



**INTELLIGENT**



**NEW**



**ENERGY**



**GO**  
WITH MORE



\* For identification purpose only

(A joint stock company incorporated in the People's Republic of China with limited liability)  
H Share Stock Code: 02333 (HKD counter) and 82333 (RMB counter) A Share Stock Code: 601633

# IMPORTANT NOTICE

**I. The Board, the Supervisory Committee and the directors, supervisors and senior management of the Company warrant that the information in this interim report is true, accurate and complete and does not contain any false representations, misleading statements or material omissions, and severally and jointly take legal liability for its contents.**

**II. All the directors of the Company attended the Board meeting.**

**III. This interim report has not been audited.**

The financial information in this interim report was prepared in accordance with China Accounting Standards for Business Enterprises and the relevant laws and regulations.

**IV. Wei Jian Jun, person-in-charge of the Company, Li Hong Shuan, person-in-charge of the accounting affairs and Wang Hai Ping, person-in-charge of the accounting department (head of the accounting department), declare that they warrant the truthfulness, accuracy and completeness of the financial report in this interim report.**

**V. Proposal of profit distribution or capitalisation of capital reserve during the Reporting Period considered by the Board**

No

**VI. Risks relating to forward-looking statements**

☒ Applicable ☐ Not applicable

Forward-looking statements, such as future plans described in this report, do not constitute an actual commitment of the Company to investors. Investors should be aware of the relevant investment risks.

**VII. Was there any non-operational appropriation of the Company's funds by its controlling shareholders and other related parties?**

No

**VIII. Was there any provision of guarantee to external parties in violation of the stipulated decision-making procedures?**

No

**IX. Was there over half of the directors unable to guarantee the truthfulness, accuracy, and completeness of the interim report disclosed by the Company?**

No

**X. Reminder of material risks**

During the Reporting Period, there were no material risks resulting in any material impact on the production and operation of the Company. Risks that the Company may encounter in the course of its production and operation and its corresponding measures have been detailed in "Other Disclosures" under Item V of Section 3 headed "Management Discussion and Analysis" of this report.

**XI. Others**

☐ Applicable ☒ Not applicable



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Index of Documents  
Available for Inspection

Financial statements signed and sealed by the legal representative, person in-charge of the accounting affairs and person-in-charge of the accounting department.

The original auditors’ review report with the seal of the accounting firm and signatures and seals of the certified public accountants.









# ZERO ANXIETY SMART ELECTRIC VEHICLE



# MAKING PICKUPS POP













# NEW ELECTRIC VEHICLES

THAT CARE  
MORE ABOUT  
WOMEN



# SECTION I

## DEFINITIONS

In this report, the following expressions shall, unless the context otherwise requires, have the following meanings:

### Definitions for commonly used terms

"A Shares"	domestic shares with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (Stock Code: 601633);
"A Shareholder(s)"	holder(s) of A Share(s);
"Board"	the board of directors of the Company;
"Company" or "Great Wall Motor"	Great Wall Motor Company Limited (長城汽車股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
"Company Law"	Company Law of the People's Republic of China;
"Competing Business"	a business that is identical with or similar to the principal business and other businesses of Great Wall Motor Company Limited;
"CSRC"	China Securities Regulatory Commission;
"Group"	Great Wall Motor Company Limited and its subsidiaries;
"H Shares"	the overseas-listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Hong Kong Stock Exchange and traded through HKD or RMB counter (HKD counter Stock Code: 2333; RMB counter Stock Code: 82333);
"H Shareholder(s)"	holder(s) of H Share(s);
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules;
"PRC"	the People's Republic of China;



“Reporting Period” or “Current Period”	six months ended 30 June 2023;
“SFC”	the Securities and Futures Commission in Hong Kong;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Shanghai Stock Exchange”	Shanghai Stock Exchange;
“Great Wall Holdings”	Baoding Great Wall Holdings Co., Ltd. (保定市長城控股集團有限公司);
“Great Wall Binyin”	Tianjin Great Wall Binyin Automotive Finance Company Limited (天津長城濱銀汽車金融有限公司); and
“Spotlight Automotive”	Spotlight Automotive Limited (光束汽車有限公司).

## SECTION 2

# CORPORATE PROFILE AND KEY FINANCIAL INDICATORS

### I. CORPORATE INFORMATION

Chinese name of the Company	長城汽車股份有限公司
Abbreviation of Chinese name of the Company	長城汽車
English name of the Company	Great Wall Motor Company Limited
Abbreviation of English name of the Company	Great Wall Motor
Legal representative of the Company	Wei Jian Jun

### II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Representative of Securities Affairs
Name	Li Hong Shuan (Joint Company Secretary)	Chen Yong Jun
Address	No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC	No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC
Telephone	86(312)-2197813	86(312)-2197813
Fax	86(312)-2197812	86(312)-2197812
E-mail address	zqb@gwm.com.cn	zqb@gwm.com.cn

### III. CHANGE IN BASIC INFORMATION

Registered address of the Company	No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC
Postal code of the registered address of the Company	071000
Office address of the Company	No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC
Postal code of the office address of the Company	071000
Company's website	www.gwm.com.cn
E-mail address	zqb@gwm.com.cn
Principal place of business in Hong Kong	Room 1903-1904, 19/F, Hong Kong Trade Centre, 161 Des Voeux Road Central, Sheung Wan, Hong Kong

#### IV. INFORMATION DISCLOSURE AND CHANGE IN PLACE OF DOCUMENT INSPECTION

Designated newspapers for information disclosure	China Securities Journal, Shanghai Securities News, Securities Daily
Website designated by the CSRC for publishing this interim report	www.sse.com.cn
Place for inspection of the Company's interim report	Securities Investment Department of Great Wall Motor Company Limited No. 2266 Chaoyang Road South, Baoding, Hebei Province, the PRC
Website designated by the Hong Kong Stock Exchange for publishing this interim report	www.hkexnews.hk
The Company's website for publishing this interim report	www.gwm.com.cn

#### V. INFORMATION ON THE COMPANY'S SHARES

Stock classes	Stock exchanges for the listing of the Company's shares	Stock abbreviation	Stock code	Previous stock abbreviation
A Shares	Shanghai Stock Exchange	Great Wall Motor	601633	—
H Shares (HKD counter)	Hong Kong Stock Exchange	GWMOTOR	02333	—
H Shares (RMB counter)	Hong Kong Stock Exchange	GWMOTOR-R	82333	—

Stock classes	Stock exchanges for the listing of the Company's shares	Listing date	Number of issued shares	Board lot
A Shares	Shanghai Stock Exchange	28 September 2011	6,176,123,017 A Shares*	100 shares
H Shares (HKD counter)	Hong Kong Stock Exchange	15 December 2003	2,318,776,000 H Shares*	500 shares
H Shares (RMB counter)	Hong Kong Stock Exchange	19 June 2023*		

Note: The Company launched a RMB counter for H Shares in the Hong Kong Stock Exchange on 19 June 2023, which became effective on the same day. As of 30 June 2023, the Company issued 8,494,899,017 shares, including 6,176,123,017 A Shares and 2,318,776,000 H Shares.



## VI. OTHER RELEVANT INFORMATION

√ Applicable    ☐ Not applicable

Domestic accounting firm appointed by the Company	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai
	Names of the signing accountants	Li Xu Yin Li Li
Sponsoring institution assuming the role of continuous supervision during the Reporting Period	Name	Guotai Junan Securities Co., Ltd.
	Office address	Guotai Junan Building, 768 Nanjing West Road, Jing'an District, Shanghai
	Names of signing representatives of the sponsor	Chen Liang, Wu Tong Xin
	Period for continuous supervision	From 8 July 2021 to 31 December 2022 (if the conversion of convertible corporate bonds was not yet completed or the proceeds were not yet fully utilised upon the expiry of the period for continuous supervision, the period shall be extended to the date of completion of such matters)
Legal adviser to the Company (as to Hong Kong law)	Fangda Partners	
Legal adviser to the Company (as to the PRC law)	Beijing Zhong Lun Law Firm	

H Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
A Share registrar and transfer office	Shanghai Branch of China Securities Depository and Clearing Corporation Limited 14/F, East Tower, China Settlement Building, No. 188 South Yanggao Road, Pudong New Area, Shanghai
Investor and media relations consultant (H Shares)	CorporateLink Limited 5/F, Chung Nam Building, 1 Lockhart Road, Wanchai, Hong Kong
Principal bankers	Bank of China Limited, Baoding Yuhua sub-branch The Industrial and Commercial Bank of China, Baoding Yonghua sub-branch China Construction Bank Corporation, Baoding Hengxiang South Street sub-branch China Everbright Bank Corporation Limited, Shijiazhuang branch China CITIC Bank Corporation Limited, Baoding branch China Merchants Bank Co., Ltd., Shijiazhuang branch Ping An Bank Co., Ltd., Guangzhou branch Shanghai Pudong Development Bank Co., Ltd.
Authorised representatives	Ms. Li Hong Shuan Mr. Zhao Guo Qing
Financial year-end date	31 December
Executive Directors	Mr. Wei Jian Jun (Chairman) Mr. Zhao Guo Qing (Vice Chairman) Ms. Li Hong Shuan
Non-Executive Director	Mr. He Ping

## Corporate Profile and Key Financial Indicators

Independent Non-Executive Directors	Mr. Fan Hui (appointed on 16 June 2023) Mr. Li Wan Jun (resigned on 16 June 2023) Mr. Tom Siulun Chau (appointed on 16 June 2023) Mr. Ng Chi Kit (resigned on 16 June 2023) Ms. Yue Ying
Employee Representative Supervisor	Ms. Lu Cai Juan
Independent Supervisors	Ms. Liu Qian Mr. Ma Yu Bo
Audit Committee	Mr. He Ping Mr. Fan Hui (appointed on 16 June 2023) Mr. Li Wan Jun (resigned on 16 June 2023) Mr. Tom Siulun Chau (appointed on 16 June 2023) Mr. Ng Chi Kit (resigned on 16 June 2023) Ms. Yue Ying
Remuneration Committee	Mr. Wei Jian Jun Mr. Fan Hui (appointed on 16 June 2023) Mr. Li Wan Jun (resigned on 16 June 2023) Ms. Yue Ying
Nomination Committee	Mr. Wei Jian Jun Mr. Tom Siulun Chau (appointed on 16 June 2023) Mr. Ng Chi Kit (resigned on 16 June 2023) Ms. Yue Ying
Strategy and Sustainable Development Committee	Mr. Wei Jian Jun Ms. Li Hong Shuan Mr. He Ping Mr. Fan Hui (appointed on 16 June 2023) Mr. Li Wan Jun (resigned on 16 June 2023) Ms. Yue Ying



## VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

## (I) Key accounting data

Unit: RMB Currency: RMB

Key accounting data	Reporting Period (January-June)	Corresponding period of last year	Increase/ decrease for the Reporting Period over the corresponding period of last year (%)
Total operating revenue	69,971,117,162.78	62,134,116,007.85	12.61
Operating revenue	69,971,117,162.78	62,134,116,007.85	12.61
Net profit attributable to shareholders of the Company	1,361,287,795.74	5,600,501,901.48	-75.69
Net profit attributable to shareholders of the Company after extraordinary gains/losses	749,476,918.41	2,058,740,469.77	-63.60
Net cash flow from operating activities	-2,436,189,836.95	8,164,218,672.39	-129.84
	As at the end of the Reporting Period	As at the end of last year	Increase/ decrease as at the end of the Reporting Period over the end of last year (%)
Net assets attributable to shareholders of the Company	62,357,014,792.49	65,201,257,332.53	-4.36
Total assets	184,223,163,413.58	185,357,300,473.07	-0.61

**(II) Key financial indicators**

Key financial indicators	Reporting Period (January-June)	Corresponding period of last year	Increase/ decrease for the Reporting Period over the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.16	0.61	-73.77
Diluted earnings per share (RMB/share)	0.16	0.60	-73.33
Basic earnings per share after extraordinary gains/losses (RMB/share)	0.09	0.22	-59.09
Weighted average return on net assets (%)	2.10	8.43	Decreased by 6.33 percentage points
Weighted average return on net assets after extraordinary gains/losses (%)	1.15	3.09	Decreased by 1.94 percentage points

Description of key accounting data and financial indicators of the Company

☒ Applicable   ☐ Not applicable

The performance fluctuation during the Reporting Period was mainly due to the adjustment to the product mix as the Company pushed forward its transformation into new energy and intelligent vehicles manufacturer, the increase in the investment in building brand and distribution channel in line with the launch of new products in 2023 while maintaining the investment in the research and development in the new energy and intelligence sectors, as well as the decrease in exchange gains.

## **VIII. DIFFERENCE IN ACCOUNTING DATA UNDER CHINA ACCOUNTING STANDARDS AND OVERSEAS ACCOUNTING STANDARDS**

☐ Applicable   ☒ Not applicable

**IX. ITEMS AND AMOUNTS OF EXTRAORDINARY GAINS/LOSSES**

☒ Applicable   ☐ Not applicable

Unit: RMB   Currency: RMB

Item of extraordinary gains/losses	Amount
Profit or loss from disposal of non-current assets	-2,154,500.24
Government grants accounted for in profit and loss for the Current Period, except for government grants closely related to the Company's normal operations and granted on an ongoing basis at a fixed standard amount or quantity in accordance with the State's policies and regulations	669,173,198.55
Investment income obtained from the disposal of subsidiaries, held-for-trading financial assets, derivative financial instruments and dividend income of other equity instruments during the holding period	45,728,441.21
Losses on changes in fair values	-132,420,650.66
Non-operating income and expenses other than the above items	57,329,138.59
Other profit and loss items that meet the definition of non-recurring profit and loss	16,032,388.00
Less: Effect of income tax	-41,847,235.50
Effect of minority interests (after tax)	-29,902.62
Total	611,810,877.33

Explanation on defining extraordinary gain or loss items defined and illustrated in the Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Extraordinary Gain or Loss 《公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》 as recurring gain or loss items.

☐ Applicable   ☒ Not applicable

**X. OTHERS**

☐ Applicable   ☒ Not applicable

## SECTION 3

# MANAGEMENT DISCUSSION AND ANALYSIS

### I. DESCRIPTION OF THE INDUSTRY IN WHICH THE COMPANY OPERATES AND ITS PRINCIPAL BUSINESS DURING THE REPORTING PERIOD

#### 1. Principal Business of the Company

Great Wall Motor is one of the largest SUVs and pickup trucks manufacturers in the PRC. It currently owns Haval, WEY, ORA, TANK, Great Wall Pickup and other brands. With respect to product by power type, it offers traditional energy vehicles, plug-in hybrid vehicles, battery electric vehicles and other new energy vehicles. Its products mainly cover three categories, namely SUVs, sedans and pickup trucks, as well as the manufacturing and supply of related main auto parts.

#### 2. Operating Model

The Company adheres to the car making philosophy of “putting people first and technology for good”, continuously optimized the product structure, insists on developing auto products to the satisfaction of users with high quality, provides better technology to the industry and offers better services to consumers. It completed the flat, online and decentralized layout on the entire industry chain in new energy and intelligentization and fully sped up in advancing in the intelligent and new energy sectors.

In the field of R&D technology, the Company insists on “making targeted investments” and emphasizes R&D effectiveness to pursue industry leadership. Based on three technology brands, namely, “LEMON”, “TANK” and “COFFEE Intelligence”, the Company developed a value innovation technology system that encompasses the entire industry chain process, including automobile R&D, design, production and lifestyle. Meanwhile, it speeds up in carrying out technological layout on hybrid, pure electric and other new energy sectors. To satisfy users’ appeals and based on users’ daily travelling scenarios, the Company introduced the world’s first-in-class intelligent four-wheel drive control and electric hybrid technology-the new Hi4 with the innovative structure of series-parallel dual motors at the front and rear axles and developed a new hybrid technology, achieving the “four-wheel drive experience, two-wheel drive price, four-wheel drive performance and two-wheel drive energy consumption” and bringing a “more energy-saving, farther and safer” driving experience to users.

In respect of the layout of supply chain system, the Company upholds the philosophy of “win-win cooperation, comprehensive TO C and global expansion”; improves the cooperation environment of “integrity, openness and healthy competition”; strives to build a global, agile and stable supply chain system with high price-to-quality ratio; and creates an international first-class supply chain system by establishing in-depth cooperation with top suppliers in the world.

