45	
3. Social insurance premiums	1,236,540.25	339,987,837.61	337,273,869.74	3,950,508.12
Including: medical insurance premiums	1,236,540.25	319,409,287.20	316,723,014.43	3,922,813.02
Work-related injury insurance premiums		20,578,550.41	20,550,855.31	27,695.10
4. Housing provident fund		482,963,776.54	482,751,905.54	211,871.00
5. Labor union funds and employee education funds	324,735,755.63	107,949,156.32	72,271,947.75	360,412,964.20
6. Other short-term compensations	1,932,283.48	198,021,808.71	198,021,808.71	1,932,283.48
Total	954,241,602.96	4,510,721,834.28	4,470,440,387.05	994,523,050.19

(3) Presentation of defined contribution plan

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
1. Basic endowment insurance	308,714.56	442,434,109.12	440,470,853.07	2,271,970.61
2. Unemployment insurance premiums	462,837.10	19,137,487.90	18,999,467.54	600,857.46
3. Payment of enterprise annuity		165,847,018.21	165,847,018.21	
Total	771,551.66	627,418,615.23	625,317,338.82	2,872,828.07

Other description:

32. Taxes Payable

Unit: CNY

Item	Closing Balance	Opening Balance
VAT	35,336,077.77	34,237,788.67
Corporate income tax	78,942,359.45	136,470,856.41
Individual income tax	6,889,857.47	7,020,253.06
Urban maintenance and construction tax	3,432,985.44	3,308,379.91

Property tax	10,465,370.93	7,843,917.34
Land use tax	4,719,417.56	3,902,829.10
Education surcharges	5,736,405.00	4,430,820.03
Other taxes	21,751,387.60	18,318,058.50
Total	167,273,861.22	215,532,903.02

Other description:

33. Non-Current Liabilities Due Within One Year

Unit: CNY

Item	Closing Balance	Opening Balance
Lease liabilities due within one year	6,293,750.24	29,941,701.02
Estimated liabilities due within one year	519,599,645.37	
Total	525,893,395.61	29,941,701.02

Other description:

34. Other Current Liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Output VAT to be transferred	66,560,308.63	217,767,924.33
Total	66,560,308.63	217,767,924.33

Other description:

35. Long-term Debts

(1) Classification of long-term borrowings

Unit: CNY

Item	Closing Balance	Opening Balance
Credit loans	136,000,000.00	
Total	136,000,000.00	

Notes to the classification of long-term debts:

The Company's indirect controlling shareholder, China FAW Group Co., Ltd., provided state-owned capital operation budget funds to the Company through entrusted loans and entered into an entrusted loan agreement in the amount of CNY 136 million.

Other notes, including interest rate range:

36. Lease Liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
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Lease payment	8,138,171.16	59,490,077.98
Unrecognized financing costs	-154,311.43	-2,116,776.32
Reclassified to non-current liabilities due within one year	-6,293,750.24	-29,941,701.02
Total	1,690,109.49	27,431,600.64

Other description:

37. Long-term Employee Compensation Payable

(1) Long-term employee compensation payable

Unit: CNY

Item	Closing Balance	Opening Balance
I. Post-employment welfare - net liabilities of defined benefit plan	625,080,000.00	682,430,000.00
II. Dismissal welfare	91,732,589.92	98,901,796.39
Long-term employee compensation payable due within one year	-86,329,871.90	-88,541,741.44
Total	630,482,718.02	692,790,054.95

38. Provisions

Unit: CNY

Item	Closing Balance	Opening Balance	Reason
Pending litigation	52,822,772.39	23,974,831.93	Contract disputes
Product quality assurance	586,381,172.71	951,513,050.80	Expenses for return, replacement and repair
Others	29,476,995.29	17,226,995.29	Social insurance for contract workers / Excess losses of associates
Total	668,680,940.39	992,714,878.02	

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

39. Deferred Income

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance	Reason
Government subsidies	2,936,362,847.77	501,101,604.80	590,619,645.87	2,846,844,806.70	
Total	2,936,362,847.77	501,101,604.80	590,619,645.87	2,846,844,806.70	--

Other description:

40. Share Capital

Unit: CNY

	Opening Balance	Increase/Decrease (+/-)					Closing Balance
		Issue of New Shares	Bonus Shares	Share Transferred from Accumulation Fund	Others	Subtotal	
Total shares	4,922,371,176.00				-1,090,201.00	-1,090,201.00	4,921,280,975.00

Other notes: During the reporting period, the performance targets set for the third release period of the reserved grants under the Company's Phase I restricted share incentive plan were not achieved. The Company repurchased and canceled the relevant restricted shares from the incentive recipients, reducing share capital by CNY 1,090,201.00.

41. Capital Reserves

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Capital premium (stock premium)	10,961,835,016.88		4,993,120.52	10,956,841,896.36
Other capital reserves	999,645,030.86		574,417.06	999,070,613.80
Total	11,961,480,047.74		5,567,537.58	11,955,912,510.16

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

Note 1: The decrease in capital reserve (share premium) of CNY 4,993,120.52 in the current period was mainly attributable to the repurchase of restricted shares by the Company.

Note 2: The decrease in other capital reserves in the current period was mainly attributable to a decrease of CNY 574,417.00 in other changes in equity of long-term equity investments accounted for under the equity method, and other decreases of CNY 0.06.

42. Treasury Shares

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Treasury shares	6,246,851.73		6,246,851.73	
Total	6,246,851.73		6,246,851.73	

Other notes, including changes and reasons for changes during the current period: The decrease of CNY 6,246,851.73 in treasury shares was attributable to the repurchase and cancellation by the Company.

43 Other Comprehensive Income

Unit: CNY

Item	Opening Balance	Amount Incurred in Current Period					After-tax Amount Attributable to Parent Company	After-tax Amount Attributable to Minority Shareholders	Closing 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				
I. Other comprehensive incomes that cannot be reclassified into profits or losses	18,899,058.75	-300,094,012.51				-300,094,012.51		-281,194,953.76	
Including: changes arising from re-measurement of the defined benefit plan	-58,350,000.00	22,300,000.00				22,300,000.00		-36,050,000.00	
Other comprehensive incomes that cannot be reclassified into profit or loss under the equity method	17,962,530.75	6,969,353.89				6,969,353.89		24,931,884.64	
Changes in fair value of	59,286,528.00	-329,363,366.40				-329,363,366.40		-270,076,838.40	

investment in other equity instruments								
II. Other comprehensive incomes that will be reclassified into profits or losses	-115,811,405.46	24,043,724.43			9,717,634.59	14,326,089.84		-106,093,770.87
Including: other comprehensive incomes that can be reclassified into profits or losses under the equity method	-5,354,172.83	-3,202.96			-3,202.96			-5,357,375.79
Translation difference in foreign currency financial statements	-110,457,232.63	24,046,927.39			9,720,837.55	14,326,089.84		-100,736,395.08
Total other comprehensive incomes	-96,912,346.71	-276,050,288.08			-290,376,377.92	14,326,089.84		-387,288,724.63

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:

44. Special Reserves

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Work safety cost	277,345,883.15	34,868,716.60	68,909,884.86	243,304,714.89
Total	277,345,883.15	34,868,716.60	68,909,884.86	243,304,714.89

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

45. Surplus Reserve

Unit: CNY

Item	Opening Balance	Increase in the Current Period	Decrease in the Current Period	Closing Balance
Statutory surplus	2,907,021,755.69	1,054,620.61		2,908,076,376.30

reserve				
Discretionary surplus reserves	297,526,491.71			297,526,491.71
Total	3,204,548,247.40	1,054,620.61		3,205,602,868.01

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

46. Undistributed Profits

Unit: CNY

Item	Current Period	Previous Period
Undistributed profits at the end of the previous period before adjustment	6,055,339,906.81	6,246,533,634.66
Undistributed profits at the beginning of the current period after adjustment	6,055,339,906.81	6,246,533,634.66
Add: net profit attributable to owners of parent company in the current period	724,545,159.90	622,427,699.65
Less: withdrawal of statutory surplus reserve	1,054,620.61	109,035,301.36
Common stock dividends payable	246,064,048.75	693,579,557.10
Others		11,006,569.04
Undistributed profits at the end of the period	6,532,766,397.35	6,055,339,906.81

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

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

47. Operating Revenue and Operating Cost

Unit: CNY

Item	Amount Incurred in Current Period		Amount Incurred in the Previous Period	
	Income	Cost	Income	Cost
Main business	62,233,813,433.10	58,029,080,171.90	56,781,606,864.49	53,523,342,363.25
Other business	444,187,605.94	232,958,447.19	1,799,499,394.04	1,384,734,160.18
Total	62,678,001,039.04	58,262,038,619.09	58,581,106,258.53	54,908,076,523.43

The lowest of the Company's audited total profit, net profit, and net profit after deducting non-recurring profit and loss for the reporting period was negative.

Yes No

Other description

Information related to the transaction price allocated to remaining performance obligations:

As of the end of the reporting period, the revenue corresponding to performance obligations under contracts signed but not yet performed or partially performed amounted to CNY 342,966,284.64, which is expected to be recognized as revenue in 2026.

48. Taxes and Surcharges

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Urban maintenance and construction tax	38,226,212.51	24,096,553.91
Education surcharges	25,711,128.01	15,981,804.33
Property tax	80,468,799.74	71,614,904.12
Land use tax	42,636,785.46	44,935,261.58
Vehicle and vessel use tax	147,308.93	129,183.90
Stamp duty	72,873,035.15	61,581,104.85
Environmental protection tax	863,934.17	667,407.02
Others	1,936,003.82	1,401,800.93
Total	262,863,207.79	220,408,020.64

Other description:

49 Administrative Expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	959,131,088.47	1,036,574,708.68
Depreciation cost	95,557,234.10	134,953,520.82
Repair and Maintenance Expenses	69,154,919.46	200,223,047.11
Amortization of intangible assets	65,555,982.75	92,882,626.65
Others	250,745,061.25	316,018,573.84
Total	1,440,144,286.03	1,780,652,477.10

Other description:

50. Sales Expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	645,769,600.42	606,050,106.71
Packing cost	149,257,380.55	122,479,099.15
Travel expense	108,382,591.25	132,924,519.61
Sales service fee	49,503,312.36	85,577,730.20
Storage fee	88,375,644.41	120,442,414.18
Rental fee	67,617,693.24	56,013,886.40

Others	225,012,745.69	149,839,839.67
Total	1,333,918,967.92	1,273,327,595.92

Other description:

51. R&D Expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Employee compensation	1,478,487,311.03	1,484,942,094.42
Depreciation amortization expense	219,147,698.54	239,634,685.96
Test fee	211,772,142.82	279,968,389.34
Material cost	181,655,850.72	187,891,190.14
Others	192,114,256.59	217,049,281.90
Total	2,283,177,259.70	2,409,485,641.76

Other description:

52 Financial Expenses

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Interest expense	2,035,470.45	2,594,098.03
Interest income	-564,269,093.28	-619,382,020.15
Exchange gain or loss	36,946,291.24	-81,571,963.58
Cash discount	-91,978,357.45	-130,500,808.28
Net actuarial interest	12,445,523.28	17,984,781.72
Fees and other charges	1,944,063.46	4,904,245.62
Total	-602,876,102.30	-805,971,666.64

Other description:

53. Other Income

Unit: CNY

Sources of other income	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Government subsidies	590,619,645.87	618,258,791.46
Additional Input VAT Credit	350,446,039.65	509,114,356.63
Commission for withholding individual income tax	2,026,313.12	2,035,928.98
Total	943,091,998.64	1,129,409,077.07

54. Investment Income

Unit: CNY

Item	Amount Incurred in Current	Amount Incurred in the
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	Period	Previous Period
Income from long-term equity investments accounted for using the equity method	11,992,373.29	310,581,812.67
Investment income from disposal of long-term equity investment		469,265,324.69
Investment income from disposal of trading financial assets	44,920,688.34	
Others	-100,077,886.24	-150,154,510.85
Total	-43,164,824.61	629,692,626.51

Other description:

55. Credit Impairment Loss

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Bad debt losses of notes receivable	-677,922.80	207,820.97
Bad debt losses of accounts receivable	-35,398,410.18	-12,108,686.11
Bad debt losses of other receivables	-64,884,668.65	80,572,073.84
Bad debt losses of long-term receivables	-25,535,304.55	-14,179,402.72
Total	-126,496,306.18	54,491,805.98

Other description:

56. Impairment Loss on Assets

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	-294,020,738.05	-352,663,464.80
II. Impairment Loss of Construction in Progress	-24,385.92	
III. Loss from contractual asset impairment	99,461.24	-159,644.74
Total	-293,945,662.73	-352,823,109.54

Other description:

57. 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 (“-” for loss)	98,232,649.30	-2,556,989.65
Gains or losses from disposal of right-of-use assets	2,879,267.20	
Gains or losses from disposal of intangible assets	41,831,048.24	
Total	142,942,964.74	-2,556,989.65

58. 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
Gains from damage and retirement of non-current assets	495,868.77	841,253.88	495,868.77
Gains from write-off of current accounts	54,561,766.16	69,577,213.54	54,561,766.16
Income from compensation, liquidated damages and fines	23,038,308.59	22,783,642.56	23,038,308.59
Others	2,125,316.77	8,290,435.68	2,125,316.77
Total	80,221,260.29	101,492,545.66	80,221,260.29

Other description:

59. 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	250,000.00	8,988,110.00	250,000.00
Losses from damage and retirement of non-current assets	2,098,828.67	1,873,692.16	2,098,828.67
Compensation, liquidated damages	1,783,420.01	17,552,554.47	1,783,420.01
Others	106,119.93	370,560.94	106,119.93
Total	4,238,368.61	28,784,917.57	4,238,368.61

Other description:

60. 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	71,737,908.37	126,075,087.26
Deferred income tax expense	-463,145,268.76	-459,297,534.77
Total	-391,407,360.39	-333,222,447.51

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

Unit: CNY

Item	Amount Incurred in Current Period
Total profits	397,145,862.35
Income tax expense calculated at statutory/applicable tax rate	99,286,465.59
Effect of different tax rates applied to subsidiaries	-19,002,915.46
Effect of adjustment to income tax of previous periods	-28,042,858.06
Effect of non-deductible costs, expenses and losses	147,441.79
Effect of using the deductible losses of deferred tax assets not recognized in the previous periods	-114,589,595.46
Effects of deductible temporary differences or deductible losses of deferred income tax assets unrecognized in the current period	4,626,853.34
Profit or loss of joint ventures and associated enterprises calculated by equity method	-1,845,055.46
Tax effect of additional deduction for research and development expenses	-331,987,696.67
Income tax expenses	-391,407,360.39

Other description:

61. Other Comprehensive Income

Refer to Note 43 to VII “Notes to Consolidated Financial Statements” in Section VIII “Financial Report”.

62. Notes to the 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
Government subsidies received	504,046,732.55	571,544,389.16
Collection and payment	324,265,768.91	391,660,955.82
Bank interest	264,434,389.93	126,285,131.12
Fines and compensation received	7,216,444.68	13,638,624.11
Intercompany balances and others	418,082,566.03	43,179,416.08
Total	1,518,045,902.10	1,146,308,516.29

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	2,205,898,409.06	1,137,805,570.04
Current account	145,121,802.21	277,620,463.50
Donations	250,000.00	8,988,110.00
Total	2,351,270,211.27	1,424,414,143.54

Description of other cash payments related to operating activities:

(2) Cash related to investing activities

Cash received from significant investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Withdrawal of structured deposits	30,700,000,000.00	
Disposal price of long-term equity investments accounted for using the equity method		4,357,068,905.33
Total	30,700,000,000.00	4,357,068,905.33

Description of other cash received related to investing activities:

Other cash paid related to investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Fixed deposits	1,500,000,000.00	2,400,000,000.00
Total	1,500,000,000.00	2,400,000,000.00

Cash paid for important investing activities

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Purchase of structured deposits	30,700,000,000.00	
Cash paid for acquisition of equity interest in joint venture Jiefang Times New Energy Technology	191,000,000.00	

Co., Ltd.		
Cash paid for the purchase of equity in FAW (Africa) Investment Co., Ltd.	147,576,957.96	180,371,837.52
Cash paid to purchase the equity of Jiefang Motors Tanzania Ltd.		40,460,300.41
Cash paid for establishment of joint venture Diyi AESC New Energy Power Technology (Wuxi) Co., Ltd.		4,900,000.00
Total	31,038,576,957.96	225,732,137.93

Description of other cash paid 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
Repayment of lease liabilities	5,720,929.25	16,667,194.16
Total	5,720,929.25	16,667,194.16

Description of other cash payments related to financing activities:

Changes in liabilities arising from financing activities

Applicable Not applicable

63. 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	788,553,222.74	659,271,152.29
Add: impairment provision of assets	420,441,968.91	298,331,303.56
Depreciation of fixed assets, depletion of oil and gas assets and productive biological assets	1,741,622,124.33	1,780,705,889.72
Depreciation of right-of-use asset	37,711,641.92	51,883,038.66
Amortization of intangible assets	206,798,219.31	205,690,065.43
Amortization of long-term deferred expenses		
Losses/gains on disposal of fixed assets, intangible assets and other long-term assets (gains expressed as “-”)	-142,942,964.74	2,556,989.65
Loss from retirement of fixed assets (incomes to be listed	1,602,959.90	1,873,692.16

with “-”)		
Loss from changes in fair value (incomes to be listed with “-”)		
Financial expenses (incomes to be listed with “-”)	14,480,993.73	-474,436,370.43
Investment losses (incomes to be listed with “-”)	-56,913,061.63	-779,847,137.36
Decrease of deferred income tax assets (increase to be listed with “-”)	-44,375,065.46	-449,315,465.25
Increases of deferred income tax liabilities (decrease to be listed with “-”)	-423,181,364.30	11,114,174.97
Decrease in inventories (increase to be listed with “-”)	-3,594,334,367.70	-413,235,112.72
Decrease in operating receivables (increase to be listed with “-”)	4,226,659,243.87	-10,160,069,654.49
Increase in operating items payable (decrease to be listed with “-”)	-491,091,118.22	3,504,475,291.22
Others		-89,284,164.46
Net cash flows from operating activities	2,685,032,432.66	-5,850,286,307.05
2. Major investment and financing activities not related to cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible corporate bonds within one year		
Fixed assets acquired under financial lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	19,663,237,066.02	19,391,201,104.68
Less: opening balance of cash	19,391,201,104.68	23,108,714,054.86
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	272,035,961.34	-3,717,512,950.18