In respect of production, the Company owns a number of vehicle and KD plants across the world. In China, its production based in Baoding, Tianjin, Chongqing, Jiangsu, Zhejiang, Shandong and Hubei have been put into operation; its production base projects in Zhangjiagang and Shangrao are progressing smoothly. Overseas, the plant in Rayong Province, Thailand has commenced mass production of ORA FUNKY CAT, Haval H6 HEV and Haval JOLION HEV. Projects in Brazil are also progressing smoothly.

In respect of marketing, the Company has established a sales service network covering the world, which currently covers over 170 countries and regions in the overseas market, with over 700 overseas sales channels. It carries out the reform of organizations through the reshaping of organization and operation systems and institutional reform and implements the reform of strategies on the dimensions of brand, product, channel and operation. By vigorously improving the quality of terminal services, actively promoting the upgrading of digital marketing, promoting the upgrading of brand sales and after-sales service systems and establishing an industry-leading sales service system with outstanding operation quality, the Company offers a high-quality service experience that encompasses the full lifecycle from the purchase to the use of vehicles by users and comprehensively improves the brand reputation.

### 3. Industry Overview

**(1) *In the first half of the year, the automobile industry developed steadily with major indicators continuously improved.***

From January to June 2023, the domestic production and sales volume of automobiles were 13,248,000 units and 13,239,000 units, up by 9.3% and 9.8% year-on-year, respectively.

**(2) *The production and sales volume of passenger vehicles were boosted by policies***

Driven by the promotion policies released by the state and different regions in the first half of the year and the boosting of the sales volume by automobile enterprises at the end of each quarter, the sales volume and export of new energy vehicles continued to increase, jointly promoting the increases in the production and sales volume in the passenger vehicle market in the first half of the year.

From January to June 2023, the production and sales volume of passenger vehicles were 11,281,000 units and 11,268,000 units, up by 8.1% and 8.8% year-on-year, respectively.

**(3) *The production and sales volume of new energy vehicles maintained stable and high growth***

From January to June, the production and sales volume of new energy vehicles reached 3,788,000 units and 3,747,000 units, representing a year-on-year increase of 42.4% and 44.1%, respectively, with a market share of 28.3%. In particular, the production and sales volume of new energy vehicles in June reached 784,000 units and 806,000 units, representing a year-on-year increase of 32.8% and 35.2%, respectively, with a market share of 30.7%. Particularly, the production and sales volume of plug-in hybrid electric vehicles hit a historical high.

**(4) *Pickup trucks saw a slight decline in sales volume year-on-year***

From January to June, the production and sales volume of pickup trucks were 253,000 units and 259,000 units, down by 4.7% and 0.5% year-on-year, respectively. By fuel, the production and sales volume of gasoline pickup trucks were 70,000 units and 71,000 units, representing increases of 26.7% and 33.7% year-on-year, respectively. The production and sales volume of diesel pickup trucks were 177,000 units and 183,000 units, representing decreases of 15.4% and 11.7% year-on-year, respectively.



### **(5) Automobile exports maintained a rapid growth momentum**

From January to June, automobile companies exported 2,140,000 vehicles, representing a year-on-year increase of 75.7%. By vehicle model, the export of passenger vehicles amounted to 1,780,000 units, up 88.4% year-on-year; the export of commercial vehicles was 361,000 units, up 31.9% year-on-year. The export of new energy vehicles was 534,000 units, up 160% year-on-year.

Note: The above industry data is sourced from China Association of Automobile Manufacturers.

## **II. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD**

☒ Applicable   ☐ Not applicable

### **1. Forging a clean business environment with integrity**

The Company aims to “boost synergy with integrity and pursue development with synergy”, provides a fair, impartial, simple and transparent work and development platform for employees, and furnishes a green and healthy cooperation environment for business partners to strive for co-sharing and win-win results.

### **2. “Seeking quality improvement in all aspects” is the foundation for our existence**

Providing customers with excellent product quality is the cornerstone of our brands. “Comprehensive To C and doing well on one go” is the foundation for maintaining our stable quality while the ultimate rule is to allow users to perceive quality. Based on the IATF 16949 standard, the Company established the overall quality management system globally, applied advanced quality management instruments and methods, continuously improved product quality management, and comprehensively realized the full-link quality operation model for value creation. In product development, supply and manufacturing, sales services and quality improvement, the Company adopted cloud computing, blockchain, AI, digital twin and other advanced technologies, achieved intelligent design, verification and manufacturing, developed and applied the digital platform for the full lifecycle quality, launched the sharp eye system, achieved intelligent aid decision-making with data and provided customers with charming and surprising products.

### **3. Focusing on brand building to have kept advantages over category consolidated**

The Company comprehensively deepened the strategic layout on intelligent new energy vehicles, sped up in returning to the four principal tracks, namely principal products, principal prices, principal grades and principal styles, and empowered the facelift of intelligent new energy products with technological innovation.

#### 4. A user-centred approach

Given the personalized consumption trend of users, Great Wall Motor adhered to the “user-centred” concept. The Company continued to revamp various aspects such as organizational mechanism, corporate culture and marketing innovation, such that the efficiency and quality of corporate operations were raised quickly. New habits, new spending patterns and new trends have made the Company’s new concepts, new ideas and new categories come true. The Company always pursues ultimate user experience, striving to transform from a conventional automaker brand to a lifestyle brand.

#### 5. Well-established global supply chain system

The Company has long been committed to independent R&D and production of core parts and components, which greatly enhances the competitiveness of its automobiles in terms of technology, quality and cost and lays a foundation for its auto parts companies to develop external markets. Meanwhile, Great Wall Motor maintains a good partnership with Bosch, Continental, Valeo, Hamann and other international parts groups to jointly build a mature global parts supply system.

#### 6. Targeted R&D to create value for users

Faced with industry upheavals, Great Wall Motor adheres to its strategies of continuously and intensively developing core technologies, insists on targeted R&D, and devotes itself to providing users with agreeable and relaxed driving experience and new travel solutions.

#### 7. Talent cultivation

Going globally, Great Wall Motor will continuously improve the open and fair talent introduction policy to attract global talents in various fields, protect the legitimate rights and interests of employees, and respond to the call of the government to actively undertake its social responsibilities of keeping employment stable and employment promotion. In addition to the provision of a stable working and living environment, Great Wall Motor also strives to increase efforts in talent cultivation to improve employees’ personal capability, continues to innovate the talent development mechanism, increase arrangements of job and position rotation as well as cross appointment for employees to have an understanding of different positions, and encourage employees to work and study overseas. In 2023, Great Wall Motor established incentive schemes with the combination of fixed salary and long-term and short-term incentives and jointly led by opportunities and honors based on performance and contributions, to create an incentive atmosphere with “ample awards for outstanding contributions”.

### III. DISCUSSION AND ANALYSIS OF THE BUSINESS OPERATION OF THE COMPANY

#### (I) Operating Environment

With the positive impact of a moderate recovery of the macro economy on the automobile market, the satisfactory performance of new energy vehicles and car export effectively drove market growth. In addition, the continued effective policy implementation will further unleash the consumption potential of the vehicle market, which will help the industry to achieve stable growth for the full year.

## (II) Financial Review

### 1. Key Financial Data

Unit: RMB Currency: RMB

	From 1 January 2023 to 30 June 2023 (Unaudited)	From 1 January 2022 to 30 June 2022 (Unaudited)	Changes %
Total operating revenue	69,971,117,162.78	62,134,116,007.85	12.61
Operating revenue	69,971,117,162.78	62,134,116,007.85	12.61
Revenue generated from the sale of automobiles	60,663,081,099.38	55,568,165,545.31	9.17
Revenue generated from the sale of automotive parts and components and others (Note 1)	9,308,036,063.40	6,565,950,462.54	41.76
Selling expenses (Note 2)	3,253,302,670.39	2,216,143,959.74	46.80
Administrative expenses	2,071,045,814.95	2,213,421,425.12	-6.43
Research and development expenses	3,509,415,452.83	3,176,619,531.12	10.48
Financial expenses (Note 3)	-223,566,839.18	-2,932,658,992.04	-92.38
Gross profit	11,790,759,411.20	11,420,245,815.14	3.24
Income tax expenses (Note 4)	29,600,548.62	274,197,509.87	-89.20
Net profit attributable to shareholders of the Company (Note 5)	1,361,287,795.74	5,600,501,901.48	-75.69
Basic earnings per share	0.16	0.61	-73.77
Diluted earnings per share	0.16	0.60	-73.33
Gross profit margin (%)	16.85	18.38	Decreased by 1.53 percentage points
Percentage of selling expenses to operating revenue (%)	4.65	3.57	Increased by 1.08 percentage points
Percentage of administrative expenses to operating revenue (%)	2.96	3.56	Decreased by 0.60 percentage points

(Note 1) Increase in revenue generated from the sale of automotive parts and components and others was mainly due to the Group's active development of customer base during the Reporting Period, resulting in the growth of sales of automobile parts and components.

(Note 2) Increase in selling expenses was mainly due to the increase in the launch of new energy vehicles during the Reporting Period.

(Note 3) Increase in financial expenses was mainly due to the decrease in foreign exchange gains during the Reporting Period.

(Note 4) Decrease in income tax expenses was mainly due to the decrease in taxable income during the Reporting Period.

(Note 5) Decrease in net profit attributable to the shareholders of the Company was mainly due to the adjustment to the product mix as the Company pushed forward its transformation into new energy and intelligent vehicles manufacturer, the increase in the investment in building brand and distribution channel in line with the launch of new products in 2023 while maintaining investment in the research and development in the new energy and intelligence sectors, as well as the decrease in foreign exchange gains.

## 2. Current assets and current liabilities

Unit: RMB Currency: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Current Assets	<b>103,876,258,781.32</b>	107,680,723,551.36
Including:		
Cash and bank balances	<b>27,828,576,459.09</b>	35,773,467,830.28
Held-for-trading financial assets	<b>2,193,612,447.65</b>	2,053,553,807.44
Accounts receivable	<b>6,307,353,706.03</b>	6,611,191,147.15
Financing with receivables	<b>25,535,535,808.81</b>	22,152,492,848.09
Prepayments	<b>4,275,846,581.31</b>	2,228,893,811.88
Other receivables	<b>2,053,250,648.04</b>	2,415,575,628.26
Inventories	<b>23,557,589,432.87</b>	22,374,522,377.01
Non-current assets due within one year	<b>1,975,472,794.92</b>	1,928,674,676.06
Other current assets	<b>7,274,175,582.07</b>	9,389,221,535.55
Current Liabilities	<b>97,172,833,331.69</b>	95,802,048,905.40
Including:		
Short-term borrowings	<b>4,823,771,753.01</b>	5,943,335,783.46
Accounts payable	<b>33,102,766,892.40</b>	29,305,857,540.98
Notes payable	<b>24,858,777,000.29</b>	30,061,481,322.24
Contract liabilities	<b>8,853,056,024.80</b>	7,752,836,116.70
Employee benefits payable	<b>1,159,602,822.74</b>	4,208,573,006.72
Taxes payable	<b>2,256,468,272.32</b>	1,898,129,278.86
Other payables	<b>9,096,674,133.35</b>	6,163,920,243.68
Other current liabilities	<b>6,113,626,403.27</b>	5,555,585,325.06

## 3. Gearing ratio

Unit: RMB Currency: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Total liabilities	<b>121,863,633,383.76</b>	120,141,392,357.77
Total equity	<b>62,359,530,029.82</b>	65,215,908,115.30
Gearing ratio	<b>195.42%</b>	184.22%

Note: Gearing ratio refers to the proportion of total liabilities to total equity in the consolidated balance sheet.

#### 4. Acquisition and disposal of assets

The Company and its subsidiaries did not have material acquisition or disposal of assets during the Reporting Period.

#### 5. Capital structure

The Group primarily finances its day-to-day operations with its own cash and bank borrowings. As at 30 June 2023, the Company secured short-term borrowings of RMB4,823,771,753.01, mainly used to improve daily liquidity. The Company secured long-term borrowings of RMB21,997,605,308.74 (including long-term borrowings due within one year), mainly used for the construction of plants and improvement of daily liquidity. For details of interest rates of the borrowings, please refer to the relevant descriptions of Notes to the financial statements in this interim report.

#### 6. Exposure to foreign exchange risk

Foreign exchange risk represents risks of loss incurred as a result of changes in exchange rates. In addition, there are current account balances denominated in foreign currencies between companies under the Group, which also exposes the Group to the foreign exchange risk. Foreign currency assets and liabilities (including internal current account denominated in foreign currency) which may influence the Group's operating results due to foreign exchange risk are set out as below:

Unit: RMB Currency: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Cash and bank balances	2,554,432,389.90	2,219,296,294.13
Accounts receivable	4,333,558,134.92	2,614,085,412.12
Other receivables	3,327,038,542.04	5,059,674,680.89
Accounts payable	-1,707,905,184.03	-3,219,437,693.00
Other payables	-331,255,351.45	-148,055,491.69

The Group paid close attention to the impact of exchange rate changes on the Group's foreign exchange risk. Except for the above items, foreign exchange risk is not involved in the Group's other financial instruments.

#### 7. Employment, training and development

As at 30 June 2023, the Group employed a total of 84,938 employees (30 June 2022: 84,664 employees). Employees were remunerated by the Group based on their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed on a regular basis. As an incentive for employees, bonuses and cash awards may also be given to employees based on individual performance evaluation. Total staff cost (excluding equity incentive costs) accounted for 10.28% of the Group's total operating revenue as at 30 June 2023 (30 June 2022: 10.57%).

## 8. Segment information

The Group is mainly engaged in the manufacture and sale of automobiles and automotive parts and components in the PRC, and the majority of its assets are located in the PRC. The management determined the reporting segments according to the internal organization structure, management requirements and internal reporting system of the Group for the purposes of resource allocation and performance evaluation. As the resource allocation and performance evaluation of the Group are carried out based on the overall operation of the production and sales of automobiles and automotive parts and components, the Group has only one business segment for internal reporting purpose.

Revenue from external transactions by location of revenue sources and non-current assets classified by location of assets:

Unit: RMB    Currency: RMB

	As at 30 June 2023 (Unaudited)	As at 30 June 2022 (Unaudited)
Revenue from external transactions in China	49,303,858,928.18	52,833,568,320.09
Revenue from external transactions in other countries	20,667,258,234.60	9,300,547,687.76
Total	69,971,117,162.78	62,134,116,007.85

Unit: RMB    Currency: RMB

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Non-current assets located in China	66,223,644,786.92	63,768,462,054.50
Non-current assets located in other countries	4,415,553,232.18	4,495,812,774.06
Total	70,639,198,019.10	68,264,274,828.56

Non-current assets do not include financial instruments and deferred income tax assets.

The Group is not dependent on one or a few major customers.



### (III) Business Review

#### 1. Product sales

Unit: unit

Car classification	Item	Sales volume			Production volume		
		Total for the Reporting Period	Total for the corresponding period of last year	Cumulative year-on-year increase/decrease (%)	Total for the Reporting Period	Total for the corresponding period of last year	Cumulative year-on-year increase/decrease (%)
Pickup truck	Domestic sales	81,231	78,296	3.75			
	Export	20,705	21,211	-2.39			
	Sub-total	101,936	99,507	2.44	96,816	101,030	-4.17
SUV	Domestic sales	276,804	310,902	-10.97			
	Export	92,750	45,797	102.52			
	Sub-total	369,554	356,699	3.60	380,424	379,299	0.30
Sedan and others (mainly NEV)	Domestic sales	37,467	54,941	-31.81			
	Export	9,839	1,406	599.79			
	Sub-total	47,306	56,347	-16.05	47,992	57,457	-16.47
Total	Domestic sales	395,502	444,139	-10.95			
	Export	123,294	68,414	80.22			
	Sub-total	518,796	512,553	1.22	525,232	537,786	-2.33

Note: The sales volume of 518,796 units recorded for the Current Period included 4,645 vehicles leased to external customers.

The Group has five major automobile brands, namely Haval, WEY, ORA, Great Wall Pickup and TANK. Type of products include three main product categories, namely SUV, sedan and pickup truck. With respect to product by power type, it offers traditional energy vehicles, plug-in hybrid vehicles, battery electric vehicles and other new energy vehicles. Its production and sales networks span the world. Since 2023, Great Wall Motor has been focusing on strengthening its foundation, establishing systems and improving services. Empowered by cutting-edge technology such as the new Hi4, the Group's development of new energy vehicles has been in full swing. A number of smart new energy automobiles have been launched and have become a sensation, with sales on a steady rise. The aforesaid enabled the Group to make steady progress and achieve positive development, thereby entering a new development stage. In the first half of 2023, Great Wall Motor realized a sales volume of 518,796 units; sales volume of new energy vehicles amounted to 89,555 units, representing a 49.34% year-on-year growth; overseas sales volume amounted to 123,294 units, up by 80.22% year-on-year, reaching a historic high.