(2) Net cash paid for acquisition of subsidiaries in the current period

Unit: CNY

	Amount
Cash or cash equivalents paid in the current period for business combination occurred in the current period	
Add: Cash or cash equivalents paid in the current period for business combinations in prior periods	147,576,957.96
Net cash paid to acquire subsidiaries	147,576,957.96

Other description:

(3) Composition of cash and cash equivalents

Unit: CNY

Item	Closing Balance	Opening Balance
I. Cash	19,663,237,066.02	19,391,201,104.68
Including: cash on hand	1,828,617.96	300,158.23
Bank deposits readily available for payment	19,661,407,007.16	19,390,900,946.45
Other monetary funds available for payment on demand	1,440.90	
II. Closing balance of cash and cash equivalents	19,663,237,066.02	19,391,201,104.68

64. Foreign Currency Monetary Items

(1) Foreign currency monetary items

Unit: CNY

Item	Foreign Currency Balance at the End of the Period	Exchange Rate	Closing Balance Converted into CNY
Monetary capital			663,646,446.42
Including: USD	10,418,064.98	7.0288	73,226,495.13
EUR	22,405.57	8.2355	184,521.07
HKD			
Shilling	7,861,784,623.77	0.0029	22,799,175.41
Rand	1,334,665,375.98	0.4224	563,762,654.81
Japanese Yen	82,000,000.00	0.0448	3,673,600.00
Accounts receivable			826,560,722.28
Including: USD	16,456,303.06	7.0288	115,668,062.95
EUR	3,594,731.00	8.2355	29,604,407.15
HKD			
Shilling	98,723,077,937.92	0.0029	286,296,926.02
Rand	935,112,041.09	0.4224	394,991,326.16
Long-term loans			
Including: USD			
EUR			
HKD			
Other receivables			26,897,564.34
Including: USD	3,782,953.17	7.0288	26,589,621.24
Shilling	47,547,463.60	0.0029	137,887.64
Rand	402,593.42	0.4224	170,055.46
Accounts payable			405,153,094.32
Including: USD	384,528.36	7.0288	2,702,772.94
EUR	55,096.73	8.2355	453,749.12
Shilling	71,165,850,902.75	0.0029	206,380,967.62

Rand	463,105,124.61	0.4224	195,615,604.64
Other payables			96,214,823.38
Including: USD	10,330.99	7.0288	72,614.46
EUR	47,045.25	8.2355	387,441.16
Shilling	131,203,733.89	0.0029	380,490.83
Rand	225,624,160.06	0.4224	95,303,645.21
Japanese Yen	1,576,601.00	0.0448	70,631.72

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

Unit	Principal business Place	Registered Capital	Recording Currency
FAW Vehicle Manufacturing South Africa Co., Ltd.	Johannesburg, South Africa	ZAR 654.795 million	South African Rand
FAW Jiefang Austria R&D Co., Ltd.	Steyr, Austria	EUR 2 million	EUR
Jiefang Motors Tanzania Ltd.	Dar es Salaam, Tanzania	220 thousand shillings	Tanzanian shilling
Jiefang Best Co., Ltd.	Yokohama, Japan	JPY 82 million	Japanese Yen
Jiefang Saudi Arabia Co., Ltd.	Saudi Arabia	SAR 30 million	SAR

65. Lease

(1) The Company acting as the lessee

Applicable Not applicable

Variable lease payments are 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

Unit: CNY

Item	Amount in the Current Period
Interest expense on lease liabilities	1,921,935.94
Short-term lease expenses under simplified treatment included in the cost of related assets or current profit or loss	28,661,549.72
Total cash outflow related to leases	5,720,929.25

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

Unit: CNY

Item	Rental Income	Including: Income Related to Variable Lease Payments Not Included in the Lease Receipts
Operating lease income	21,303,497.60	
Total	21,303,497.60	

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 of Undiscounted Lease Receivables and Net Investment in Leases

(3) Gains and losses recognized from sales of finance lease as a manufacturer or distributorApplicable Not applicable**VIII. R&D Expenditures**

Unit: CNY

Item	Amount Incurred in Current Period	Amount Incurred in the Previous Period
Including: Expensed R&D expenditure	2,283,177,259.70	2,409,485,641.76
Capitalized R&D expenditure	298,645,742.07	390,738,120.65

1. R&D Projects Eligible for Capitalization

Unit: CNY

Item	Opening Balance	Increase in the Current Period		Decrease in the Current Period		Closing Balance
		Internal Development Expenditures	Others	Recognized as Intangible Assets	Transferred to Current Profits and Losses	
A2205	23,547,997.18	25,929,944.72				49,477,941.90
A2207	41,535,297.80	22,980,331.78				64,515,629.58
A2208	30,524,736.25	24,512,006.74				55,036,742.99

A2209	32,047,370.79			32,047,370.79	
A2305	39,500,208.40	31,260,752.01			70,760,960.41
A2306	47,071,931.70	8,032,682.99		55,104,614.69	
A2307	62,451,369.97	5,088,441.99			67,539,811.96
A2308	46,948,645.47	24,274,378.96			71,223,024.43
L126	22,108,818.25	27,688,174.42			49,796,992.67
L2403	38,408.37	4,606,237.34		4,644,645.71	
L2405	228,815.19	22,161,877.55			22,390,692.74
T2208	35,117,380.02	16,050,962.17			51,168,342.19
T2209	14,557,788.58				14,557,788.58
T2303	1,611,856.86				1,611,856.86
T2402	778,994.99				778,994.99
XC2311120	8,011,745.85			8,011,745.85	
XC2411020	7,488,163.90			7,488,163.90	
XC2411030	7,794,198.22			7,794,198.22	
XC2411098	12,152,129.50	600.00		12,152,729.50	
XC2411107	2,967,534.05			2,967,534.05	
Z2407	12,299,822.33	18,829,551.19			31,129,373.52
Z2408	9,466,942.22	9,049,334.90		18,516,277.12	
Z2409	9,393,773.35	3,021,775.44			12,415,548.79
Z2431		4,889,882.99		4,889,882.99	
Z2442	32,424,484.68	30,621,383.36			63,045,868.04
Z2443	411,413.51	15,245,348.08			15,656,761.59
Z2444	132,123.81	4,402,075.44		4,534,199.25	
Total	500,611,951.24	298,645,742.07		158,151,362.07	641,106,331.24

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
A2205	Product validation	April 30, 2027	Production and sales	December 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2207	Product validation	April 30, 2027	Production and sales	January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2208	Product validation	April 30, 2027	Production and sales	January 1, 2023	Being adopted by

					consideration and decision-making at the project review meeting
A2305	Product validation	February 28, 2026	Production and sales	March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2307	Product validation	February 28, 2026	Production and sales	March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
A2308	Product validation	June 30, 2026	Production and sales	March 1, 2023	Being adopted by consideration and decision-making at the project review meeting
T2208	Product validation	April 30, 2026	Production and sales	January 1, 2023	Being adopted by consideration and decision-making at the project review meeting
Z2407	Pilot production	January 31, 2026	Production and sales	February 1, 2024	Being adopted by consideration and decision-making at the project review meeting
Z2442	Development phase	December 31, 2026	Production and sales	June 1, 2024	Being adopted by consideration and decision-making at the project review meeting
T2209	Pilot production	January 31, 2026	Production and sales	January 1, 2023	Being adopted by

					consideration and decision-making at the project review meeting
L126	Trial production start / TR5B stage	May 10, 2026	Production and sales	April 7, 2026	Being adopted by consideration and decision-making at the project review meeting

IX. Changes in Consolidation Scope

1. Changes in Consolidation Scope for Other Reasons

Explanation of other changes in the scope of consolidation (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related information:

On September 4, 2025, the Company established Jiefang Best Co., Ltd.

On November 9, 2025, the Company invested in establishing Jiefang Saudi Arabia Co., Ltd.

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 Addresses	Nature of Business	Share Proportion		Way of Acquisition
					Direct	Indirect	
FAW Jiefang Automotive Co., Ltd.	10,803,012,510.01	Changchun	Changchun	Vehicle manufacturing	100.00%		Business combination under common control
FAW Jiefang (Qingdao) Automotive Co., Ltd.	802,000,000.00	Qingdao	Qingdao	Vehicle manufacturing and sales	100.00%		Business combination under common control
FAW Jiefang Dalian Diesel Engine Co., Ltd.	1,400,000,000.00	Dalian	Dalian	Automotive engine manufacturing	100.00%		Business combination under

				g			common control
FAW Jiefang Lvdong Recycling Technology (Wuxi) Co., Ltd.	38,094,059.61	Wuxi	Wuxi	Manufacturing of automotive components and accessories	100.00%		Business combination under common control
FAW Jiefang Austria R&D Co., Ltd.	15,765,000.00	Austria	Austria	Technology research and development	100.00%		Business combination 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 Transportation Technology (Tianjin) Co., Ltd.	90,000,000.00	Tianjin	Tianjin	Technical services and other services	100.00%		Establishment by investment
Jiefang Motors Tanzania Ltd.	1,654.00	Tanzania	Tanzania	Vehicle sales	100.00%		Business combination under common control
FAW (Africa) Investment Co., Ltd.	680,000,000.00	Changchun	Changchun	Vehicle sales	55.00%		Business combination under common control
FAW Vehicle Manufacturing South Africa Co., Ltd.	466,105,291.49	South Africa	South Africa	Vehicle manufacturing and sales	98.00%		Business combination under common control
FAW Jiefang Group International Automobile Co., Ltd.	200,000,000.00	Changchun	Changchun	Vehicle sales	100.00%		Establishment by investment
Jiefang Best Co., Ltd.	3,775,936.00	Japan	Japan	Other technology promotion service industries	51.00%		Establishment by investment
Jiefang Saudi Arabia Co., Ltd.	12,869,500.00	Saudi Arabia	Saudi Arabia	Vehicle sales	100.00%		Establishment by investment

Description of the fact that the shareholding proportion in subsidiaries is different from the proportion of voting

rights: none

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

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

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

Other description: none

2. Equities in Joint Ventures or Associated Enterprises

(1) Important joint ventures or associated enterprises

Name of Joint Ventures or Associated Enterprises	Principal Business Place	Registered Addresses	Nature of Business	Share Proportion		Accounting Treatment Method for Investment in Joint Ventures or Associated Enterprises
				Direct	Indirect	
Sanguard Automobile Insurance Co., Ltd.	Changchun	Changchun	Financial insurance	17.50%		Equity method
FAW Changchun Ansteel Jiefang 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	25.30%		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	29.48%		Equity method
Foshan Diyiyuansu 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	Shijiazhuang	Shijiazhuang	Technical	47.03%		Equity

Technology Co., Ltd.	ng	huang	services and other services			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 Xin'an Automobile Insurance Co., Ltd., and according to the Articles of Association of the Company, the Company appoints one director, thereby exercising significant influence over Xin'an Automobile Insurance Co., Ltd. The Company holds 10.00% of the shares of Jiefang Fujie (Tianjin) Technology Industry Co., Ltd., and according to the Articles of Association of the Company, the Company appoints three directors, thereby exercising significant influence over Jiefang Fujie (Tianjin) Technology Industry Co., Ltd. The Company holds 14.63% of the shares of Changchun Automotive Test Center Co., Ltd., and according to the Articles of Association of the Company, the Company appoints one director, thereby exercising significant influence over Changchun Automotive Test Center Co., Ltd.

(2) 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.	181,709,441.21	30,815,579.30	212,525,020.51
SmartLink	19,547,758.40	21,300,513.90	40,848,272.30

Other description: none

XI. Government subsidies

1. Government Subsidies Are 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

Unit: CNY

Account Item	Opening Balance	New Government Grants Received during the Period	Amount Recognized in Non-Operating Income in the Current Period	Amount Transferred to Other Income in the Current Period	Other Changes	Closing Balance	Related to Assets / Related to Income
Deferred income	2,936,362,847.77	501,101,604.80		590,619,645.87		2,846,844,806.70	

3. Government Subsidies Are 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	590,619,645.87	618,258,791.46

Other notes: N/A

XII. Risks Related to Financial Instruments

1. Various Risks Arising from Financial Instruments

The Company is exposed to various financial risks in the course of its operations: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). These financial risks and the risk management policies adopted by the Company to mitigate these risks are described below.

(1) Credit risk

Credit risk is the risk of financial loss to the Company arising from the failure of a counterparty to meet its contractual obligations.

The Company's credit risk primarily arises from cash and cash equivalents, accounts receivable, other receivables, non-current assets due within one year, long-term receivables, other equity instrument investments, 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 Company's cash and cash equivalents are primarily bank deposits placed with state-owned banks and other large and medium-sized listed banks with sound reputations and high credit ratings. The Company considers that there is no significant credit risk and that material losses due to bank defaults are highly unlikely.

In addition, for notes receivable, accounts receivable, financing receivables, contract assets and other receivables, the Company has established policies to control credit risk exposure. The Company assesses the creditworthiness of customers and sets appropriate credit periods based on their financial condition, the availability of third-party guarantees, credit history and other factors such as current market conditions. 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.

(2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations that are settled by delivering cash or other financial assets.

The Company's policy is to ensure that it has sufficient cash to repay debts as they fall due. Liquidity risk is managed centrally by the Company's finance department. The finance department ensures that the Company maintains sufficient funds to meet its obligations under all reasonably foreseeable circumstances by monitoring cash balances, readily marketable securities and rolling 12-month cash flow forecasts. The Company also continuously monitors compliance with borrowing agreement covenants and maintains commitments from major financial institutions to provide sufficient standby funding to meet short-term and long-term liquidity requirements.

The sources of the Company's working capital include funds generated from operating activities, bank loans and other loans. As of December 31, 2025, the Company had unused bank credit facilities of CNY 38.049 billion.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

① Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fixed-rate and floating-rate interest-bearing financial instruments expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the appropriate mix of fixed-rate and floating-rate instruments based on market conditions and maintains this mix through regular review.

② Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's foreign exchange risk exposure is primarily related to the euro. Except for assets held by subsidiaries established in Austria, Tanzania, and South Africa that are denominated in euros, shillings, and rand respectively, the Company's main business activities are priced and settled in CNY. The balance of the Company's assets and liabilities were all in CNY as of December 31, 2025, 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.

③ Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from exchange rate risk or interest rate risk.

The Company's exposure to other price risk arises primarily from investments in equity instruments.

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. Fair Value of Assets and Liabilities Measured at Fair Value at the End of the Period

Unit: CNY

Item	End-of-Period Fair Value			
	Level I Fair Value Measurement	Level II Fair Value Measurement	Level III Fair Value Measurement	Total
I. Ongoing fair value measurement	--	--	--	--
(I) Financial assets held for trading				
(1) Equity instruments	210,703,161.60			210,703,161.60
Accounts receivable financing		6,556,062,093.60		6,556,062,093.60

Total assets are measured at fair value on an ongoing basis	210,703,161.60	6,556,062,093.60		6,766,765,255.20
II. Non-ongoing fair value measurement	--	--	--	--

2. Basis for Determination of Market Prices for Continuous and Non-Continuous Level I Measurement Items at Fair Value

The Company's other equity instrument investments measured at Level 1 fair value comprise listed equity securities, with fair value determined based on quoted market prices.

3. Valuation Techniques and Qualitative and Quantitative Information about Key Parameters of Items Subject to Continuous and Non-Continuous Level II Fair Value Measurement

The Company's financing receivables measured at Level 2 fair value comprise notes receivable, which are held with the intention of holding to maturity or endorsement. Due to their short remaining maturities, the carrying amount approximates fair value.

4. Valuation Techniques and Qualitative and Quantitative Information on Key Parameters for Items Measured at Level 3 Fair Value on a Recurring and Non-Recurring Basis

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

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	CNY 78 billion	62.19%	62.19%

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

Other description: The registered capital of the parent company has not changed during the reporting period.

2. Subsidiaries of the Company

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

3. Information on Joint Ventures and Associated Enterprises of the Company

For details of important joint ventures or associated enterprises of the Company, please refer to Article 2 in X

“Equity in Other Entities” of Section VIII “Financial Report”.