*(1) Haval brand*

The Haval brand positions itself as a “global SUV expert” in the global market, and has put all efforts into new energy development using the strategies of “new order, new channels, new look, new technologies and new products”. Sales volume from January to June 2023 amounted to 296,779 units, with cumulative global sales volume exceeding 8 million units. In the first half of the year, the Group launched Haval Xiaolong series. As a masterpiece of Haval new energy vehicles, Haval Xiaolong MAX is equipped with the brand-new intelligent, four-wheel drive electric hybrid technology Hi4 for the first time. Just 45 days from its debut, Haval Xiaolong series celebrated the milestone of producing the 10,000th car.

With respect to new energy vehicles distribution network planning, an independent sales service system exclusive for new energy products – Haval new energy sales network, was formally launched in April 2023. It consists of various distribution channels including 4S stores, flagship stores, pop-up stores in shopping malls, using a new “service+product” approach to establish a new shopping ecosystem for new energy car users. Haval new energy sales network comprised 400 stores in first and second-tier core markets. It is expected that the planning for 800 stores will be completed at the end of 2023.

*(2) WEY brand*

The WEY brand continued to consolidate its brand positioning of “zero anxiety smart electric vehicle”. The COFFEE Intelligence series under the WEY brand rolled out new models with the launch of Blue Mountain DHT-PHEV and new Mocha DHT-PHEV. As at the end of June, the cumulative sales volume of Blue Mountain DHT-PHEV exceeded 10,000 vehicles, setting a market benchmark for RMB300,000-priced six-seat large SUVs for families. The WEY brand leveraged hybrid DHT and NOH advanced intelligent driving and other cutting-edge technologies, offering users an excelling driving experience. The brand also continued to enrich its new energy product portfolio. While further satisfying the diverse needs of consumers in China, the brand also completes its evolution to high-end intelligent new energy vehicle brand. As the first luxury new energy flagship MPV under WEY, WEY High Mountain is built on a high-end new energy MPV-specific platform and will be launched in the second half of the year.

*(3) Great Wall Pickup*

As the leader of pickup truck, Great Wall Pickup’s sales volume from January to June amounted to 101,936 units, up by 2.44% year-on-year. Its share of the domestic end-user market was over 50% during the first six months of 2023. In the first half of the year, Great Wall Cannon 2023 Edition, King Kong Cannon AT, Firebomb, Dragon Bullet and other new products were launched, and successive deliveries of Shanhai Cannon were made, leading to the rise in value of Chinese pickup trucks. China’s first 6x6 super off-road platform built by Great Wall Motor made its world debut at the Shanghai International Automobile Industry Exhibition, filling the gap in the 6x6 pickup truck market segment in China. Large high-performance hybrid pickup Shanhai Cannon PHEV/HEV was also on display. Great Wall Pickup thus led China’s pickup trucks to enter the 4.0 all-scenario, intelligent, new energy vehicle era.

### (4) *ORA brand*

ORA adhered to its brand positioning of “the most women-friendly new energy vehicle”. It promoted the 2.0 era, deepening the concept of “women-friendliness” and focused on the mass market for economic BEV. It continued to promote the all-round improvement in the four value dimensions, namely brand, technology, product and service. ORA put great efforts in catering to users’ demand in various market segments. In the first half of 2023, ORA launched three new models of 2023 ORA Funky Cat Edition, 2023 ORA Funky Cat GT Mulan Edition and 2023 ORA Ballet Cat Edition. Sales volume from January to June 2023 amounted to 47,068 units. Since the establishment of the brand, its total sales volume had surpassed 380,000 units.

### (5) *TANK brand*

With a brand proposition that combines toughness and soft-riding features, TANK has created a new market category. It continued to consolidate its leading position in China’s off-road SUV market, and was the first to tap into the global market. TANK accelerated the implementation of global strategy for its entire product portfolio. TANK has set “off-road+new energy” technology direction, and formulated plans for its off-road new energy product matrix by leveraging Hi4-T, a super hybrid off-road architecture. In the first half of 2023, 2023 TANK 500 Edition and TANK 500 Hi4-T were launched. TANK 500 Hi4-T, built on super hybrid off-road architecture Hi4-T, is positioned as a mid to large-sized luxury off-road new energy SUV. It has put great efforts in enhancing five areas namely, power output, all-scenario, intelligent driving, luxury and safety, setting a technology benchmark for the ultimate off-road new energy technology.

## (IV) Review highlights

### 1. ***Hi4 and Hi4-T, leading Great Wall Motor’s achievements in intelligent driving and new energy technologies***

In the first half of 2023, Great Wall Motor continued to make achievements in the fields of new energy and intelligent driving. Great Wall Motor successively introduced cutting-edge technologies to empower its products, including brand-new intelligent four-wheel drive electric hybrid technology Hi4 and super hybrid off-road architecture Hi4-T, new generation cockpit system Coffee OS 2 under COFFEE Intelligence.

Haval Xiaolong MAX is the first model to be equipped with the brand-new Hi4, a new hybrid technology with innovative architectures to provide four-wheel drive driving experience, two-wheel drive price, four-wheel drive performance and two-wheel drive energy consumption. TANK 500 Hi4-T is the first model to be equipped with super hybrid off-road architecture Hi4-T, which is a vertical hybrid architecture built on the TANK platform. It has features such as sustainable strong power output and precise intelligent energy management, thus “enabling easy driving under all working conditions and providing ultimate experience in all scenarios”.

With respect to intelligent driving, Coffee OS 2, a new generation intelligent cockpit system self-developed on the V3.5 platform, has been installed in models such as WEY Blue Mountain DHT-PHEV, HAVAL second generation Dargo. As the epitome of voice interaction capabilities, Coffee OS 2 provides a whole new interactive experience that is “faster, more accurate and more convenient”, making people-car conversations less anxious and more natural. It also allows more users to enjoy a new experience of intelligent mobility.

**2. Accelerated overseas sales of the Company's five major brands, with overseas sales volume surpassing 20,000 units for four consecutive months**

Since 2023, Great Wall Motor has been stepping up efforts in developing overseas markets. Its automobile factory in Brazil is expected to commence production in 2024, which will accelerate the sales of intelligent and new energy products in the local markets. A number of intelligent and new energy products were launched in various overseas markets including Jordan, Australia, Oman, Madagascar, Saudi Arabia, the Philippines, Chile, Cambodia and United Arab Emirates. The Group also rapidly expanded its overseas distribution network. In the first half of 2023, Great Wall Motor forged strategic partnerships worldwide through entering into agreements with TAG, Cycle & Carriage in Singapore, and Inchcape, one of the world's largest car dealers, respectively. In addition, Great Wall Motor also established partnerships with dozens of new overseas distributors, thereby accelerating the expansion of its global sales network. Great Wall Motor exported its automobiles to over 170 countries and regions, with more than 700 overseas distribution channels and cumulative overseas sales volume exceeding 1.2 million units.

**(V) Outlook**

In the second half of 2023, Great Wall Motor will continue to insist on long-term development, “tech for good” and people-oriented culture. It will persevere with intelligent and new energy development direction and step up efforts in the strategic planning for globalization. It will launch various new models including Haval H5, Haval Raptor, WEY High Mountain, TANK 400 Hi4-T. It will do its utmost to maintain stable and positive development, creating a new pattern for business development.

**The Group will continue to introduce more competitive models**



**WEY High Mountain**

As Great Wall Motor's first new energy MPV model, WEY High Mountain has a length of 5 meters and a wheelbase of 3 meters, which presents a new product concept leveraging on the large space of MPVs. With flexible control, sufficient space, adjustable spatial layout and high-end configuration, WEY High Mountain offers more comfortable travelling experience for every passenger in the car, redefining the standards for high-end new energy family MPVs.



**Haval Raptor**

Haval Raptor is Haval New Energy's new strategic product upcoming in 2023 and also Haval's first model launched in the new energy off-road vehicle market.

Positioned as a "popularizer of new energy off-road SUVs", Haval Raptor will comprehensively enhance the competitiveness of Haval brand in the new energy era, broaden its product layout of the Dragon series and strengthen its brand advantages; meanwhile it will also open up a new era to popularize new energy off-road vehicles and expand the niche market.



**WEY New Latte**

WEY will launch a new Latte model this year. New Latte models will have new appearance and dynamics with the standard configuration of Hi4 technology, leading the popularization of hybrid four-wheel drive technology; by virtue of the four major advantages of the "Hi4 intelligent hybrid four-wheel drive technology, HWA system, maternal and infant healthy cockpit and five-star safety standards", new Latte models will redefine the value standard of high-end new energy vehicles, and better help users in pursuit of a quality of life and exploring the infinite possibilities to enjoy life and free the passion.





**Haval H5**

As a full-size and non-bearing SUV inheriting solid quality of the classic Haval H5, the new Haval H5 delivers a supreme driving experience to users in pursuit of business-friendly, home-desirably and travelling-compatibly lifestyle through its powerful product strength. The new Haval H5 enables users relive the life moments, break through the barriers and indulge their passions.



**TANK 400 Hi4-T**

As the second model developed by the TANK brand utilizing an off-road super hybrid architecture, Hi4-T, TANK 400 Hi4-T is positioned as a mid to large-size urban functional off-road SUV. With the design concept of urban functional aesthetics, Tank 400 Hi4-T pushes the design constraints of traditional mecha off-road vehicle to usher in a new style of metropolitan unconstraint by incorporating the urban geometric architecture and functional style into the vehicle body design. Supported by the exclusive architecture of professional core off-road and Hi4-T off-road new energy as well as characterized by technology assistance and safety protection, Tank 400 Hi4-T is pioneered to be an unbridled vehicle with a full range of functions that showcases unrestrained urban life.



**TANK 700**

The TANK brand will launch a flagship model based on mecha technology, namely Tank 700. Four product highlights are indicated in a mid to large-size off-road SUV with an exterior design of mecha technology, exquisite and luxurious experience, distinguished and professional off-road capability and large-displacement intelligent hybrid system with excellent performance. Tank 700 not only reflects a spirit of toughness and soft-riding features, but also shoulders the brand mission of building an “off-road totem in China’s new energy industry”.

### Tax Incentives for High-tech Enterprises

In accordance with the announcement on the Filing of the First Batch Of High-tech Enterprises Accredited by the Hebei Provincial Accreditation Authority in 2022 《關於對河北省認定機構 2022 年認定的第一批高新技術企業進行備案的公告》 issued by the Torch High-tech Industry Development Center of the Ministry of Science and Technology (科技部火炬高技術產業開發中心) on 8 November 2022, the Company was re-accredited as a high-tech enterprise in 2022 (valid for three years) and hence was entitled to an applicable income tax rate of 15% from 2022 to 2024.

Major changes in the business operation of the Company during the Reporting Period, and events occurring during the Reporting Period that have a major impact on the business operation of the Company and are expected to have a major impact in the future.

☐ Applicable    ☒ Not applicable

## IV. PRINCIPAL OPERATION DURING THE REPORTING PERIOD

### (I) Analysis of principal business

#### 1 Analysis of changes of relevant items in the financial statements

Unit: RMB    Currency: RMB

Item	Amount for the Current Period	Amount for the corresponding period of last year	Changes (%)
Total operating revenue	69,971,117,162.78	62,134,116,007.85	12.61
Operating revenue	69,971,117,162.78	62,134,116,007.85	12.61
Operating costs	58,180,357,751.58	50,713,870,192.71	14.72
Selling expenses	3,253,302,670.39	2,216,143,959.74	46.80
Administrative expenses	2,071,045,814.95	2,213,421,425.12	-6.43
Financial expenses	-223,566,839.18	-2,932,658,992.04	—
Research and development expenses	3,509,415,452.83	3,176,619,531.12	10.48
Net cash flow from operating activities	-2,436,189,836.95	8,164,218,672.39	-129.84
Net cash flow from investing activities	-5,109,368,895.07	-4,809,028,540.78	—
Net cash flow from financing activities	6,379,613,823.87	-3,027,669,704.18	—

The change in selling expenses was mainly due to increased investment in new energy vehicle models during the Reporting Period.

The change in financial expenses was mainly due to a decrease in exchange gains during the Reporting Period.

The change in net cash flow from operating activities was mainly due to the variance in fund inflows generated as a result of different bill strategies adopted by the Company based on industry capital costs.

The change in net cash flow from financing activities was mainly due to a decrease in restricted funds during the Reporting Period.

## 2 Detailed description of any significant change in business type, profit composition or source of profit of the Company during the Current Period

☐ Applicable ☒ Not applicable

### (II) Description of significant changes in profit due to non-principal business

☒ Applicable ☐ Not applicable

During the Reporting Period, the decrease in non-operating profit and loss of the Company was mainly due to the increase in exchange losses.

### (III) Analysis of assets and liabilities

☒ Applicable ☐ Not applicable

#### 1. Assets and liabilities

Currency: RMB Unit: RMB

Item	Amount as at the end of the Current Period	Amount as at the end of the Current Period as a percentage of total assets (%)	Amount as at the end of the corresponding period of last year	Amount as at the end of the corresponding period of last year as a percentage of total assets (%)	Changes in the amount as at the end of the Current Period compared with the end of the corresponding period of last year (%)	Description
Cash and bank balances	27,828,576,459.09	15.11	35,773,467,830.28	19.30	-22.21	
Derivative financial assets	41,324,428.62	0.02	13,170,797.64	0.01	213.76	The change in derivative financial assets was due to the change in the fair value of the forward foreign exchange contracts signed by the Group at the end of the Reporting Period.
Accounts receivable	6,307,353,706.03	3.42	6,611,191,147.15	3.57	-4.60	
Prepayments	4,275,846,581.31	2.32	2,228,893,811.88	1.20	91.84	The change in prepayments was mainly due to the growth of the Group's overseas business and the increase in prepaid taxes for the import of its overseas subsidiaries during the Reporting Period.
Inventories	23,557,589,432.87	12.79	22,374,522,377.01	12.07	5.29	
Contract assets	301,250,480.00	0.16	4,072,792.00	0	7,296.66	The change in contract assets was due to the increase in the new energy subsidies of the Group pending approval of the government department and expected to be collected within one year.
Investment properties	440,372,992.45	0.24	422,442,121.94	0.23	4.24	
Long-term equity investments	10,427,615,758.52	5.66	10,285,585,309.98	5.55	1.38	
Fixed assets	28,053,907,313.77	15.23	26,949,019,721.87	14.54	4.10	
Construction in progress	8,850,432,401.87	4.80	8,305,799,414.52	4.48	6.56	
Right-of-use assets	883,428,793.48	0.48	1,092,940,845.53	0.59	-19.17	

## Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Amount as at the end of the Current Period as a percentage of total assets (%)	Amount as at the end of the corresponding period of last year	Amount as at the end of the corresponding period of last year as a percentage of total assets (%)	Changes in the amount as at the end of the Current Period compared with the end of the corresponding period of last year (%)	Description
Other non-current assets	2,139,213,331.59	1.16	3,524,071,126.20	1.90	-39.30	The change in other non-current assets was mainly due to the decreases in purchase deposits receivable which are expected to be recovered over one year and new energy subsidies during the Reporting Period.
Short-term borrowings	4,823,771,753.01	2.62	5,943,335,783.46	3.21	-18.84	
Derivative financial liabilities	189,129,479.92	0.10	28,800,759.63	0.02	556.68	The change in derivative financial liabilities was due to the change in the fair value of the forward foreign exchange contracts signed by the Group at the end of the Reporting Period.
Contract liabilities	8,853,056,024.80	4.81	7,752,836,116.70	4.18	14.19	
Employee benefits payable	1,159,602,822.74	0.63	4,208,573,006.72	2.27	-72.45	The change in employee benefits payable was mainly due to the payment of bonus payable to employees accrued in December 2022 during the Reporting Period.
Other payables	9,096,674,133.35	4.94	6,163,920,243.68	3.33	47.58	The change in other payables was mainly due to the increase in dividends that have been declared but not yet paid during the Reporting Period.
Non-current liabilities due within one year	6,718,960,549.59	3.65	4,883,529,528.07	2.63	37.58	The change in non-current liabilities due within one year was mainly due to the increase in long-term borrowings reclassified to those within one year during the Reporting Period.
Long-term borrowings	15,812,993,384.37	8.58	15,405,655,852.03	8.31	2.64	
Lease liabilities	773,330,957.35	0.42	978,708,416.66	0.53	-20.98	
Treasury shares	1,389,286,028.99	0.75	2,459,965,985.56	1.33	-43.52	The change in treasury shares was mainly due to the cancellation of repurchased shares during the Reporting Period.
Other comprehensive income	-233,004,653.49	-0.13	234,443,844.95	0.13	-199.39	The change in other comprehensive income was mainly due to the change in the translation differences of foreign currency statements of overseas operating subsidiaries.
Special reserve	94,956,205.04	0.05	5,673,833.25	0	1,573.58	The change in special reserve was mainly due to the increase in the provision for safe production cost made during the Reporting Period.
Surplus reserve	4,580,997,029.22	2.49	7,017,877,861.90	3.79	-34.72	The change in surplus reserve was mainly due to the cancellation of repurchased shares during the Reporting Period.