Other joint ventures or associated enterprises that have related party transactions with the Company in the current period or in the previous period, resulting in balance, are as follows:

Name of Joint Ventures or Associated Enterprises	Relationship with the Company
Changchun Automotive Test Center Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party
Sanguard Automobile Insurance Co., Ltd.	Associated enterprise of the Company, the same ultimate controlling party
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Associated enterprise of the Company
FAW Changchun Ansteel Jiefang 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
SmartLink	Associated enterprise of the Company
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Associated enterprise of the Company
Jiefang Times New Energy Technology Co., Ltd.	Joint venture of the Company
Foshan Diyiyuansu New Energy Technology Co., Ltd.	Associated enterprise of the Company

Other description:

4. Information on Other Related Parties

Names Of Other Related Parties	Relationship between Other Related Parties and the Company
China FAW Group Import & Export Co., Ltd.	The same ultimate controlling party
FAW-HONGTA Yunnan Automobile Co., Ltd.	The same ultimate controlling party
FAW (Eastern Europe) Co., Ltd.	The same ultimate controlling party
Qiming Information Technology Co., Ltd.	The same ultimate controlling party
FAW Harbin Light-Automobile Co., Ltd.	The same ultimate controlling party
FAW Forging (Jilin) Co., Ltd.	The same ultimate controlling party
Hainan Tropical Automobile Test Co., Ltd.	The same ultimate controlling party
FAW INTERNATIONAL (HONG KONG) TRADING COMPANY LIMITED	The same ultimate controlling party
FAW Asset Management Co., Ltd.	The same ultimate controlling party
First Automobile Finance Co., Ltd.	The same ultimate controlling party
FAW Mold Manufacturing Co., Ltd.	The same ultimate controlling party
FAW Foundry Co., Ltd.	The same ultimate controlling party
China Automotive New Energy Technology Co., Ltd.	The same ultimate controlling party
FAW Changchun Automobile Trading Service Co., Ltd.	The same ultimate controlling party
FAW Zhixing Technology (Nanjing) Co., Ltd.	The same ultimate controlling party
FAW Southern (Shenzhen) Technology Development Co., Ltd.	The same ultimate controlling party
Changchun FAW Automobile Culture Communication Co., Ltd.	The same ultimate controlling party
Wuxi Sawane Spring Co., Ltd.	The same ultimate controlling party

Faw (Dalian) Trade and Logistics Co., Ltd	The same ultimate controlling party
Yidong New Energy Technology Co., Ltd.	The same ultimate controlling party
FAW Fuhua Ecological Co., Ltd.	The same ultimate controlling party
FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	The same ultimate controlling party
Tianjin FAW Automotive Parts Co., Ltd.	The same ultimate controlling party
FAW Bestune Auto Co., Ltd.	The same ultimate controlling party
FAW Huaxiang Lightweight Technology (Changchun) Co., Ltd.	The same ultimate controlling party
FAW Chuxing Technology Co., Ltd.	The same ultimate controlling party
FAW Fuhua Automobile Sales and Service (Changchun) Co., Ltd.	The same ultimate controlling party
Volkswagen FAW Engine (Dalian) Co., Ltd.	The same ultimate controlling party
FAW New Energy Vehicle Sales (Guangzhou) Co., Ltd.	The same ultimate controlling party
China Logistics Group Automotive Supply Chain Technology Co., Ltd.	Other related parties
Changan Mazda Automobile Co., Ltd.	Other related parties
Dalian Qingfeng Bus Co., Ltd.	Other related parties
Shandong Pengxiang Automobile Co., Ltd.	Other related parties
FAW Jingye Engine Co., Ltd.	Other related parties
Changchun Yidong Clutch Co., Ltd.	Other related parties
Grammer Vehicle Parts (Harbin) Co., Ltd.	Other related parties
Fawer Auto Parts Co., Ltd.	Other related parties
Changchun FAWSN Group Co., Ltd.	Other related parties
FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	Other related parties
Changchun FAWAY Group Automobile Components Co., Ltd.	Other related parties
FAW Jilin Automobile Co., Ltd.	Other related parties
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Other related parties
FAW-FINDREAMS New Energy Technology Co., Ltd.	Other related parties
FAW Changchun Comprehensive Utilization Co., Ltd.	Other related parties
Changchun FAW United Casting Company (CFU)	Other related parties
Wuxi CRRC New Energy Automobile Co., Ltd.	Other related parties
Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	Other related parties
China Unicom FAW Communication Technology (Changchun) Co., Ltd.	Other related parties
China Unicom Smart Connection Technology Limited	Other related parties
Changchun Sodexo Management Service Co., Ltd.	Other related parties
Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.	Other related parties

Other description:

5. Related Transactions

(1) Related transactions of purchasing or selling goods and providing or receiving labor services

Statement of goods purchase/reception of labor services

Unit: CNY

Related Parties	Content of Related Transaction	Amount Incurred in Current Period	Approved Transaction Amount	Is the Transaction Amount Exceeded	Amount Incurred in the Previous Period
Fawer Auto Parts Co., Ltd.	Goods purchase and reception of labor services	1,554,626,359.24	2,078,310,000.00	No	1,393,565,622.28
FAW Foundry Co., Ltd.	Goods purchase and reception of labor services	753,092,907.46	1,099,910,000.00	No	657,358,784.92
China Logistics Group Automotive Supply Chain Technology Co., Ltd.	Goods purchase and reception of labor services	735,164,482.11	652,820,000.00	Yes	529,499,509.51
Changchun FAWSN Group Co., Ltd.	Goods purchase and reception of labor services	682,439,775.33	826,930,000.00	No	511,097,465.83
Shandong Pengxiang Automobile Co., Ltd.	Goods purchase and reception of labor services	399,638,511.49	473,670,000.00	No	304,925,953.37
FAW Forging (Jilin) Co., Ltd.	Goods purchase and reception of labor services	392,116,775.40	474,630,000.00	No	365,403,123.07
Changchun FAWAY Group Automobile Components Co., Ltd.	Goods purchase and reception of labor services	383,953,908.74	505,150,000.00	No	339,991,796.88
FAW Changchun Ansteel Jiefang Steel Processing and Distribution Co., Ltd.	Goods purchase and reception of labor services	376,195,899.25	533,930,000.00	No	358,054,094.91
FAW Changchun	Goods purchase and reception of	314,377,334.18	551,560,000.00	No	369,869,782.69

Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	labor services				
SmartLink	Goods purchase and reception of labor services	276,398,582.88	224,240,000.00	Yes	220,434,387.96
Changchun Yidong Clutch Co., Ltd.	Goods purchase and reception of labor services	219,097,403.80	270,200,000.00	No	183,035,565.44
Grammer Vehicle Parts (Harbin) Co., Ltd.	Goods purchase and reception of labor services	164,962,133.61	295,170,000.00	No	197,447,028.27
The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	Goods purchase and reception of labor services	113,418,053.41	285,030,000.00	No	186,538,068.22
China FAW Co., Ltd.	Goods purchase and reception of labor services	90,919,381.90	468,570,000.00	No	252,730,203.20
Changchun Automotive Test Center Co., Ltd.	Goods purchase and reception of labor services	65,974,310.75	132,460,000.00	No	82,265,371.58
Sanguard Automobile Insurance Co., Ltd.	Goods purchase and reception of labor services	29,470,096.74	980,000,000.00	No	23,231,707.86
China FAW Group Co., Ltd. and other related parties	Goods purchase and reception of labor services	390,183,257.50	778,250,000.00	No	381,773,790.99

Statement of goods sales/rendering of services

Unit: CNY

Related Parties	Content of Related Transaction	Amount Incurred in Current Period	Amount Incurred in the Previous Period
China FAW Group Import & Export Co., Ltd.	Sales of goods / provision of services	492,650,168.31	12,208,203,691.11
FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	Sales of goods / provision of services	2,186,929,424.18	1,070,399,702.99
Jiefang Times New Energy Technology Co., Ltd.	Sales of goods / provision of services	1,768,437,137.19	214,999,831.32

FAW Fuhua Ecological Co., Ltd.	Sales of goods / provision of services	39,682,958.68	170,491,057.39
FAW Changchun Comprehensive Utilization Co., Ltd.	Sales of goods / provision of services	138,720,773.45	181,631,688.30
China FAW Group Co., Ltd. and other related parties	Sales of goods / provision of services	335,635,214.53	170,720,813.84

Description of related-party transactions involving the purchase and sale of goods and the provision and receipt of services:

In 2025, the procurement of goods and acceptance of labor from related parties, specifically China Logistics Group Automotive Supply Chain Technology Co., Ltd. and Smartlink Intelligent Technology (Nanjing) Co., Ltd., exceeded the estimated amounts, but none of the excess portions reached the approval threshold.

(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 FAWAY Group Automobile Components Co., Ltd.	Houses and buildings, equipment	811,332.11	7,779,052.50
Changchun Automotive Test Center Co., Ltd.	Houses, buildings and land	6,550,000.00	6,000,000.00
FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	Houses and Buildings	1,056,155.96	1,059,049.54
China FAW Co., Ltd.	Houses and Buildings	774,875.72	774,875.72
Shandong Pengxiang Automobile Co., Ltd.	Houses and Buildings	772,040.36	772,040.36
Fawer Auto Parts Co., Ltd.	Houses and Buildings	395,405.50	395,405.50
China Unicom FAW Communication Technology (Changchun) Co., Ltd.	Houses, buildings and land	160,561.25	44,036.69
Foshan Diyiyuansu New Energy Technology Co., Ltd.	Houses and Buildings	4,877,728.56	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 Are 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
China FAW Co., Ltd.	Houses and Buildings					228,348.62	5,439,057.94	11,189.99	154,694.08		
China FAW Group Co., Ltd.	Land						4,265,876.00	1,674.44	114,069.31		
Changchun Automotive Test Center Co., Ltd.	Houses and Buildings								23,051.33		

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	7,811,200.00	12,319,100.00

(4) Other related transactions

① Interest income and interest expense

Unit: CNY

Related Parties	Transaction Content	Amount in the Current Period	Amount of the Previous Period
First Automobile Finance Co., Ltd.	Interest income	138,934,754.11	137,754,954.50

② Equity investment

Unit: CNY

Related Parties	Amount Incurred in Current Period	Amount Incurred in the Previous Period
China FAW Group Import & Export Co., Ltd.		385,749,224.63
Jiefang Times New Energy Technology Co., Ltd.	191,000,000.00	

6. Receivables and Payables of Related Parties**(1) Receivables**

Unit: CNY

Project Name	Related Parties	Closing Balance		Opening Balance	
		Book Balance	Provision for Bad Debts	Book Balance	Provision for Bad Debts
Accounts receivable	China FAW Group Import & Export Co., Ltd.	2,234,511,326.78	10,305,219.33	5,859,058,467.14	7,201,938.50
Accounts receivable	China FAW Group Co., Ltd.	129,510,000.00	323,775.00	18,690,000.00	52,332.00
Accounts receivable	FAW-HONGTA Yunnan Automobile Co., Ltd.	43,170,001.84	43,170,001.84	43,170,001.84	16,226,515.53
Accounts receivable	FAW Jiefang Fujie (Tianjin) Technology Industry Co.,	13,972,450.00	13,972.45		

	Ltd.				
Accounts receivable	Dalian Qingfeng Bus Co., Ltd.	9,815,252.67	9,815,252.67		
Accounts receivable	FAW (Eastern Europe) Co., Ltd.	8,076,840.97	8,076.84		
Accounts receivable	Shandong Pengxiang Automobile Co., Ltd.	2,637,689.41	8,606.17	98,139.49	274.79
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	Changchun Automotive Test Center Co., Ltd.	909,491.16	2,273.73		
Accounts receivable	China FAW Co., Ltd.	823,482.02	2,058.71	215,088.20	64.53
Accounts receivable	SmartLink	653,252.72	1,540.32		
Accounts receivable	Qiming Information Technology Co., Ltd.	502,107.30	1,255.27		
Accounts receivable	Suzhou Zhito Technology Co., Ltd.	74,399.90	186.00		
Accounts receivable	Changchun Yidong Clutch Co., Ltd.	206,475.46	145,073.52		
Accounts receivable	Grammer Vehicle Parts (Harbin) Co., Ltd.	54,285.00	135.71	128,609.10	360.11
Accounts receivable	FAW Harbin Light-Automobile Co., Ltd.	41,527.50	103.82	5,280,362.59	14,785.02
Accounts receivable	Jiefang Times New Energy Technology Co., Ltd.	27,000.00	3,237.30	48,121,630.43	741,664.91
Accounts receivable	Fawer Auto Parts Co., Ltd.	18,642.52	46.61	113,274.44	317.17
Accounts receivable	Changchun FAWSN Group Co., Ltd.	13,367.99	33.42		
Accounts receivable	FAW Forging (Jilin) Co., Ltd.	12,785.70	31.96		
Accounts receivable	Hainan Tropical Automobile Test Co., Ltd.	7,307.62	18.27		

Accounts receivable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	2,959.80	7.40	2,722.49	7.62
Accounts receivable	FAW INTERNATIONAL (HONG KONG) TRADING COMPANY LIMITED	586.20	0.59		
Accounts receivable	Changchun FAWAY Group Automobile Components Co., Ltd.	13.50	0.03		
Accounts receivable	FAW Asset Management Co., Ltd.			5,535,503.14	460,080.44
Other receivables	FAW Jingye Engine Co., Ltd.	199,194.30	199,194.30		
Other receivables	China Logistics Group Automotive Supply Chain Technology Co., Ltd.	660,748.74	3,554.77	721,180.07	829.46
Other receivables	FAW Jilin Automobile Co., Ltd.	538,200.00	538,200.00	538,200.00	538,200.00
Other receivables	First Automobile Finance Co., Ltd.			156,960,226.90	
Other receivables	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.			747,434.87	
Other receivables	China FAW Group Import & Export Co., Ltd.			605,190.66	60.52
Other receivables	Changchun Yidong Clutch Co., Ltd.			144,919.63	144,919.63
Other receivables	FAW Forging (Jilin) Co., Ltd.	24,275,070.79	271,880.79	25,771.06	412.34
Prepayme	China FAW	8,039,473.42		10,406,342.22	

nts	Group Import & Export Co., Ltd.				
Prepayments	FAW Mold Manufacturing Co., Ltd.			38,487,775.26	
Prepayments	Sanguard Automobile Insurance Co., Ltd.	2,523,973.86			
Prepayments	FAW Changchun Ansteel Jiefang Steel Processing and Distribution Co., Ltd.	2,017,504.50			
Prepayments	Qiming Information Technology Co., Ltd.			266,654.10	
Prepayments	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)			267,810.00	
Prepayments	Fawer Auto Parts Co., Ltd.			1,718.69	
Other non-current assets	China FAW Group Import & Export Co., Ltd.	134,968,826.75			
Other non-current assets	FAW Mold Manufacturing Co., Ltd.	29,088,895.78			
Other non-current assets	China Unicom FAW Communication Technology (Changchun) Co., Ltd.	639,459.98			
Notes receivable	Jiefang Times New Energy Technology Co., Ltd.	570,000,000.00	337,000.00		
Accounts receivable financing	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	261,802,571.63			
Accounts receivable	Jiefang Times New Energy	213,777,738.69			

financing	Technology Co., Ltd.				
Accounts receivable financing	FAW Changchun Comprehensive Utilization Co., Ltd.	21,292,640.37			
Accounts receivable financing	Tianjin FAW Automotive Parts Co., Ltd.	4,172,258.75			
Accounts receivable financing	FAW Bestune Auto Co., Ltd.	3,973,420.53			
Accounts receivable financing	FAW Forging (Jilin) Co., Ltd.	2,500,000.00			
Accounts receivable financing	FAW Huaxiang Lightweight Technology (Changchun) Co., Ltd.	1,627,985.58			
Accounts receivable financing	FAW Mold Manufacturing Co., Ltd.	1,606,234.00			
Accounts receivable financing	FAW Fuhua Ecological Co., Ltd.	1,200,018.00			
Accounts receivable financing	FAW Chuxing Technology Co., Ltd.	1,081,825.50			
Accounts receivable financing	China FAW Co., Ltd.	746,080.53			
Accounts receivable financing	Changchun FAWAY Group Automobile Components Co., Ltd.	623,360.60			
Accounts receivable financing	FAW Fuhua Automobile Sales and Service (Changchun) Co., Ltd.	236,970.12			
Accounts receivable financing	Changchun Yidong Clutch Co., Ltd.	148,876.28			
Accounts receivable financing	Volkswagen FAW Engine (Dalian) Co., Ltd.	95,223.00			

Accounts receivable financing	Changchun FAWSN Group Co., Ltd.	47,839.71			
Accounts receivable financing	FAW New Energy Vehicle Sales (Guangzhou) Co., Ltd.	46,046.35			
Accounts receivable financing	Changan Mazda Automobile Co., Ltd.	36,000.00			
Accounts receivable financing	Fawer Auto Parts Co., Ltd.	28,732.74			

(2) Payables

Unit: CNY

Project Name	Related Parties	Closing Book Balance	Opening Book Balance
Accounts payable	Fawer Auto Parts Co., Ltd.	554,547,091.79	355,988,850.46
Accounts payable	Changchun FAWSN Group Co., Ltd.	221,738,405.34	85,321,175.51
Accounts payable	China FAW Group Import & Export Co., Ltd.	219,473,151.67	1,898,694,473.44
Accounts payable	China Logistics Group Automotive Supply Chain Technology Co., Ltd.	155,121,503.58	29,397,716.29
Accounts payable	Shandong Pengxiang Automobile Co., Ltd.	139,168,108.69	50,367,519.94
Accounts payable	Changchun FAWAY Group Automobile Components Co., Ltd.	116,355,441.41	88,446,817.25
Accounts payable	FAW Forging (Jilin) Co., Ltd.	104,287,491.57	52,222,805.16
Accounts payable	FAW Foundry Co., Ltd.	92,864,308.80	91,061,337.27
Accounts payable	FAW-FINDREAMS New Energy Technology Co., Ltd.	71,457,331.93	
Accounts payable	Changchun Yidong Clutch Co., Ltd.	68,909,666.31	38,821,930.69
Accounts payable	Grammer Vehicle Parts (Harbin) Co., Ltd.	41,730,506.19	28,653,515.03
Accounts payable	SmartLink	40,811,288.74	28,517,491.67
Accounts payable	Changchun Automotive Test Center Co., Ltd.	23,829,152.93	13,024,962.13
Accounts payable	FAW Harbin Light-Automobile Co., Ltd.	23,548,239.25	19,881,614.85
Accounts payable	Qiming Information Technology Co., Ltd.	20,157,119.42	12,060,584.46
Accounts payable	China FAW Co., Ltd.	11,138,216.71	13,917,957.95
Accounts payable	Suzhou Zhito Technology Co., Ltd.	10,370,800.24	5,359,358.44
Accounts payable	Lishen New Energy Technology Co., Ltd.	4,550,318.20	
Accounts payable	Changchun Wabco Automotive Control System Co., Ltd.	2,767,744.93	2,394.60
Accounts payable	FAW Changchun Automobile Trading Service Co., Ltd.	2,032,919.26	1,730,558.14
Accounts payable	FAW Mold Manufacturing Co., Ltd.	1,786,837.42	265,639.24
Accounts payable	FAW Changchun Comprehensive Utilization Co., Ltd.	955,920.49	793,257.18