Description of other matters

None

**2. Overseas assets**

☐ Applicable    ☒ Not applicable

**3. Restrictions on major assets as at the end of the Reporting Period**

☒ Applicable    ☐ Not applicable

Currency: RMB    Unit: RMB

Item	Carrying amount at the end of the Period	Reasons for the restrictions
Cash and bank balances	2,115,150,937.72	Security and margin deposits for bank acceptances, L/C, letter of guarantee deposits and others
Notes receivable	1,364,094,479.24	Used for issuance of notes payable and short-term borrowings, endorsement or discounting of notes
Financing with receivables	18,775,795,781.99	Used for issuance of notes payable
Intangible assets	195,251,361.75	Used for short-term borrowings
Long-term receivables	1,050,436,385.10	Used for short-term borrowings, long-term borrowings and asset-backed securities
Total	23,500,728,945.80	

**4. Description of other matters**

☐ Applicable    ☒ Not applicable

**(IV) Analysis of investments****1. Overall analysis of external equity investment**

☒ Applicable    ☐ Not applicable

During the Reporting Period, the total equity investment of the Company was RMB857,993,600, representing a year-on-year decrease of 43.83% as compared with RMB1,527,555,100 in the corresponding period of last year.

**(1) Major equity investment**

☐ Applicable    ☒ Not applicable

**(2) Major investment in non-equity interest**

☐ Applicable    ☒ Not applicable



## Management Discussion and Analysis

### (3) Financial assets measured at fair value

√ Applicable    □ Not applicable

Unit: RMB    Currency: RMB

Asset class	Amount at the beginning of the period	Gains or losses from changes in fair value for the Current Period	Accumulated changes in fair value included in equity	Impairment loss provided during the Current Period	Purchase amount during the Current Period	Sales/ redemption amount during the Current Period	Other changes	Balance at the end of the period
Shares	494,949,000.00	2,432,096.19				-497,381,096.19		
Others	1,558,604,807.44	-4,992,359.79			4,559,000,000.00	-3,919,000,000.00		2,193,612,447.65
Derivative instruments	13,170,797.64	28,153,630.98						41,324,428.62
Private equity funds	133,328,692.28	2,600,000.00						135,928,692.28
Others	22,152,492,848.09		-4,772,054.18		43,566,108,662.02	-40,178,293,647.12		25,535,535,808.81
Others	1,481,976,762.81						11,595,632.73	1,493,572,395.54
Derivative instruments	-28,800,759.63	-160,614,018.04					285,297.75	-189,129,479.92
Total	25,805,722,148.63	-132,420,650.66	-4,772,054.18		48,125,108,662.02	-44,594,674,743.31	11,880,930.48	29,210,844,292.98

#### Securities investment

√ Applicable    □ Not applicable

Unit: RMB    Currency: RMB

Type of securities	Securities code	Abbreviation of securities	Initial investment cost	Source of funds	Opening book value	Gains or losses from changes in fair value for the Current Period	Accumulated changes in fair value included in equity	Purchase amount for the Current Period	Sales amount for the Current Period	Investment gain or loss for the Current Period	Closing book value	Accounting and auditing subject
Shares	PLS.ASX	PLS	142,573,200.00	Self-owned funds	494,949,000.00	2,432,096.19	-	-	-497,381,096.19	-	-	Held-for-trading financial assets
Total	/	/	142,573,200.00	/	494,949,000.00	2,432,096.19	-	-	-497,381,096.19	-	-	/

Description of securities investment

☐ Applicable ☒ Not applicable

Privately-offered fund investment

☒ Applicable ☐ Not applicable

Privately-offered fund investment represents Advanced Manufacturing Industry Investment Fund Phase II (Limited Partnership) invested by the Company

Derivative investment

☒ Applicable ☐ Not applicable

The Company held the 55th meeting of the seventh session of the Board and the 47th meeting of the seventh session of the Supervisory Committee on 30 December 2022, at which the Resolution on Conducting Foreign Exchange Derivatives Trading Business in 2023 was considered and approved. In 2023, the Group conducted foreign exchange derivatives trading business with a cumulative nominal amount not exceeding RMB18.6 billion or in other currency equivalent.

According to the principle of risk-neutral management, in order to hedge the risk of exchange rate fluctuation, the Company conducted the foreign exchange derivatives trading business with high correlation with the receipt and payment of major foreign currencies.

#### (V) Disposal of major assets and equity interest

☐ Applicable ☒ Not applicable

## (VI) Analysis of major subsidiaries and investees

√ Applicable    □ Not applicable

Unit: RMB    Currency: RMB

Major subsidiaries and investees	Business nature	Registered capital	Proportion of shareholding (%)	Proportion of voting rights (%)	Total assets as at the end of the Reporting Period	Total net assets as at the end of the Reporting Period	Operating revenue for the Reporting Period	Operating profit for the Reporting Period	Net profit for the Reporting Period
Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司)	Manufacture of automobiles	2,254,662,459.77	100	100	7,847,639,251.78	4,117,668,446.43	6,767,704,770.28	1,360,795,629.66	1,357,601,989.71
Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司)	Manufacture of automobile parts and components	1,000,000,000.00	100	100	12,665,743,314.44	4,583,494,831.04	5,095,391,857.43	759,644,259.55	735,905,927.87
Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司)	Manufacture of automobile parts and components	2,283,000,000.00	100	100	10,671,342,048.74	5,947,634,024.98	3,401,863,510.57	694,125,163.25	634,540,967.94
Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司)	R&D and manufacture of new energy vehicle transmission systems	2,914,000,000.00	100	100	9,386,040,025.89	4,378,603,219.10	3,259,482,733.69	554,583,099.79	552,723,878.87
Mind Electronics Company Limited (曼德電子電器有限公司)	Manufacture of automobile parts and components	1,663,700,000.00	100	100	7,883,385,537.21	3,260,222,183.81	3,163,406,953.86	495,232,160.31	486,395,593.04
Tianjin Great Wall Binyin Automotive Finance Company Limited (天津長城濱銀汽車金融有限公司)	Automotive finance	6,600,000,000.00	98.18	50	51,293,317,018.80	10,890,767,262.39	1,650,882,197.30	678,441,317.85	516,507,147.14
Jingcheng Engineering Automotive Components (Chongqing) Co., Ltd. (精誠工科汽車零部件(重慶)有限公司)	Manufacture of automobile parts and components	175,000,000.00	100	100	2,070,888,240.12	553,730,946.43	1,225,450,508.88	242,976,154.57	206,542,463.55
Nobo Automotive Parts (Chongqing) Co., Ltd. (諾博汽車零部件(重慶)有限公司)	Manufacture of automobile parts and components	50,000,000.00	100	100	2,007,393,607.76	786,131,581.73	1,047,085,416.96	221,222,153.84	180,160,127.92

## (VII) Structured entities under the control of the Company

□ Applicable    √ Not applicable

## V. OTHER DISCLOSURES

### (I) Exposure to potential risks

☒ Applicable ☐ Not applicable

Set out below are the risks and challenges that the Company may be exposed to:

1. Despite international political and economic risks still remaining, the current macroeconomic dynamic and consumer confidence are expected to continue improving driven by national policies;
2. As the “carbon neutrality” initiative has been implemented globally, the market share of new energy vehicles will further increase while that of ICE vehicles will be squeezed. Additionally, with the maturation of technologies such as 5G, digitalization and artificial intelligence, the market development toward electrification, intelligence, light weight and networking will accelerate.

In response to the above risks and challenges, the Company will mainly take the following measures:

1. Deeply explore the domestic market while accelerating the global strategic layout: the Company will accelerate the implementation of its global strategy of “ONE GWM”, embark on its journey to the sales target of the second million vehicles in the overseas market by establishing a comprehensive market presence in regions including Europe, ASEAN, Latin America, the Middle East, Australia and South Africa, and speed up its transformation into a global intelligent technology company;
2. Comprehensively accelerate the new energy transformation to give play to the effect of electrified and intelligent forest-like ecosystem: with focus on new energy vehicles at prevailing prices, major vehicle model market and mainstream vehicle designs, the Company will stay at the main tracks and develop blockbuster products to secure sales volume in the market. The Company will enhance product experience, improve cost management and give play to the ecological effect through the iteration and upgrading of electrified and intelligent technology.

### (II) Other disclosures

☒ Applicable ☐ Not applicable

#### 1. Interim Dividend

The Board did not recommend the distribution of any interim dividend for the six months ended 30 June 2023.

### **2. Purchase, Sale or Redemption of the Company's Listed Securities**

#### *(1) Repurchase of H Shares*

On 8 February 2023, the Company held the first extraordinary general meeting in 2023, the first H shareholders' class meeting in 2023 and the first A shareholders' class meeting in 2023, at which the Resolution on the Refreshment of General Mandate of the Company to Repurchase H Shares was considered and approved, pursuant to which the Company was granted to repurchase the Company's H Shares during the relevant period with the total par value not exceeding 10% of H Shares in issue (equivalent to 251,119,900 H Shares) as at the date of the first extraordinary general meeting in 2023, the first H shareholders' class meeting in 2023 and the first A shareholders' class meeting in 2023.

In February 2023, the Company repurchased 192,423,000 H Shares on the Hong Kong Stock Exchange. The highest purchase price was HKD12.42 per share, and the lowest price was HKD10.1 per share with a total amount of funds used of HKD2,197,847,281 (net of transaction expenses). The above repurchased shares were cancelled on 9 March 2023.

#### *(2) Repurchase of restricted A Shares*

During the Reporting Period, the Company repurchased its restricted A Shares from the Shanghai Stock Exchange and cancelled them through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. For details, please refer to section 7 "Changes in Shares and Shareholders" of this report.

Save as disclosed above, for the six months ended 30 June 2023, the Company or any of its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

### **3. Corporate Governance**

To the knowledge of the Board, except for the deviation disclosed below, the Company has complied with all the principles and code provisions in the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules during the Reporting Period.

Code provision F.2.2 in the Corporate Governance Code provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Wei Jian Jun was unable to attend the annual general meeting held on 16 June 2023, due to other important business engagement. In his absence, the annual general meeting was chaired by Mr. Zhao Guo Qing (with sufficient caliber for answering questions at the annual general meeting), who liaised with Mr. Wei Jian Jun on all key matters prior to the meeting. Mr. Wei Jian Jun was also debriefed on the meeting and any matters arising to ensure any matters raised at the annual general meeting were followed up and considered by the Board.



#### **4. *Audit Committee***

The Company has set up the Audit Committee for the purposes of reviewing and supervising the financial reporting process and internal control of the Group. The Audit Committee comprises three independent non-executive directors and one non-executive director of the Company. At the meeting held on 29 August 2023, the Audit Committee reviewed the 2023 interim results announcement, interim report and interim financial report of the Group and gave their opinions and recommendations to the Board. The Audit Committee is of the opinion that the 2023 interim results announcement, interim report and interim financial report of the Company comply with the applicable accounting standards and the Company has made appropriate disclosure thereof.

#### **5. *Remuneration Committee***

The Remuneration Committee of the Company comprises two independent non-executive directors and one executive director. The Remuneration Committee is responsible for making recommendations on the remuneration policies in relation to the directors and senior management of the Company, and determining the remuneration packages of executive directors and senior management, including benefits in kind, pensions and compensation payments.

#### **6. *Nomination Committee***

The Nomination Committee of the Company comprises two independent non-executive directors and one executive director. The Nomination Committee is responsible for making recommendations to the Board regarding its size and composition based on business activities, asset scale and shareholding structure of the Company and making recommendations to the Board on the standards and procedures for selecting directors and management members.

#### **7. *Strategy and Sustainable Development Committee***

The Strategy and Sustainable Development Committee of the Company comprises two executive directors, one non-executive director and two independent non-executive directors. The Strategy and Sustainable Development Committee makes recommendations to the management from time to time in accordance with the prevailing market environment and changes in policies and is responsible for researching and making recommendations on the Company's long-term development strategies and material investment decisions.

#### **8. *Compliance with the Model Code***

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by all directors. Having made specific enquiry to the directors and based on the information available, the Board is of the opinion that all directors have complied with the provisions under the Model Code during the Reporting Period.

**9. Subsequent Significant Events**

- (1) On 18 July 2023 after the Reporting Period, the Company completed the adjustments to the exercise prices of share options under the first grant and under the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme, the repurchase price of restricted shares under the first grant under the 2021 Restricted Share Incentive Scheme, the exercise price of the share options under the first grant under the 2021 Share Option Incentive Scheme, the repurchase price of restricted shares under the reserved grant under the 2021 Restricted Share Incentive Scheme and the exercise price of the share options under the reserved grant under the 2021 Share Option Incentive Scheme. For details, see the announcements published by the Company on 18 July 2023.
- (2) On 18 July 2023 after the Reporting Period, the Company completed the adjustment to the transfer price of the Employee Stock Ownership Plan for 2023 and completed the non-trading transfer of shares under the Employee Stock Ownership Plan for 2023 on 15 August 2023. On 25 August 2023, the Company convened the first meeting of the holders under the Employee Stock Ownership Plan for 2023. For details, see the announcements published by the Company on 18 July 2023, 16 August 2023 and 25 August 2023, respectively.

Save as disclosed above, the Group did not experience any other significant events subsequent to the Reporting Period.

**10. Changes of Information on Directors, Supervisors or Chief Executives**

Mr. Li Wan Jun and Mr. Ng Chi Kit resigned as independent non-executive Directors of the Company with effect on 16 June 2023, and Mr. Fan Hui and Mr. Tom Siulun Chau were appointed as independent non-executive Directors of the Company with effect at the same date. For biographies of Mr. Fan Hui and Mr. Tom Siulun Chau, see the announcement published by the Company on 16 June 2023.

Save as disclosed above, for the six months ended 30 June 2023 and as of the date of this report, the Company is not aware of any other changes of information on directors, supervisors or chief executives required to be disclosed pursuant to any of the requirements under Rule 13.51B of the Hong Kong Listing Rules.

Save as disclosed in this report, information with respect to the Group's other matters as set out in paragraph 32 of Appendix 16 to the Hong Kong Listing Rules has not changed materially from that included in the Company's 2022 annual report.