Accounts payable	Changchun FAW United Casting Company (CFU)	675,472.12	925,760.20
Accounts payable	Wuxi CRRC New Energy Automobile Co., Ltd.	671,702.84	
Accounts payable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	424,737.46	113,757.79
Accounts payable	Hainan Tropical Automobile Test Co., Ltd.	283,427.02	1,297,348.12
Accounts payable	Hongqi Intelligent Mobility Technology (Beijing) Co., Ltd.	272,176.98	161,683.99
Accounts payable	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	128,334.68	211,295.00
Accounts payable	FAW Changchun Baoyou Jiefang Steel Processing and Distribution Co., Ltd.	117,302.65	117,302.64
Accounts payable	FAW Zhixing Technology (Nanjing) Co., Ltd.	55,500.00	162,764.38
Accounts payable	FAW Southern (Shenzhen) Technology Development Co., Ltd.	47,194.91	
Accounts payable	Changchun FAW Automobile Culture Communication Co., Ltd.	32,252.07	
Accounts payable	China Unicom FAW Communication Technology (Changchun) Co., Ltd.	11,391.10	570,673.57
Accounts payable	China FAW Group Co., Ltd.	10,891.00	2,167,054.00
Accounts payable	China Unicom Smart Connection Technology Limited	9,000.00	
Accounts payable	Changchun Sodexo Management Service Co., Ltd.	3,816.80	364,975.90
Accounts payable	Sanguard Automobile Insurance Co., Ltd.	10.00	767,333.24
Accounts payable	Wuxi Sawane Spring Co., Ltd.		1,561,718.65
Accounts payable	FAW Asset Management Co., Ltd.		95,370.72
Accounts payable	Changchun Automotive Economic and Technological Development Zone Environmental Sanitation and Cleaning Co., Ltd.		74,164.68
Other payables	FAW Mold Manufacturing Co., Ltd.	27,240,328.49	41,077,996.08
Other payables	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	25,045,719.40	48,072,993.31
Other payables	Fawer Auto Parts Co., Ltd.	10,095,000.00	18,670,420.82
Other payables	China FAW Group Import & Export Co., Ltd.	8,950,873.07	178,714,672.05
Other payables	Qiming Information Technology Co., Ltd.	6,786,180.32	16,459,597.55
Other payables	Faw (Dalian) Trade and Logistics Co., Ltd	1,576,217.70	
Other payables	China Unicom FAW Communication Technology (Changchun) Co., Ltd.	1,511,480.70	407,106.82
Other payables	Shandong Pengxiang Automobile Co., Ltd.	1,200,000.00	900,000.00
Other payables	Suzhou Zhito Technology Co., Ltd.	10,000.00	10,000.00
Other payables	Changchun Yidong Clutch Co., Ltd.	144,919.63	144,919.63
Other payables	China FAW Co., Ltd.		3,964,596.49
Other payables	Changchun Automotive Test Center Co., Ltd.		2,335,846.87
Other payables	SmartLink		2,021,250.49
Other payables	FAW Changchun Automobile Trading Service Co., Ltd.		680,077.79
Other payables	Hongqi Intelligent Mobility Technology		19,498.41

	(Beijing) Co., Ltd.		
Other payables	FAW-HONGTA Yunnan Automobile Co., Ltd.		7,841.86
Accounts received in advance	China FAW Group Import & Export Co., Ltd.	149,838.00	
Accounts received in advance	Shandong Pengxiang Automobile Co., Ltd.	210,381.00	210,381.00
Accounts received in advance	Fawer Auto Parts Co., Ltd.	107,748.00	107,748.00
Accounts received in advance	China Unicom FAW Communication Technology (Changchun) Co., Ltd.	6,422.06	17,431.21
Accounts received in advance	FAW Changchun Comprehensive Utilization Co., Ltd.	7,023.60	
Contract liabilities	Suzhou Zhito Technology Co., Ltd.	1,737,426.88	334,399.64
Contract liabilities	Jiefang Times New Energy Technology Co., Ltd.	7,109,659.32	
Contract liabilities	FAW Jiefang Fujie (Tianjin) Technology Industry Co., Ltd.	125,330,759.69	534,710,214.15
Contract liabilities	China FAW Group Import & Export Co., Ltd.	1,019,325.34	1,630,202.78
Contract liabilities	FAW Changchun Automobile Trading Service Co., Ltd.	23,743.36	26,830.00
Contract liabilities	FAW Changchun Comprehensive Utilization Co., Ltd.	1,141,546.14	1,060,984.43
Contract liabilities	Yidong New Energy Technology Co., Ltd.	1,486,725.66	
Contract liabilities	FAW Asset Management Co., Ltd.	26,613.28	26,613.23
Contract liabilities	FAW Fuhua Ecological Co., Ltd.	8,221,842.57	37,006,295.80
Contract liabilities	Shandong Pengxiang Automobile Co., Ltd.		117,868.88
Contract liabilities	FAW INTERNATIONAL (HONG KONG) TRADING COMPANY LIMITED	88,419.78	
Notes payable	Hainan Tropical Automobile Test Co., Ltd.	84,000.00	
Notes payable	Qiming Information Technology Co., Ltd.	16,496,982.08	
Notes payable	FAW Harbin Light-Automobile Co., Ltd.	23,766,696.20	
Notes payable	FAW Foundry Co., Ltd.	19,009,104.72	
Notes payable	FAW Changchun Tianqi Process Equipment Engineering Co., Ltd.	8,593.65	
Notes payable	Fawer Auto Parts Co., Ltd.	433,633,378.38	
Notes payable	Changchun FAWAY Group Automobile Components Co., Ltd.	73,909,925.61	
Notes payable	Changchun FAWSN Group Co., Ltd.	135,879,614.68	

Notes payable	Changchun Yidong Clutch Co., Ltd.	29,706,254.52	
Notes payable	FAW Changchun Comprehensive Utilization Co., Ltd.	2,503,479.63	
Notes payable	Shandong Pengxiang Automobile Co., Ltd.	24,645,791.61	
Notes payable	FAW Changchun Yanfeng Visteon Electronics Co., Ltd.	196,917.48	
Notes payable	The Ninth Institute of Project Planning & Research of China Machinery Industry (FIPPR)	20,608.00	
Notes payable	Grammer Vehicle Parts (Harbin) Co., Ltd.	1,002,607.67	
Notes payable	China Logistics Group Automotive Supply Chain Technology Co., Ltd.	9,484,552.62	
Notes payable	Changchun Automotive Test Center Co., Ltd.	186,700.00	
Notes payable	Sanguard Automobile Insurance Co., Ltd.	12,408,806.10	
Notes payable	Suzhou Zhito Technology Co., Ltd.	5,149,504.80	

XV. Share-based Payment

1. General Conditions of Share-Based Payments

Applicable Not applicable

Unit: CNY

Grantee Category	Shares Granted in the Current Period		Shares Exercised in the Current Period		Shares Unlocked in the Current Period		Shares Invalidated in the Current Period	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Manager							1,090,201.00	6,246,851.73
Total							1,090,201.00	6,246,851.73

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 equity instruments	The Company determines the number according to the Proposal on the Restricted Share Incentive Plan of FAW Jiefang Group Co., Ltd. (Draft) and Its Summary, the Proposal on the Regulations for the Implementation Assessment of Restricted Share Incentive Plan of FAW

	Jiefang Group Co., Ltd., the Proposal on the Regulations for Restricted Share Incentive of FAW Jiefang Group Co., Ltd., and the Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the Company's Restricted Share Incentive Plan.
Aggregate amount of equity-settled share-based payment charged to the capital reserve	4,993,120.58
Total expenses recognized by equity-settled share-based payment in the current period	17,012.29

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	17,012.29	
Total	17,012.29	

Other description

XVI. Commitments and Contingencies

1. Important Commitments

As of December 31, 2025, the Company has no commitments that should be disclosed.