## SECTION 4

# CORPORATE GOVERNANCE

### I. SUMMARY OF THE GENERAL MEETINGS

Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The first extraordinary general meeting in 2023	8 February 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	8 February 2023	Considered and approved the Resolution on the Reconsideration of the Framework Agreement with Spotlight Automotive and the Deliberation of the Third Amended Agreement and the Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company
The first H Shareholders' class meeting in 2023	8 February 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	8 February 2023	Considered and approved the Resolution on the Refreshment of General Mandate to Repurchase H Shares of the Company
The first A Shareholders' class meeting in 2023	8 February 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	8 February 2023	Considered and approved the resolution on the Grant of General Mandate to the Board to Repurchase A Shares and H Shares
The second extraordinary general meeting in 2023	17 March 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 March 2023	Considered and approved the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Restricted Share Incentive Scheme, the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Share Option Incentive Scheme, the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited and the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited
The second H Shareholders' class meeting in 2023	17 March 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 March 2023	Considered and approved the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Restricted Share Incentive Scheme, the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Share Option Incentive Scheme, the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited and the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited

Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The second A Shareholders' class meeting in 2023	17 March 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 March 2023	Considered and approved the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Restricted Share Incentive Scheme, the Resolution on the Adjustment to the Performance Appraisal Target under the 2021 Share Option Incentive Scheme, the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Restricted Share Incentive Scheme of Great Wall Motor Company Limited and the Resolution on the Changes of the Appraisal Measures for Implementation of the 2021 Share Option Incentive Scheme of Great Wall Motor Company Limited
The third extraordinary general meeting in 2023	24 April 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	24 April 2023	Considered and approved the Resolution on the 2023 Guarantee Plan, the Resolution in Relation to the Bill Pool Business to be Carried out by the Company for the Year 2023 and the Resolution on the Company's Authorisation to Conduct Banking Business

Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
2022 annual general meeting	16 June 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	16 June 2023	Considered and approved the Resolution on the Audited Financial Accounting Report for 2022, the Resolution on the Work Report of Board of Directors for 2022, the Resolution on the Profit Distribution Plan for 2022, the Resolution on the Annual Report for 2022 and Its Summary, the Resolution on the Work Report of Independent Directors for 2022, the Resolution on the Work Report of the Supervisory Committee for 2022, the Resolution on the Corporate Operation Strategy for 2022, the Resolution on the Re-appointment of the Accounting Firm, the Resolution on the 2023 ESOP (Revised Draft) of Great Wall Motor Company Limited and its Summary, the Resolution on the Proposal to the general meeting of shareholders to authorize the Board to deal with matters in relation to 2023 ESOP, the Resolution on the Management Measures for 2023 ESOP (Revised) of Great Wall Motor Company, the Resolution on Granting the General Mandate to the Board to Issue A Shares and H Shares, the Resolution on Granting the General Mandate to the Board to Repurchase A Shares and H Shares, the Resolution on the Amendments to the Articles of Association of the Company, the Resolution on the Re-election of Mr. Wei Jian Jun as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. Zhao Guo Qing as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Ms. Li Hong Shuan as an Executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. He Ping as a Non-executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Ms. Yue Ying as an Independent Non-executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. Tom Siulun Chau as an Independent Non-executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Mr. Fan Hui as an Independent Non-executive Director of the Eighth Session of the Board, the Resolution on the Re-election of Ms. Liu Qian as an Independent Supervisor of the Eighth Session of the Supervisory Committee and the Resolution on the Re-election of Mr. Ma Yu Bo as an Independent Supervisor of the Eighth Session of the Supervisory Committee

Session	Date of meeting	Designated website on which the resolution was published	Publication date of the resolution	Resolution of the meeting
The third H Shareholders' class meeting in 2023	16 June 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	16 June 2023	Considered and approved the Resolution on Granting the General Mandate to the Board to Repurchase A Shares and H Shares
The third A Shareholders' class meeting in 2023	16 June 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	16 June 2023	Considered and approved the Resolution on Granting the General Mandate to the Board to Repurchase A Shares and H Shares

#### Description of the Convening of Extraordinary General Meetings Requested by the Shareholders Holding Preference Shares with Restored Voting Rights

☐ Applicable    ☒ Not applicable

#### Description of General Meetings

☐ Applicable    ☒ Not applicable

## II. CHANGE IN THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

☒ Applicable    ☐ Not applicable

Name	Position	Change
Li Wan Jun	Independent Non-Executive Directors	Resigned
Ng Chi Kit	Independent Non-Executive Directors	Resigned
Fan Hui	Independent Non-Executive Directors	Elected
Tom Siulun Chau	Independent Non-Executive Directors	Elected

#### Explanation for changes in the directors, supervisors and senior management of the Company

☒ Applicable    ☐ Not applicable



Mr. Li Wan Jun and Mr. Ng Chi Kit, both being an independent non-executive director, resigned from the position of independent non-executive director of the Company due to expiration of their tenures. The Company convened the 61st meeting of the seventh session of the Board on 30 March 2023 and the 2022 annual general meeting on 16 June 2023, at which each of Mr. Fan Hui and Mr. Tom Siulun Chau was elected as an independent non-executive director of the eighth session of the Board of the Company, respectively. Their tenures commenced from 16 June 2023 until the conclusion of the eighth session of the Board.

### III. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALISATION OF CAPITAL RESERVE

#### Profit distribution proposal and proposal on capitalisation of capital reserve for the first half of the year

Any distribution or capitalisation	No
Number of bonus shares	—
for every 10 shares (share)	—
Dividends for every 10 shares	—
(RMB) (tax inclusive)	—
Number of capitalisation shares	—
for every 10 shares (share)	—
Details of proposal of profit distribution or capitalisation of capital reserve	—

#### IV. SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER INCENTIVES FOR EMPLOYEES AND THEIR EFFECTS

##### (I) Share incentives disclosed in preliminary announcements without subsequent development or changes

√ Applicable    ☐ Not applicable

Event summary	Inquiry index
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and the 2021 Share Option Incentive Scheme	Details were published in the announcements dated 4 January 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-001) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Announcement of Great Wall Motor Company Limited on Implementation of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Incentive Scheme and 2021 Restricted Share Incentive Scheme	Details were published in the announcements dated 31 January 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-008) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	Details were published in the announcements dated 2 February 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-009) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Announcement of Great Wall Motor Company Limited on Completion of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Share Incentive Scheme and 2021 Restricted Share Incentive Scheme	Details were published in the announcements dated 3 February 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-013) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )

**Event summary****Inquiry index**

Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company

Details were published in the announcements dated 17 February 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-019) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares

Details were published in the announcements dated 17 February 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-020) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and the 2021 Share Option Incentive Scheme

Details were published in the announcements dated 2 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-025) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company

Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-046) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Share Options under the First Grant and under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company

Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-047) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

**Event summary**

**Inquiry index**

Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company

Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-048) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Cancellation of Certain Share Options under the First Grant and the Reserved Grant of the 2021 Share Options Incentive Scheme of the Company

Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-049) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares

Details were published in the announcements dated 31 March 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-050) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and the 2021 Share Option Incentive Scheme

Details were published in the announcements dated 3 April 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-051) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Implementation of the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 11 April 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-053) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Completion of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme

Details were published in the announcements dated 14 April 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-056) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Event summary	Inquiry index
Announcement of Great Wall Motor Company Limited on Unlocking and Listing of the Third Tranche of Restricted Shares under the First Grant and the Second Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	Details were published in the announcements dated 21 April 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-057) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Management Measures for the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited	Details were published in the announcements dated 26 April 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
The Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft)	Details were published in the announcements dated 26 April 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Summary of the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Draft)	Details were published in the announcements dated 26 April 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Announcement of Great Wall Motor Company Limited on Receiving Inquiry Letter from the Shanghai Stock Exchange on Employee Share Ownership Plan	Details were published in the announcements dated 26 April 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-064) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Announcement of Great Wall Motor Company Limited on Fulfilment of Exercise Conditions of the Third Exercise Period of Share Options under the First Grant and the Second Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	Details were published in the announcements dated 27 April 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-065) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )

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Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme

Details were published in the announcements dated 5 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-066) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Amendment Description of 2023 Employee Stock Ownership Plan (Draft) and the Related Documents

Details were published in the announcements dated 8 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-067) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Management Measures for the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Revised)

Details were published in the announcements dated 8 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

The Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Revised Draft)

Details were published in the announcements dated 8 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Summary of the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited (Revised Draft)

Details were published in the announcements dated 8 May 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Implementation of Repurchase and Cancellation of Certain Restricted Shares under the First Grant and the Reserved Grant of the 2020 Share Incentive Scheme and 2021 Restricted Share Incentive Scheme

Details were published in the announcements dated 2 June 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-079) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)



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Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	Details were published in the announcements dated 2 June 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-080) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
The Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited	Details were published in the announcements dated 16 June 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Management Measures for the Employee Stock Ownership Plan for 2023 of Great Wall Motor Company Limited	Details were published in the announcements dated 16 June 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Exercise Period of Share Options of the Company	Details were published in the announcements dated 26 June 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-088) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme	Details were published in the announcements dated 4 July 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-091) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Announcement of Great Wall Motor Company Limited on Adjustments to the Exercise Price of Share Options under the First Grant and the Reserved Grant under the 2020 Restricted Share and Share Option Incentive Scheme of the Company	Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-099) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )

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Announcement of Great Wall Motor Company Limited on Adjustments to the Repurchase Price of Restricted Shares under the First Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the First Grant under the 2021 Share Option Incentive Scheme of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-100) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Adjustments to the Repurchase Price of Restricted Shares under the Reserved Grant under the 2021 Restricted Share Incentive Scheme and the Exercise Price of the Share Options under the Reserved Grant under the 2021 Share Option Incentive Scheme of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-101) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Adjustment to the Transfer Price of the Employee Stock Ownership Plan for 2023 of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-102) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Exercise Period of Share Options of the Company

Details were published in the announcements dated 18 July 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-103) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme and 2021 Share Option Incentive Scheme

Details were published in the announcements dated 2 August 2023 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) (announcement No.: 2023-105) and the Hong Kong Stock Exchange (<https://www.hkex.com.hk>) and the official website of the Company (<https://www.gwm.com.cn>)

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Announcement of Great Wall Motor Company Limited on the Completion of Non-trading Transfer of Shares under the Employee Stock Ownership Plan for 2023	Details were published in the announcements dated 16 August 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-107) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )
Announcement of Great Wall Motor Company Limited on the Resolution of the First Meeting of the Holders under the Employee Stock Ownership Plan for 2023	Details were published in the announcements dated 25 August 2023 on the websites of the Shanghai Stock Exchange ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> ) (announcement No.: 2023-108) and the Hong Kong Stock Exchange ( <a href="https://www.hkex.com.hk">https://www.hkex.com.hk</a> ) and the official website of the Company ( <a href="https://www.gwm.com.cn">https://www.gwm.com.cn</a> )

**(II) Incentives undisclosed in preliminary announcements or followed with subsequent development**

***Share Incentive Scheme***

☐ Applicable    ☒ Not applicable

***Other descriptions***

☐ Applicable    ☒ Not applicable

***Employee Stock Ownership Plan***

☐ Applicable    ☒ Not applicable

***Other incentives***

☐ Applicable    ☒ Not applicable

**(III) A summary of the 2020 Restricted Share and Share Option Incentive Scheme**

**1. Purpose of the Schemes**

To further establish and improve the incentive mechanism, attract and retain talented individuals, fully mobilize the enthusiasm of senior management and other core backbone staff of the Company, bond the interests of shareholders, the Company and core individuals together effectively, improve the Company's operation and management, promote the smooth and rapid improvement of the Company's performance and ensure the successful achievement of the Company's long-term development goals, the Company formulated this long-term incentive scheme in compliance with the provisions of the Company Law, the Securities Law, the Management Measures for Share Incentives of Listed Companies ("Management Measures") and other relevant laws, regulations and normative documents and the Articles of Association.

**2. Participants of the Schemes**

The Participants of the Schemes shall be core technical personnel or core business personnel, directors of certain subsidiaries, senior management and other employees that the Company believes should be motivated and have a direct impact on the Company's operation performance and future development (but excluding the Company's independent Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the shares of the Company or the de facto controllers and their spouses, parents or children).

**3. Total number of Shares available for issue under the Schemes and percentage of issued shares that it represents as at the date of the Interim Report**

The equity proposed to be granted to the Participants under the Incentive Scheme shall be 177,178,200, representing 2.09% of the issued shares as at the date of the Interim Report. It includes 109,757,400 options and 67,420,800 restricted shares, representing 1.29% and 0.79% of the issued shares as at the date of this interim report, respectively.

**4. Maximum entitlements of each Participant under the Schemes**

The total Shares to be granted to any Participant under the fully effective equity incentive schemes (including the restricted share scheme and the option scheme) will not exceed 1% of the total number of shares of the Company.

**5. Period within which the grantees may exercise Share Options under the Schemes**

Note: See the table of the 2020 Restricted Share and Share Option Incentive Scheme – options under the first grant/options under the reserved grant in this section.

**6. Vesting period of an option or an award under the Schemes**

Note: See the table of the 2020 Restricted Share and Share Option Incentive Scheme – options under the first grant/options under the reserved grant; 2020 Restricted Share and Share Option Incentive Scheme – Restricted Shares under the first grant/Restricted Shares under the reserved grant in this section.

**7. *The amount payable on application or acceptance of the options or the awards and the period within which payments or calls must be made or loans for application of the options must be repaid***

Not applicable

**8. *Basis of determination for the Exercise Price of the options granted or the Purchase Price of the Shares granted***

(1) Method of determination of the grant price of the Restricted Shares under the first grant

The grant price of the Restricted Shares under first grant is RMB4.37 per share. The grant price of the Restricted Shares under first grant shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the Shares of the Company (i.e. RMB4.23 per share) on the trading day preceding the date of the announcement of the draft of the Incentive Schemes;
- ② 50% of the average trading price of the Shares of the Company (i.e. RMB4.37 per share) for 120 trading days preceding the date of the announcement of the draft of the Incentive Schemes.

(2) Method of determination of the grant price of the reserved Restricted Shares

The grant price of the reserved Restricted Shares is RMB21.08 per share. The grant price of the reserved Restricted Shares shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the Shares of the Company (i.e. RMB21.08 per share) on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved Restricted Shares;
- ② 50% of the average trading price of the Shares of the Company (i.e. RMB13.76 per share) for 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved Shares.

(3) Method of determination of the Exercise Price of the Share Options under the first grant

The Exercise Price of the Share Options under the first grant is RMB8.73 per share. The Exercise Price of the Share Options under the first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB8.45 per share) on the trading day preceding the date of the announcement of the draft of the Incentive Scheme;
- ② the average trading price of the shares (i.e. RMB8.73 per share) for 120 trading days preceding the date of the announcement of the draft of the Incentive Scheme.

(4) Method of determination of the Exercise Price of the Share Options under the reserved grant

The Exercise Price of the reserved Share Options is RMB42.15 per share. The Exercise Price of the reserved Share Options shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB42.15 per share) on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved Share Options;
- ② the average trading price of the shares (i.e. RMB27.52 per share) for 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved Share Options.

### **9. Remaining validity period of the Schemes**

The validity period of the Incentive Scheme shall commence on the date of the first grant and end on the date of unlocking all the Restricted Shares granted to the participants or the date of the repurchase and cancellation of such Restricted Shares and exercising the Share Options granted to the participants or completing of the cancellation of such Share Options, which shall not exceed 48 months. The validity period was from 27 April 2020 to 26 April 2024.



**10. Fair values of the restricted shares, options and awards as at the grant date and the accounting standards and policies adopted**

(1) Restricted Shares

In accordance with the relevant requirements of the Accounting Standards for Enterprises No.11 – Share-based Payment and the Accounting Standards for Enterprises No.22 – Recognition and Measurement of Financial Instruments, the Company shall measure the fair value of the Restricted Shares based on the market prices of the Shares. On the measurement date, the fair value of share-based payment per Restricted Share = market price of the Shares of the Company – grant price.

The first grant of the Restricted Shares took place in 27 April 2020. Based on the data on 27 April 2020, the total amount of fair value of the equity instruments first granted by the Company to the Participants is RMB184,373,700.

As estimated above, the total cost of 52,678,200 Restricted Shares first granted under the Scheme is RMB184,373,700 and details of amortization from 2020 to 2023 are set out below:

*Currency: RMB*

<b>Number of the Restricted Shares under the first grant (0'000 shares)</b>	<b>Total cost to be amortized (RMB0'000)</b>	<b>2020 (RMB0'000)</b>	<b>2021 (RMB0'000)</b>	<b>2022 (RMB0'000)</b>	<b>2023 (RMB0'000)</b>
5,267.82	18,437.37	8,808.97	7,067.66	2,151.03	409.72

Notes:

- ① For the consideration of prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the Restricted Shares.
- ② The above results do not represent the final accounting costs. The actual accounting costs are related to the actual grant date, the grant price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of shareholders.
- ③ The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.
- ④ The accounting treatment of the reserved Restricted Shares is the same as that of the Restricted Shares under the first grant.

(2) Share Options

In accordance with the requirements of the Accounting Standards for Enterprises No.11 – Share-based Payment and the Accounting Standards for Enterprises No.22- Recognition and Measurement of Financial Instruments, no accounting treatment will be made by the Company to the Share Options on the Grant Date. The Company will use the “Black- Scholes” option pricing model to determine the fair value of the Share Options on the Grant Date.

The Company conducted the first grant of Share Options on 27 April 2020. The Company used the “Black-Scholes” model to measure the fair value of the Share Options and estimate the fair value of 87,572,800 Share Options first granted by the Company using such model on 27 April 2020. The theoretical value of 87,572,800 Share Options first granted by the Company was RMB95,122,600. The value of the options in each exercise period is as follows:

Currency: RMB

Exercise period	Number of options under the first grant (0'000)	Value per option (RMB)	Total value of the options under the first grant (RMB0'000)
First exercise period	2,919.09	0.70	2,054.79
Second exercise period	2,919.09	1.27	3,701.31
Third exercise period	2,919.09	1.29	3,756.17

Selection of specific parameters is as follows:

- Current price of subject shares: RMB7.87 per share (the closing price on the grant date, being 27 April 2020);
- Exercise price of the Share Options: RMB8.73 per share as determined under the Management Measures;
- Valid period: one, two and three years, respectively (based on the period commencing from the grant date and ending on the first exercisable date for respective period);
- Historical volatility: 35.86%, 40.95% and 35.82%, respectively (the volatility of the Company for the latest one, two and three years before the grant date, respectively; source: Wind database);
- Risk-free rate: 1.1300%, 1.3775% and 1.4182%, respectively (the yield of PRC treasury bond for one, two and three years);
- Dividend yield: 3.68% (the average dividend yield of the Company for the latest 12 months before the grant date).

Note: The calculation results of the value of the Share Options are subject to the options pricing model adopted and a number of assumptions of the parameters used herein. Therefore, the estimated value of the Share Options may be subjective and uncertain.

The accounting treatment of the reserved Restricted Shares is the same as that of the Restricted Shares under the first grant.

## 2020 Restricted Share and Share Option Incentive Scheme — Restricted Shares under the first grant

Name	Position	Number of the Restricted Shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Award shares yet to be vested at the end of the Reporting Period (shares)
Hu Shu Jie	Deputy General Manager	2,000,000	0	0	0	0	0
Zhao Guo Qing	Deputy General Manager	1,380,000	276,000	276,000	0	0	0
Xu Hui	Board Secretary	430,000	86,000	0	86,000	0	0
Liu Yu Xin	Chief Financial Controller	250,000	50,000	50,000	0	0	0
Zheng Chun Lai	Director and general manager of subsidiaries	400,000	80,000	80,000	0	0	0
Zhang De Hui	Director and general manager of subsidiaries	400,000	80,000	80,000	0	0	0
Li Rui Feng	Director and general manager of subsidiaries	1,260,000	252,000	252,000	0	0	0
Total	Connected persons	6,120,000	824,000	738,000	86,000	0	0
Other management, core technical (business) backbone staff (274 people)		43,183,500	8,138,600	7,642,920	495,680	0	0
Total		49,303,500	8,962,600	8,380,920	581,680	0	0

## Notes:

- (1) In respect of the first grant of the 2020 Restricted Shares and Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such Restricted Shares granted was 49,303,500, and the date of grant was 27 April 2020. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Shares was RMB7.91. The vesting periods for the Restricted Shares under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The unlocking period was from 27 April 2021 to 26 April 2024, and the Purchase Price was RMB3.47;
- (2) During the Reporting Period, the number of the Restricted Shares unlocked was 8,380,920; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB26.92;
- (3) During the Reporting Period, the number of the Restricted Shares cancelled was 581,680, and the repurchase price of the Restricted Shares cancelled was RMB3.47, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Restricted Share and Share Option Incentive Scheme;
- (4) During the Reporting Period, the number of the Restricted Shares lapsed was 0;
- (5) Mr. Hu Shu Jie resigned as the Deputy General Manager of the Company on 27 August 2021. Mr. Xu Hui resigned as the Board Secretary of the Company on 23 September 2022. Ms. Liu Yu Xin resigned as the Chief Financial Controller of the Company on 29 June 2020.

The first grant of Restricted Shares under the 2020 Restricted Share and Share Option Incentive Scheme was completed prior to the Reporting Period, and there was no grant of Restricted Shares during the Report Period. There were no Restricted Shares to be granted as at the beginning and end of the Reporting Period.

## 2020 Restricted Share and Share Option Incentive Scheme — Restricted Shares under the reserved grant

Name	Position	Number of the Restricted Shares granted (shares)	Shares not	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Award shares yet to be vested at the end of the Reporting Period (shares)
			vested at the beginning of the Reporting Period (shares)				
Other management, core technical (business) backbone staff (149 people)		1,149,150	569,075	554,675	14,400	0	0
Total		1,149,150	569,075	554,675	14,400	0	0

## Notes:

- (1) In respect of the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such Restricted Shares granted was 1,149,150, and the date of grant was 28 January 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Shares was RMB42.21. The vesting periods for the Restricted Shares under the reserved grant were 12 months and 24 months from the date of grant, respectively. The unlocking period was from 28 January 2022 to 27 January 2024, and the purchase price was RMB20.43;
- (2) During the Reporting Period, the number of the Restricted Shares unlocked was 554,675; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB26.92;
- (3) During the Reporting Period, the number of the Restricted Shares cancelled was 14,400, and the repurchase price of the Restricted Shares cancelled was RMB20.43, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2020 Restricted Share and Share Option Incentive Scheme;
- (4) During the Reporting Period, the number of the Restricted Shares lapsed was 0.

The reserved grant of Restricted Shares under the 2020 Restricted Share and Share Option Incentive Scheme was completed prior to the Reporting Period, and there was no grant of Restricted Shares during the Report Period. There were no Restricted Shares to be granted as at the beginning and end of the Reporting Period.

## 2020 Restricted Share and Share Option Incentive Scheme — Share Options under the first grant

Name	Position	Options not exercised					Options yet to be exercised
		Number of the Share Options granted (shares)	at the beginning of the Reporting Period (shares)	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	at the end of the Reporting Period (shares)
Core management, core technical (business) backbone staff (1,651 people)		87,065,300	28,278,341	23,448,888	943,174	53,302	3,886,279
Total		87,065,300	28,278,341	23,448,888	943,174	53,302	3,886,279

## Notes:

- (1) In respect of the first grant of the 2020 Restricted Share and Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such options granted was 87,065,300, and the date of grant was 27 April 2020. The closing price of A Shares of the Company immediately prior to the date of grant of such options was RMB7.91. The vesting periods for the options under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The exercise period was from 27 April 2021 to 26 April 2024, and the Exercise Price was RMB7.83;
- (2) During the Reporting Period, the number of the Share Options exercised was 23,448,888; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB26.06;
- (3) During the Reporting Period, the number of the Share Options cancelled was 943,174, and the Exercise Price of the Share Options at the time of cancellation was RMB7.83;
- (4) During the Reporting Period, the number of the Share Options lapsed was 53,302.

The first grant of Share Options under the 2020 Restricted Share and Share Option Incentive Scheme was completed prior to the Reporting Period, and there was no grant of Share Options during the Report Period. There were no Share Options to be granted as at the beginning and end of the Reporting Period.

## 2020 Restricted Share and Share Option Incentive Scheme — Share Options under the reserved grant

Name	Position	Number of the Share Options granted (shares)	Options not exercised	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be
			at the beginning of the Reporting Period (shares)				exercised at the end of the Reporting Period (shares)
Other management, core technical (business) backbone staff (497 people)		15,721,000	14,986,103	0	8,093,603	0	6,892,500
Total		15,721,000	14,986,103	0	8,093,603	0	6,892,500

## Notes:

- (1) In respect of the reserved grant of the 2020 Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such options granted was 15,721,000, and the date of grant was 28 January 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such options was RMB42.21. The vesting periods for the options under the reserved grant were 12 months and 24 months from the date of grant, respectively. The exercise period was from 28 January 2022 to 27 January 2024, and the Exercise Price was RMB41.50;
- (2) During the Reporting Period, the number of the Share Options exercised was 0; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB26.06;
- (3) During the Reporting Period, the number of the Share Options cancelled was 8,093,603, and the Exercise Price of the Share Options at the time of cancellation was RMB41.50;
- (4) During the Reporting Period, the number of the Share Options lapsed was 0.

The reserved grant of Share Options under the 2020 Restricted Share and Share Option Incentive Scheme was completed prior to the Reporting Period, and there was no grant of Share Options during the Report Period. There were no Share Options to be granted as at the beginning and end of the Reporting Period.



**(IV) A summary of the 2021 Restricted Share Incentive Scheme and the 2021 Share Option Incentive Scheme****1. Purpose of the Schemes**

Based on long-term development and governance for the future, building an innovative long-term incentive mechanism can entrust the participants with rights and obligations, effectively promote the transformation of employees from “workers” to “partners” with their thought changed from “doing work” into “striving for cause”, and gather a group of contemporary strivers and business leaders with common values, thereby promoting the long-term and steady development of the Company, and aligning the interests of all shareholders. Specifically, these incentive schemes are launched for the following purposes:

- (1) by further establishing and improving its operating mechanism and its incentive and restraint mechanism for senior management, middle management and core technical (business) backbone staff, to fully mobilize their enthusiasm, enhance their cohesion, and effectively align the interests of Shareholders, the Company and its key personnel, so as to secure “concerted efforts with common interests” and promote the sustainable, steady and rapid development of the Company.
- (2) by setting challenging performance targets to bring both pressure and motivation, to not only help enhance the Company’s competitiveness but also help mobilize the enthusiasm and creativity of the management and core backbone staff, and ensure the Company to realize its future development strategies and business objectives, so as to create more sustainable and greater returns for Shareholders.
- (3) to help attract and retain outstanding management talents and core business staff so that meet the Company’s huge demand for core technical and management talents through comprehensive and accurate coverage of high-value positions and key talents, so as to enhance the Company’s cohesion, establish the Company’s human resources advantages, further stimulate the Company’s innovation vitality, and inject new power into the Company’s sustained and rapid development.

**2. Participants of the Schemes**

The Participants shall be the senior management of the Company, directors and senior management working in the controlled subsidiaries of the Company, middle management and core technical (business) backbone staff of the Company (including its controlled subsidiaries) and other employees that the Company believes should be motivated and have a direct impact on the Company’s operation performance and future development, excluding the Company’s independent Directors, Supervisors, the Shareholders individually or in aggregate holding 5% or more of the Shares of the Company or the de facto controllers and their spouses, parents or children.

**3. *Total number of shares available for issue under the Schemes and percentage of issued shares that it represents as at the date of the Interim Report***

The 2021 Restricted Share Incentive Scheme: the total number of Shares available for issue shall be 43,184,000, representing 0.51% of the issued shares as at the date of the Interim Report;

The 2021 Share Option Incentive Scheme: the total number of underlying shares under the Share Options shall be 397,101,000, representing 4.67% of the issued shares as at the date of the Interim Report.

**4. *Maximum entitlements of each Participant under the Schemes***

The total Shares to be granted under the fully effective equity incentive schemes (including the restricted share scheme and the option scheme) to any one of the Participants will not exceed 1% of the total number of shares of the Company.

**5. *Period within which the grantees may exercise Share Options under the Schemes***

Note: See the table of 2021 Share Option Incentive Scheme – Share Option under the First Grant/Share Option under Reserved Grant in this section.

**6. *Vesting period of an option or award under the Schemes***

Note: See the tables of 2021 Share Option Incentive Scheme – Share Option under the First Grant/Share Option under Reserved Grant; 2021 Restricted Share Incentive Scheme – Restricted Share under the First Grant/Restricted Share under Reserved Grant in this section.

**7. *The amount payable on application or acceptance of the Options or awards and the period within which payments or calls must be made or loans for application of the Options must be repaid***

Not applicable

**8. Basis of determination for the Exercise Price of the Options granted or the Purchase Price of the Shares granted**

1. 2021 Restricted Share Incentive Scheme:

(1) Method of determination of the grant price of Restricted Shares under the first grant

The grant price of the Restricted Shares under first grant is RMB16.78 per share. The grant price of the Restricted Shares under first grant shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the Shares of the Company (i.e. RMB16.78 per share) on the trading day preceding the date of the announcement of the draft of the Incentive Scheme;
- ② 50% of the average trading price of the Shares of the Company (i.e. RMB16.55 per share) for 20 trading days preceding the date of the announcement of the draft of the Incentive Scheme.

(2) Method of determination of the grant price of the reserved Restricted Shares

The grant price of the reserved Restricted Shares is RMB12.73 per share. The grant price of the reserved Restricted Share shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- ① 50% of the average trading price of the Shares of the Company (i.e. RMB11.45 per share) on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved Restricted Shares;
- ② 50% of the average trading price of the Shares of the Company (i.e. RMB12.73 per share) for 20, 60 or 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved Shares.

2. 2021 Share Option Incentive Scheme:

(1) Method of determination of the Exercise Price of the Share Options under the first grant

The Exercise Price of the Share Options under the first grant is RMB33.56 per share. The Exercise Price of the Share Options under the first grant shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB33.56 per share) on the trading day preceding the date of the announcement of the draft of the Incentive Scheme;
- ② the average trading price of the shares (i.e. RMB33.10 per share) for 20 trading days preceding the date of the announcement of the draft of the Incentive Scheme.

- (2) Method of determination of the Exercise Price of the Share Option under the reserved grant

The Exercise Price of the reserved Share Options is RMB25.45 per share.

The Exercise Price of the reserved Share Options shall not be lower than the carrying amount of the shares, and not lower than the higher of the followings:

- ① the average trading price of the shares (i.e. RMB22.89 per share) on the trading day preceding the date of the announcement of the Board resolution on the grant of the reserved Share Options;
- ② the average trading price of the shares (i.e. RMB25.45 per share) for 20, 60 or 120 trading days preceding the date of the announcement of the Board resolution on the grant of the reserved Share Options.

**9. *Remaining validity period of the Schemes***

The validity period shall commence on the date of the first grant of the Restricted Shares/Share Options and end on the date of fully unlocking all the Restricted Shares granted to the participants or completing of the repurchase and cancellation of such Restricted Shares/the date of exercising all the Share Options granted to the participants or the cancellation of such Share Options, which shall not exceed 48 months. The validity period of the 2021 Restricted Share Incentive Scheme and 2021 Share Option Incentive Scheme was from 22 July 2021 to 21 July 2025.

**10. Fair values of the relevant options and awards as at the Grant Date and the accounting standards and policies adopted**

**1. 2021 Restricted Share Incentive Scheme:**

Pursuant to the Accounting Standards for Business Enterprises No. 11 – Share-based Payment and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Company shall measure the fair value of the Restricted Shares based on the market prices of the Shares. On the measurement date, the fair value of share-based payment per restricted share = market price of the Shares of the Company – grant price.

The first grant of the Restricted Shares took place in 22 July 2021. Based on the data on 22 July 2021, the total amount of fair value of the equity instruments first granted by the Company to the Participants is RMB1,166,452,300.

As estimated above, the total cost of 34,057,000 Restricted Shares first granted under the Scheme is RMB1,166,452,300 and details of amortization from 2021 to 2024 are set out below:

*Currency: RMB*

<b>Number of the Restricted Shares under the first grant (0'000 shares)</b>	<b>Total cost to be amortized (RMB0'000)</b>	<b>2021 (RMB0'000)</b>	<b>2022 (RMB0'000)</b>	<b>2023 (RMB0'000)</b>	<b>2024 (RMB0'000)</b>
3,405.70	116,645.23	31,591.42	56,378.53	21,870.98	6,804.30

Notes:

- (1) For the consideration of prudent accounting principle, the cost estimate and amortization above have not taken into consideration the future locking of the Restricted Shares.
- (2) The above results do not represent the final accounting costs. The actual accounting costs are related to the actual Grant Date, the Grant Price and the number of grant, as well as the actual effective and lapsed quantities, and the possible dilutive effects are brought to the attention of shareholders.
- (3) The final result of the above impact on the Company's operating results will be subject to the annual audit report issued by the accounting firm.
- (4) The accounting treatment of the reserved Restricted Shares is the same as that of the Restricted Shares under the first grant.

## 2. 2021 Share Option Incentive Scheme:

In accordance with the requirements of the Accounting Standards for Business Enterprises No.11 – Share-based Payment and the Accounting Standards for Business Enterprises No.22- Recognition and Measurement of Financial Instruments, no accounting treatment will be made by the Company to the Share Options on the Grant Date. The Company will use the “Black- Scholes” option pricing model to determine the fair value of the Share Options on the Grant Date.