2. Contingencies

(1) The Company has no important contingencies to be disclosed.

(2) Other information required by the industry information disclosure guidelines

The Company shall comply with the disclosure requirements for the automobile manufacturing industry as specified in the "Self-regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies No. 3 - Industry Information Disclosure."

The sales amount of mortgage sales, financial leases and other modes accounts for more than 10% of the operating income.

Applicable Not applicable

The Company's guarantee to dealer

Applicable Not applicable

XVII. Events after the Balance Sheet Date

1. Profit Distribution

Dividends to be distributed per 10 shares (CNY)	0.45
Dividends per 10 shares declared upon deliberation and approval (CNY)	0.45
Profit distribution scheme	<p>Based on the total share capital of 4,921,280,975 shares, a cash dividend of CNY 0.45 (tax inclusive) will be distributed to all shareholders for every 10 shares they hold; the cash dividends to be distributed will reach CNY 221,457,643.87 (tax inclusive), and the remaining undistributed profits will be carried forward to the next accounting year. The Company does not convert its capital reserves into share capital.</p> <p>If the Company's total share capital changes due to share repurchases or other reasons before the implementation of the distribution plan, a cash dividend of CNY 0.45 (tax inclusive) will be distributed to all shareholders per 10 shares based on the total share capital registered on the record date when the profit distribution plan is implemented in the future, with the specific amount subject to the actual distribution.</p> <p>This distribution plan is subject to the review and approval of the 2025 annual shareholders' meeting before implementation.</p>

XVIII. Notes to Main Items of Parent Company's Financial Statements

1. Other Receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividends receivable		156,960,226.90
Other receivables	6,460,014,041.31	6,314,003,121.96
Total	6,460,014,041.31	6,470,963,348.86

(1) Dividends receivable

1) Classification of dividends receivable

Unit: CNY

Item (or Investee)	Closing Balance	Opening Balance
First Automobile Finance Co., Ltd.		156,960,226.90
Total		156,960,226.90

2) Disclosure by the method of provision for bad debts

Applicable Not applicable

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

Unit: CNY

Nature	Closing Book Balance	Opening Book Balance
Current account	6,460,473,047.57	6,314,127,833.96
Total	6,460,473,047.57	6,314,127,833.96

2) Disclosure by aging

Unit: CNY

Aging	Closing Book Balance	Opening Book Balance
Within 1 year (including 1 year)	6,460,014,041.31	6,313,668,827.70
Over 3 years	459,006.26	459,006.26
3-4 years		459,006.26
4-5 years	459,006.26	
Total	6,460,473,047.57	6,314,127,833.96

3) Disclosure by the method of provision for bad debts

Unit: CNY

Category	Closing Balance					Opening Balance				
	Book Balance		Provision for Bad Debts		Book Value	Book Balance		Provision for Bad Debts		Book Value
	Amount	Scale	Amount	Provision on Proportion		Amount	Scale	Amount	Provision on Proportion	
Including:										
Provision for bad debts made by portfolio	6,460,473,047.57	100.00%	459,006.26	0.01%	6,460,014,041.31	6,314,127,833.96	100.00%	124,712.00	0.00%	6,314,003,121.96
Including:										
Aging portfolio	6,460,473,047.57	100.00%	459,006.26	0.01%	6,460,014,041.31	6,314,127,833.96	100.00%	124,712.00	0.00%	6,314,003,121.96
Total	6,460,473,047.57	100.00%	459,006.26	0.01%	6,460,014,041.31	6,314,127,833.96	100.00%	124,712.00	0.00%	6,314,003,121.96

Provision for bad debts by portfolio: aging portfolio

Unit: CNY

Name	Closing Balance		
	Book Balance	Provision for Bad Debts	Provision Proportion
Provision for bad debts made by portfolio	6,460,473,047.57	459,006.26	0.01%
Total	6,460,473,047.57	459,006.26	

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 Has Not Occurred)	Expected Credit Loss for the Entire Duration (With Credit Impairment)	
Balance as of January 01, 2025		124,712.00		124,712.00
Balance on January 1, 2025 in the current period				
Provision in the current period		334,294.26		334,294.26
Balance as of December 31, 2025		459,006.26		459,006.26

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	Closing Balance	Aging	Proportion in total ending balance of other receivables	Closing Balance of Provision for Bad Debts
FAW Jiefang Automotive Co., Ltd.	Current account	6,460,014,041.31	Within 1 year	99.99%	
Customer 1	Current account	459,006.26	4-5 years	0.01%	459,006.26
Total		6,460,473,047.57		100.00%	459,006.26

2. Long-term Equity Investment

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment	Book Value	Book Balance	Impairment	Book Value

		Provi sion			Provi sion	
Invest ment in subsidi aries	21,612,940,897.09		21,612,940,897.09	21,611,015,169.73		21,611,015,169.73
Invest ment in associa ted enterpr ises and joint venture s	191,533,503.96		191,533,503.96	184,102,155.37		184,102,155.37
Total	21,804,474,401.05		21,804,474,401.05	21,795,117,325.10		21,795,117,325.10

(1) Investment in subsidiaries

Unit: CNY

Investee	Opening Balance (Book Value)	Openin g Balanc e of Impair ment Provisi on	Increase/Decrease in the Current Period				Closing Balance (Book Value)	Closin g Balanc e of Impair ment Provisi on
			Additional Investment	Reduced Investment	Impair ment Provisi on	Others		
FAW Jiefang Automotive Co., Ltd.	21,081,923,036.51			128,566,440.12			20,953,356,596.39	
FAW (Africa) Investment Co., Ltd.	329,092,133.22						329,092,133.22	
FAW Jiefang Group International Automobile Co., Ltd.	200,000,000.00						200,000,000.00	
Jiefang Best Co., Ltd.			1,925,727.36				1,925,727.36	
FAW Jiefang Lvdong Recycling Technology (Wuxi) Co., Ltd.						38,566,440.12	38,566,440.12	
FAW Jiefang Uni-D Transportation Technology (Tianjin) Co., Ltd.						90,000,000.00	90,000,000.00	
Total	21,611,015,169.73		1,925,727.36	128,566,440.12		128,566,440.12	21,612,940,897.09	

(2) Investment in associated enterprises and joint ventures

Unit: CNY

Investee	Opening Balance (Book Value)	Openin g Balanc e of Impair ment Provisi on	Increase/Decrease in the Current Period								Closing Balance (Book Value)	Closin g Balanc e of Impair ment Provisi on
			Addit ional Invest ment	Reduce d Invest ment	Investment Gains or Losses Recognized under the Equity Method	Adjustment to Other Comprehensive Income	Chan ges in Other Equit y	Cash Dividends and Profits Are Declared to Be Paid	Impai rment Provi sion	Oth ers		
I. Joint ventures												

II. Associated enterprises											
Sanguard Automobile Insurance Co., Ltd.	184,102,155.37				461,994.70	6,969,353.89					191,533,503.96
Subtotal	184,102,155.37				461,994.70	6,969,353.89					191,533,503.96
Total	184,102,155.37				461,994.70	6,969,353.89					191,533,503.96

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

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	11,000,000.00	353,500,000.00
Income from long-term equity investments accounted for using the equity method	461,994.70	274,277,967.89
Investment income from disposal of long-term equity investment		469,265,324.69
Total	11,461,994.70	1,097,043,292.58

XIX. 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	142,942,964.74	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)	590,619,645.87	
Excluding the gains and losses from changes in fair value and the gains and losses from disposal of financial assets and financial liabilities held by non-financial enterprises, other than those related to the Company's normal operating activities and qualifying as effective hedging.	44,920,688.34	It refers to the investment income arising from the disposal of trading financial assets.
Reversal of impairment provision for receivables subject to separate impairment test	2,272,859.28	The reversal of impairment provision for receivables subject to separate impairment test.
Non-operating income and expenses other than the above	75,982,891.68	The net non-operating income and expenses.
Less: amount affected by income tax	148,638,053.67	
Amount affected by minority shareholder's equity (after-tax)	-11,465.38	
Total	708,112,461.62	--

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

Applicable Not applicable

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

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

Applicable Not applicable

2. Return on Net Assets and Earnings per Share

Profit for the Reporting Period	Weighted Average Return on Equity	Earnings per Share	
		Basic Earnings per Share (CNY/Share)	Diluted Earnings per Share (CNY/Share)
Net profit attributable to ordinary shareholders of the Company	2.73%	0.1472	0.1472
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit and loss	0.06%	0.0033	0.0033

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

(1) Differences in net profit and net assets between financial reports disclosed simultaneously under International Financial Reporting Standards (IFRS) and Chinese Accounting Standards (CAS)

Applicable Not applicable

(2) Differences in net profit and net assets between financial reports disclosed simultaneously under overseas accounting standards and Chinese Accounting Standards (CAS)

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.