The Company conducted the first grant of Share Options on 22 July 2021. The Company used the “Black-Scholes” model to measure the fair value of the Share Options and estimate the fair value of 312,637,000 Share Options under the first grant by the Company using such model on 22 July 2021. The theoretical value of 312,637,000 Share Options under the first grant by the Company was RMB6,148,273,800. The value of the options in each exercise period is as follows:

Currency: RMB

Exercise period	Number of options under the first grant (0'000)	Value per option (RMB)	Total value of the options under the first grant (RMB0'000)
First exercise period	10,421.23	18.53	193,064.59
Second exercise period	10,421.23	19.68	205,101.47
Third exercise period	10,421.23	20.79	216,661.32

Selection of specific parameters is as follows:

- Current price of subject shares: RMB51.03 per share (the closing price on the grant date, being 22 July 2021);
- Exercise price of the Share Options: RMB33.56 per share as determined under the Management Measures;
- Valid period: 1.5, 2.5 and 3.5 years, respectively (based on the period commencing from the grant date and ending on the exercisable date for respective period, assuming even exercise following the exercisable date);
- Historical volatility: 25.02%, 24.80% and 25.12%, respectively (the volatility of the automobile industry for the latest one, two and three years before the grant date, respectively; source: Wind database);
- Risk-free rate: 2.1551%, 2.4958% and 2.5893%, respectively (the yield of PRC treasury bond for one, two and three years);
- Dividend yield: 0.55% (the average dividend yield of the Company for the latest 12 months before the grant date).

Note: The calculation results of the value of the Share Options are subject to the options pricing model adopted and a number of assumptions of the parameters used herein. Therefore, the estimated value of the Share Options may be subjective and uncertain.

The accounting treatment of the Share Options under the reserved grant is the same as that of the Share Options under the first grant.

## 2021 Restricted Share Incentive Scheme — Restricted Shares under the first grant

Name	Position	Number of the Restricted Shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of the Reporting Period (shares)
Zheng Chun Lai	Director and general manager of subsidiaries	200,000	120,000	0	60,000	0	60,000
Zhang De Hui	Director and general manager of subsidiaries	200,000	120,000	0	60,000	0	60,000
Meng Xiang Jun	Director and general manager of subsidiaries	200,000	120,000	0	60,000	0	60,000
Cui Kai	Director and general manager of subsidiaries	80,000	48,000	0	24,000	0	24,000
Zheng Li Peng	Director and general manager of subsidiaries	250,000	150,000	0	75,000	0	75,000
Tang Hai Feng	Director and general manager of subsidiaries for the last 12 months	450,000	270,000	0	135,000	0	135,000
Wu Nan	General manager of subsidiaries	178,000	106,800	0	53,400	0	53,400
Li Jiang	General manager of subsidiaries	104,000	62,400	0	31,200	0	31,200
Chen Biao	Supervisor of the Company for the last 12 months	120,000	72,000	0	36,000	0	36,000
Li Hong Shuan	Chief financial Controller	180,000	108,000	0	54,000	0	54,000
Total	Connected persons	1,962,000	1,177,200	0	588,600	0	588,600
Other management, core technical (business) backbone staff (547 people)		30,691,200	17,645,520	0	9,393,060	0	8,252,460
Total		32,653,200	18,822,720	0	9,981,660	0	8,841,060

## Notes:

- (1) In respect of the first grant of the 2021 Restricted Share Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such Restricted Shares granted was 32,653,200, and the date of grant was 22 July 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Share was RMB50.07. The vesting periods for the Restricted Shares under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The unlocking period was from 22 July 2022 to 21 July 2025, and the purchase price was RMB16.41;
- (2) During the Reporting Period, the number of the Restricted Shares unlocked was 0; the average closing price of A Shares of the Company immediately prior to the unlocking date was RMB25.07;
- (3) During the Reporting Period, the number of the Restricted Shares cancelled was 9,981,660, and the repurchase price of the Restricted Shares cancelled was RMB16.41, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2021 Restricted Share Incentive Scheme;
- (4) During the Reporting Period, the number of the Restricted Share lapsed was 0;
- (5) Mr. Chen Biao resigned as the Supervisor of the Company on 12 May 2021.

The first grant of Restricted Shares under the 2021 Restricted Share Incentive Scheme was completed prior to the Reporting Period, and there was no grant of Restricted Shares during the Reporting Period. There were no Restricted Shares to be granted as at the beginning and end of the Reporting Period.



## 2021 Restricted Share Incentive Scheme — Restricted Shares under the reserved grant

Name	Position	Number of the Restricted Shares granted (shares)	Shares not vested at the beginning of the Reporting Period (shares)	Shares vested during the Reporting Period (shares)	Shares cancelled during the Reporting Period (shares)	Shares lapsed during the Reporting Period (shares)	Shares yet to be vested at the end of the Reporting Period (shares)
Zheng Chun Lai	Director and general manager of subsidiaries	50,000	50,000	0	25,000	0	25,000
Zhang De Hui	Director and general manager of subsidiaries	50,000	50,000	0	25,000	0	25,000
Meng Xiang Jun	Director and general manager of subsidiaries	50,000	50,000	0	25,000	0	25,000
Cui Kai	Director and general manager of subsidiaries	30,000	30,000	0	15,000	0	15,000
Zheng Li Peng	Director and general manager of subsidiaries	50,000	50,000	0	25,000	0	25,000
Chen Biao	Supervisor of the Company for the last 12 months	40,000	40,000	0	20,000	0	20,000
Wang Feng Ying	General manager	2,475,000	2,475,000	0	2,475,000	0	0
Yang Zhi Juan	Director of the Company for the last 12 months	40,000	40,000	0	20,000	0	20,000
Total	Connected persons	2,785,000	2,785,000	0	2,630,000	0	155,000
Other management, core technical (business) backbone staff (247 people)		5,170,800	5,170,800	0	2,727,900	0	2,442,900
Total		7,955,800	7,955,800	0	5,357,900	0	2,597,900

## Notes:

- (1) In respect of the reserved grant of the 2021 Restricted Share Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such Restricted Shares granted was 7,955,800, and the date of grant was 29 April 2022. The closing price of A Shares of the Company immediately prior to the date of grant of such Restricted Share was RMB22.89. The vesting periods for the Restricted Shares under the reserved grant were 12 months and 24 months from the date of grant, respectively. The unlocking period was from 29 April 2023 to 28 April 2025, and the purchase price was RMB12.66;
- (2) During the Reporting Period, the number of the Restricted Shares unlocked was 0;
- (3) During the Reporting Period, the number of the Restricted Shares cancelled was 5,357,900, and the repurchase price of the Restricted Shares cancelled was RMB12.66, plus the interests for bank deposits for the same period based on the benchmark deposit interest rate as issued by the People's Bank of China for the same period in accordance with the terms of the 2021 Restricted Share Incentive Scheme;
- (4) During the Reporting Period, the number of the Restricted Shares lapsed was 0;
- (5) Mr. Chen Biao resigned as the Supervisor of the Company on 12 May 2021. Ms. Wang Feng Ying resigned as the General manager of the Company on 24 July 2022. Ms. Yang Zhi Juan resigned as the Director of the Company on 18 March 2022.

The reserved grant of Restricted Shares under the 2021 Restricted Share Incentive Scheme was completed prior to the Reporting Period, and there was no grant of Restricted Shares during the Reporting Period. There were no Restricted Shares to be granted as at the beginning and end of the Reporting Period.

## 2021 Share Option Incentive Scheme — Shares Options under the first grant

Name	Position	Number of the Shares Options granted (shares)	Options not exercised	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised
			at the beginning of the Reporting Period (shares)				at the end of the Reporting Period (shares)
Other management, core technical (business) backbone staff (8,147 people)		300,594,000	261,943,136	0	99,460,401	0	162,482,735
Total		300,594,000	261,943,136	0	99,460,401	0	162,482,735

## Notes:

- (1) In respect of the first grant of the 2021 Share Option Incentive Scheme, the number of such Share Options granted was 300,594,000, and the date of grant was 22 July 2021. The closing price of A Shares of the Company immediately prior to the date of grant of such Share Options was RMB50.07. The vesting periods for the Share Options under the first grant were 12 months, 24 months and 36 months from the date of grant, respectively. The exercising period was from 22 July 2022 to 21 July 2025, and the Exercise Price was RMB33.19;
- (2) During the Reporting Period, the number of the Share Options exercised was 0; the average closing price of A Shares of the Company immediately prior to the exercise date was RMB25.07;
- (3) During the Reporting Period, the number of the Share Options cancelled was 99,460,401, and the Exercise Price of the Share Options at the time of cancellation was RMB33.19;
- (4) During the Reporting Period, the number of the Share Options lapsed was 0.

The first grant of Share Options under the 2021 Share Option Incentive Scheme was completed prior to the Reporting Period, and there was no grant of Share Options during the Reporting Period. There were no Share Options to be granted as at the beginning and end of the Reporting Period.

## 2021 Share Option Incentive Scheme — Share Options under the reserved grant

Name	Position	Number of the Shares Options granted (shares)	Options not exercised	Options exercised during the Reporting Period (shares)	Options cancelled during the Reporting Period (shares)	Options lapsed during the Reporting Period (shares)	Options yet to be exercised at the end of the Reporting Period (shares)
			at the beginning of the Reporting Period (shares)				
Zheng Li Peng	Director and general manager of subsidiaries	90,000	90,000	0	45,000	0	90,000
Other management, core technical (business) backbone staff (6,611 people)		75,407,100	75,407,100	0	40,612,250	0	34,749,850
Total		75,497,100	75,497,100	0	40,657,250	0	34,839,850

## Notes:

- (1) In respect of the reserved grant of the 2021 Share Option Incentive Scheme, which has been completed prior or subsequent to the Reporting Period, the number of such Share Options granted was 75,497,100, and the date of grant was 29 April 2022. The closing price of A Shares of the Company immediately prior to the date of grant of such Share Options was RMB22.89. The vesting periods for the share options under the reserved grant were 12 months and 24 months from the date of grant, respectively. The exercising period was from 29 April 2023 to 28 April 2025, and the Exercise Price was RMB25.45;
- (2) During the Reporting Period, the number of the Share Options exercised was 0;
- (3) During the Reporting Period, the number of the Share Options cancelled was 40,657,250, and the Exercise Price of the Share Options at the time of cancellation was RMB25.45;
- (4) During the Reporting Period, the number of the Share Options lapsed was 0.

The reserved grant of Share Options under the 2021 Share Option Incentive Scheme was completed prior to the Reporting Period, and there was no grant of Share Options during the Reporting Period. There were no Share Options to be granted as at the beginning and end of the Reporting Period.

As of 30 June 2023, there were 3,886,279 outstanding A Share options under the first grant under the Company's 2020 Share Option Incentive Scheme, representing approximately 0.06% of the total issued A Share capital of the Company; and there were 6,892,500 outstanding A Share options under the Reserved Grant, representing approximately 0.11% of the total issued A Share capital of the Company. There are 162,482,735 outstanding A Share options under the first grant of the Company's 2021 Share Option Incentive Scheme, representing approximately 2.63% of the total issued A Share capital of the Company, and there are 34,839,850 outstanding A Share options under the reserved grant, representing approximately 0.56% of the total issued A Share capital of the Company.

As of 30 June 2023, the total number of A Shares available for issuance under the first grant of the Company's 2020 Restricted Share Incentive Scheme was 0 share, representing approximately 0% of the total issued A Shares of the Company; and the total number of A Shares available for issuance under the Reserved Grant was 0 share, representing approximately 0% of the total issued A Shares of the Company. The total number of A Shares available for issuance under the first grant of the Company's 2021 Restricted Share Incentive Scheme was 0 share, representing approximately 0% of the total issued A Shares of the Company; and the total number of A Shares available for issuance under the reserved grant was 0 share, representing approximately 0% of the total issued A Shares of the Company.

# SECTION 5

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### I. ENVIRONMENTAL INFORMATION

#### (I) Description of environmental protection of companies which are defined as key pollutant discharging units by environmental protection authorities and their subsidiaries

√ Applicable    ☐ Not applicable

##### 1. Pollutant discharge

√ Applicable    ☐ Not applicable

Name of company or subsidiary	Name of major pollutants or specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission	
Great Wall Motor Company Limited	Sewage	PH	Intermittent emission	2	The discharge outlet on the factory site of Great Wall Motor Company Limited located at Chaoyang South Avenue	7.7	Integrated Wastewater Discharge Standards (GB8978-1996); Import water quality requirements for Yindingzhuang Sewage Station	—	—	Nil	
		Chemical oxygen demand				88.4mg/L		10.02	39.14	Nil	
		Ammonia nitrogen				25.8mg/L		2.92	13.5	Nil	
		Total phosphorus				2.00mg/L		0.22mg/L	1.41	Nil	
		Total nitrogen				35.5mg/L		4.02	23.5	Nil	
		Particulate matter				15mg/L		0.56	—	Nil	
		Five-day BOD				17.8mg/L		1.28	—	Nil	
		Total nitrogen				0mg/L		0	0.009	Nil	
		Exhaust gas				Non-methane hydrocarbons		Regular emission	8	Main exhaust outlet of waste gas from spraying and drying in coating workshops	9.08mg/m³
	Sulfur dioxide		ND	0	1.49	Nil					
	Nitrogen oxides		ND	0	26.914	Nil					
	Particulates		2.6mg/m³	2.08	28.46	Nil					
	Soil	902.8926 tons of hazardous waste was generated in the first half of 2023									Nil
Xushui Branch of Great Wall Motor Company Limited	Sewage	PH	Intermittent emission	3	Main discharge outlets of No. 1 plant and No. 2 plant of Xushui Branch	7.7	Integrated Wastewater Discharge Standards (GB8978-1996); Import water quality requirements for Dawangdian Treatment Sewage Station	—	—	Nil	
		Chemical oxygen demand				43.6mg/L		18.667	69.157	Nil	
		Ammonia nitrogen				6.13mg/L		2.624	11.899	Nil	
		Total phosphorus				0.553mg/L		0.237	1.24	Nil	
		Total nitrogen				18.89mg/L		8.083	27.322	Nil	
		Particulate matter				12.5mg/L		5.347	—	Nil	
		Five-day BOD				14.1mg/L		6.020	—	Nil	
		Total nickel				0.15mg/L		0.064	—	Nil	
		Fluoride				2.88mg/L		1.232	—	Nil	
		Environmental risk control				1,432.8897 tons of hazardous waste was generated in the first half of 2023					

Name of company or subsidiary	Name of major pollutants or specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Tianjin Haval Branch of Great Wall Motor Company Limited	Sewage	PH	Intermittent Emission	2	West side of the factory site	7.6	Integrated Wastewater Discharge Standards (DB12/356-2018)	—	—	Nil
		Chemical oxygen demand				59mg/L		4.90	86.66	Nil
		Ammonia nitrogen				0.795mg/L		0.08	5.85	Nil
		Total phosphorus				0.6mg/L		0.03	1.386	Nil
		Total nitrogen				24.8mg/L		1.24	12.132	Nil
		Particulate matter				16mg/L		0.33	—	Nil
		Five-day BOD				21.6mg/L		1.79	—	Nil
	Exhaust gas	VOCs	Regular emission	55	Around the factory	1.67mg/m³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB12/524-2020)/Integrated Emission Standards of Air Pollutants (GB16297-1996)	15.22	398.29	Nil
		Sulfur dioxide				3	1.38	—	Nil	
		Nitrogen oxides				29mg/m³	8.34	—	Nil	
		Particulates				2.5mg/m³	2.47	—	Nil	
	Risk source	489.67 tons of hazardous waste was generated in the first half of 2023								
Chongqing Branch of Great Wall Motor Company Limited	Exhaust gas	VOCs	Regular emission	23	Around the factory	0.199mg/m³	Integrated Emission Standards of Air Pollutants (DB50/418-2016); Emission Standards of Air Pollutants from Boilers in Chongqing (DB50/658-2016)	0.37	35.85	Nil
		Sulfur dioxide				ND		0.27	8.63	Nil
		Nitrogen oxides				99mg/m³		4.33	57.16	Nil
		Particulates				3.4mg/m³		2.24	15.59	Nil
	Environment risk control	918 tons of hazardous waste was generated in the first half of 2023								
Jingmen Branch of Great Wall Motor Company Limited	Sewage	PH	Intermittent emission	2	Main discharge outlet of domestic/ industrial sewage	7-9	Integrated Wastewater Discharge Standards (GB8978-1996)	—	—	Nil
		Chemical oxygen demand				9.58mg/L		0.398	6.73	Nil
		Ammonia nitrogen				0.23mg/L		0.006	0.673	Nil
		Total phosphorus				0.09mg/L		0.010	—	Nil
	Exhaust gas	VOCs	Regular emission	41	Within the factory	10mg/m³	Emission Standards of Volatile Organic Compounds from Surface Coating (Automobile Manufacturing) (DB42_1539-2019); Integrated Emission Standards of Air Pollutants (GB16297-1996)	4.270	39.05	Nil
		Sulfur dioxide				15mg/m³		0.199	—	Nil
		Nitrogen oxides				67.8mg/m³		3.54	—	Nil
		Particulates				2.73mg/m³		3.11	—	Nil
	Environment risk control	533.948 tons of hazardous waste was generated in the first half of 2023								

## Environmental and Social Responsibility

Name of company or subsidiary	Name of major pollutants or specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Rizhao Weipai Automobile Co., Ltd. (日照魏牌汽车有限公司)	Sewage	Chemical oxygen demand	Intermittent emission	1	Main discharge outlet of the Company	8.03mg/L	Quality Standards for Sewage Discharged into Urban Sewers (GB/T31962-2015); Water Intake requirements for the sewage treatment plant in the Development Zone of Rizhao Water Group Sewage Treatment Co., Ltd.	0.108	10.18	Nil
		Nitrogen oxides				0.912mg/L		0.01	1.02	Nil
	Exhaust gas	VOCs	Regular emission	16	Within the factory	0.22	Emission Standards of Volatile Organic Compounds Part 1: Automobile Manufacturing Industry (DB37/2801.1-2016)	0.01	18.33	Nil
Pinghu Branch of Great Wall Motor Company Limited	Environment risk control	69.025 tons of hazardous waste was generated in the first half of 2023								Nil
Taizhou Branch of Great Wall Motor Company Limited	Exhaust gas	VOCs	Regular emission	41	Within the factory	0.229	Local Standard of Jiangsu under Integrated Emission Standards of Air Pollutants (DB32/4041-2021)	6.1658	21.0275	Nil
	Environment risk control	829.03 tons of hazardous waste was generated in the first half of 2023								Nil
Molding Workshop of Baoding Yixin Automotive Parts Company Limited	Exhaust gas	Non-methane hydrocarbons	Regular emission	1	Around the factory	2.84mg/m <sup>3</sup>	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322 – 2016)	0.234	40.37	Nil
		Sulfur dioxide				ND		0	—	Nil
		Nitrogen oxides				ND		0	—	Nil
		Particulates				2.5mg/m <sup>3</sup>		0.103	—	Nil
Baoding Yixin Automotive Parts Company Limited	Sewage	PH	Intermittent emission	1	Domestic sewage outlet	7.8	Integrated Wastewater Discharge Standards (GB 8978-1996); Import water quality requirements for Yindingzhuang Sewage Station	—	—	Nil
		Chemical oxygen demand				188mg/L		0.106	10.719	Nil
		Ammonia nitrogen				4.99mg/L		0.008	—	Nil
		Total phosphorus				0.11mg/L		0.002	—	Nil
		Particulate matter				8mg/L		0.004	—	Nil
		Five-day BOD				54.6mg/L		0.036	—	Nil
	Exhaust gas	Non-methane hydrocarbons	Intermittent emission	2	Around the factory	2.74mg/m <sup>3</sup>	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322 – 2016)	1.563	7.534	Nil
		Sulfur dioxide				ND		0	—	Nil
		Nitrogen oxides				21mg/m <sup>3</sup>		0.24	—	Nil
		Particulates				2.7mg/m <sup>3</sup>		0.681	—	Nil



Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission	
Baoding Xushui Branch of Nobo Automotive Systems Co., Ltd.	Environment risk control	412.179 tons of hazardous waste was generated in the first half of 2023							Nil	
Baoding Xushui Vehicle Seats Branch of Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司 徐水座椅分公司)	Environment risk control	84 tons of hazardous waste was generated in the first half of 2023							Nil	
Nobo Automotive Parts (Tianjin) Co., Ltd. (諾博汽車零部件(天津)有限公司)	Sewage	PH	Intermittent emission	1	West side of the factory site	7.5	Integrated Wastewater Discharge Standards (DB 12/356-2018)	—	—	Nil
		Chemical oxygen demand				39mg/L		0.886	183.803	Nil
		Ammonia nitrogen				0.25mg/L		0.039	13.345	Nil
		Total phosphorus				0.93mg/L		0.024	3.455	Nil
		Total nitrogen				28mg/L		0.437	30.227	Nil
		Particulate matter				18mg/L		0.202	—	Nil
		Five-day BOD				9.1mg/L		0.257	—	Nil
	Exhaust gas	VOCs	Regular emission	10	Around the factory	2.45mg/m³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB12/524-2020)	2.606	18.66	Nil
		Sulfur dioxide				ND		0.532	—	Nil
		Nitrogen oxides				35mg/m³		0.692	—	Nil
		Particulates				1.4mg/m³		0.435	—	Nil
	Risk source	185.18 tons of hazardous waste was generated in the first half of 2023								Nil
	Baoding Nobo Rubber Production Co., Ltd. (保定市諾博橡膠製品有限公司)	Sewage	PH	Intermittent emission	1	West side of the factory site	7.8	Integrated Wastewater Discharge Standards (GB8978-1996); Import water quality requirements for Yindingzhuang Sewage Station	—	—
Chemical oxygen demand			26mg/L				0.06		—	Nil
Ammonia nitrogen			0.202mg/L				0.00		—	Nil
Total phosphorus			0.04mg/L				0.006		—	Nil
Petroleum			0.55mg/L				0.006		—	Nil
Particulate matter			24mg/L				0.078		—	Nil
Five-day BOD			8.0mg/L				0.03		—	Nil
Exhaust gas		VOCs	Regular emission	2	Around the factory	2.14mg/m³	Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016); Emission Standards for Industrial Pollutants of Rubber Products (GB27632-2011) and Integrated Emission Standards of Air Pollutants (GB16297-1996)	0.079	—	Nil
		Particulates				2.5mg/m³		0.03	—	Nil

## Environmental and Social Responsibility

Name of company or subsidiary	Name of major pollutants or specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission	
Nobo Rubber Production Co., Ltd. (諾博橡膠製品有限公司)	Sewage	PH	Intermittent emission	1	Main discharge outlet	7.8	《污水綜合排放標準》(GB8978-1996)	—	—	Nil	
		Chemical oxygen demand				28mg/L		0.142	—	Nil	
		Ammonia nitrogen				1.87mg/L		0.006	—	Nil	
		Total phosphorus				0.14mg/L		0.002	—	Nil	
		Total nitrogen				6.62mg/L		0.040	—	Nil	
		Particulate matter				10mg/L		0.076	—	Nil	
		Five-day BOD				7.9mg/L		0.046	—	Nil	
		Exhaust gas				Sulfur dioxide		Regular emission	17	Around the factory	10mg/L
	Nitrogen oxides		15mg/L	0.117	0.565	Nil					
	Particulates		1.8mg/L	0.020	0.0499	Nil					
	Environment risk control	61.254 tons of hazardous waste was generated in the first half of 2023									Nil
	Baoding Nobo Auto Decorations Company Limited (保定諾博汽車裝飾件有限公司)	Sewage	PH	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	7	Integrated Wastewater Discharge Standards (GB8978-1996); Emission Standards for Electroplating Pollutants (GB21900-2008); Import water quality requirements for Dawangdian Industrial Park Sewage Treatment Station	—	—	Nil
			Chemical oxygen demand				23.2mg/L		0.602	4.245	Nil
Ammonia nitrogen			0.256mg/L				0.017		0.15	Nil	
Total phosphorus			0.8mg/L				0.026		—	Nil	
Particulate matter			6mg/L				0.291		—	Nil	
Exhaust gas		Nitrogen oxides	Regular emission	6	Around the factory	11mg/m³	Integrated Emission Standards of Air Pollutants (GB16297-1996); Notice on Printing and Distributing the Plan for Comprehensive Control of Air Pollution in Industrial Furnaces and Kilns (Huan Da Qi [2019] No.56)	0.008	—	Nil	
		Particulates				2.5mg/m³		0.288	—	Nil	
		Sulfur dioxide				ND		0	—	Nil	
		Sulfuric acid mist				6mg/m³		1.01	—	Nil	
Environment risk control	131.08 tons of hazardous waste was generated in the first half of 2023									Nil	

Name of company or subsidiary	Name of major pollutants or specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Nobo Automotive Parts (Jingmen) Co., Ltd. (諾博汽車零部件(荊門)有限公司)	Environment risk control	71.601 tons of hazardous waste was generated in the first half of 2023								Nil
Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司)	Sewage	PH	Intermittent emission	1	Main discharge outlets of the plant	7.21	Integrated Wastewater Discharge Standards (GB8978-1996)	—	—	Nil
		Chemical oxygen demand				32.52mg/L		0.064	3.355	Nil
		Ammonia nitrogen				3.43mg/L		0.004	0.191	Nil
		Total phosphorus				1.13mg/L		0.001	—	Nil
		Total nitrogen				9.89mg/L		0.01	—	Nil
		Particulate matter				14.33mg/L		0.015	—	Nil
		Five-day BOD				21.43mg/L		0.019	—	Nil
		Total nickel				0.32mg/L		0.001	—	Nil
		Soil				16.852 tons of hazardous waste was generated in the first half of 2023				
	Baoding Xushui Chassis Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司保定徐水精工底盤分公司)	Sewage	PH	Intermittent emission	2	Main discharge outlet of phase 1, main discharge outlet of No. 2 plant	7.26	Integrated Wastewater Discharge Standards (GB8978-1996); Import water quality requirements for Dawangdian Treatment Sewage Station	—	—
Chemical oxygen demand			23.9mg/L				1.92		4.98	Nil
Ammonia nitrogen			0.374mg/L				0.072		1.339	Nil
Total phosphorus			0.417mg/L				0.03		—	Nil
Total nitrogen			11.15mg/L				1		3.003	Nil
Particulate matter			14mg/L				1.31		—	Nil
Environment risk control		331.407 tons of hazardous waste was generated in the first half of 2023								Nil
Baoding Great Machinery Company Limited (保定市格瑞機械有限公司)	Sewage	PH	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	7.4	Integrated Wastewater Discharge Standards (GB8978-1996); Import water quality standard for Lugang Sewage Treatment Plant	—	—	Nil
		Chemical oxygen demand				201mg/L		0.618	3.563	Nil
		Ammonia nitrogen				0.981mg/L		0.002	0.2	Nil
		Particulate matter				12mg/L		0.053	—	Nil
		Five-day BOD				52.4mg/L		0.179	—	Nil
		Jingcheng Engineering Automotive Components (Chongqing) Co., Ltd. (精誠工科汽車零部件(重慶)有限公司)				Environment risk control		97.12 tons of hazardous waste was generated in the first half of 2023		
Jingcheng Engineering Automotive Parts (Jingmen) Co., Ltd. (精誠工科汽車零部件(荊門)有限公司)	Environment risk control	20.06 tons of hazardous waste was generated in the first half of 2023								Nil
Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd. (保定長城報廢汽車回收拆解有限公司)	Environment risk control	40.7 tons of hazardous waste was generated in the first half of 2023								Nil

## Environmental and Social Responsibility

Name of company or subsidiary	Name of major pollutants or specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission	
Jingcheng Engineering Auto Parts (Taizhou) Co., Ltd. (精誠工科汽車零件(泰州)有限公司)	Environment risk control	41.78 tons of hazardous waste was generated in the first half of 2023								Nil	
Shunping Precision Die Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工鑄造分公司)	Sewage	PH	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	8	Integrated Wastewater Discharge Standards (GB8978-1996); Import water quality requirements for Shunping Qingyuan Sewage Treatment Co., Ltd.	—	—	Nil	
		Chemical oxygen demand				160mg/L		4.134	—	Nil	
		Ammonia nitrogen				6.94mg/L		0.211	—	Nil	
		Total phosphorus				0.038mg/L		0.001	—	Nil	
		Total nitrogen				7.08mg/L		0.215	—	Nil	
		Particulate matter				20mg/L		0.497	—	Nil	
		Five-day BOD				54.19mg/L		1.4	—	Nil	
	Exhaust gas	VOCs	Regular emission	6	Around the factory	2.5mg/m³	Integrated Emission Standards of Air Pollutants (GB16297-1996); Emission Standards of Industrial Furnace Kiln Air Pollutants (DB13/1640-2012)	0.93	—	Nil	
		Sulfur dioxide				ND		0	—	Nil	
		Nitrogen oxides				12mg/m³		0.324	—	Nil	
		Particulates				2.6mg/m³		0.313	—	Nil	
	Environment risk control	31.942 tons of hazardous waste was generated in the first half of 2023									Nil
	Shunping Precision Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工鑄造分公司)	Sewage	PH	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	8	Integrated Wastewater Discharge Standards (GB8978-1996); Import water quality requirements for Shunping Qingyuan Sewage Treatment Co., Ltd.	—	—	Nil
Chemical oxygen demand			160mg/L				6.201		—	Nil	
Ammonia nitrogen			6.94mg/L				0.317		—	Nil	
Total phosphorus			0.038mg/L				0.003		—	Nil	
Total nitrogen			7.08mg/L				0.326		—	Nil	
Particulate matter			20mg/L				0.746		—	Nil	
Five-day BOD			54.19mg/L				2.1		—	Nil	
Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定徐水光電分公司)	Sewage	PH	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	7.6	Integrated Wastewater Discharge Standards (GB8978-1996); Import water quality requirements for Dawangdian Industrial Park Sewage Treatment Station	—	—	Nil	
		Chemical oxygen demand				14mg/L		0.87	—	Nil	
		Ammonia nitrogen				0.208mg/L		0.015	—	Nil	
		Total phosphorus				0.2mg/L		0.012	—	Nil	
		Total nitrogen				13.2mg/L		0.69	—	Nil	
		Particulate matter				13mg/L		0.69	—	Nil	
	Exhaust gas	Non-methane hydrocarbons	Regular emission	5	Around the factory	3.08mg/m3	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016); Integrated Emission Standards of Air Pollutants (GB16297-1996)	0.159	—	Nil	
		Sulfur dioxide				ND		0	—	Nil	
		Nitrogen oxides				ND		0	—	Nil	
	Particulates				3.4mg/m3		0.152	0.242	Nil		

Name of company or subsidiary	Name of major pollutants or specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Baoding Heating System Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定熱系統分公司)	Soil	83.543 tons of hazardous waste was generated in the first half of 2023								Nil
Baoding Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定光電分公司)	Soil	82.4366 tons of hazardous waste was generated in the first half of 2023								Nil
Dingxing Branch of Great Wall Motor Company Limited	Exhaust gas	VOCs	Regular emission	17	Around the factory	ND	Integrated Emission Standards of Air Pollutants (DB50/418-2016); Emission Standards of Industrial Furnace Kiln Air Pollutants (DB13/1640-2012); Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	0	—	Nil
		Non-methane hydrocarbons				1.45mg/m³		0.099	—	Nil
		Sulfur dioxide				ND		0	—	Nil
		Nitrogen oxides				14.5mg/m³		0.237	0.572	Nil
		Particulates				4.62mg/m³		3.005	—	Nil
Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司)	Soil	65.177 tons of hazardous waste was generated in the first half of 2023								Nil
Xushui Branch of Honeycomb Transmission Technology Hebei Co., Ltd. (蜂巢傳動科技河北有限公司徐水分公司)	Environment risk control	304.034 tons of hazardous waste was generated in the first half of 2023								Nil

Noise: There are no cultural, educational or other noise-sensitive sites around the factory sites. The noise emitted was lower than the requirements stipulated in Boundary Noise Emission Standards for Industrial Enterprises (GB 12348-2008).

In the first half of 2023, a total of 7,235 tonnes of hazardous waste consisting mainly of sludge, paint waste and contaminated waste was produced, representing a unit production of 0.015 tonne per vehicle. Such waste was transferred in accordance with the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), Pollution Control Standards for the Storage of Hazardous Waste (《危險廢物貯存污染控制標準》), Notice on the Application of

Dynamic Solid Waste Information Management Platform 《固體廢物動態信息管理平台應用有關工作的通知》, the Notice on the Relevant Procedures of Launching Tianjin's Hazardous Waste Online Transfer Supervision Platform for the Transfer of Hazardous Wastes in the City of Tianjin 《關於啟動天津市危險廢物在線轉移監管平台辦理危險廢物市內轉移相關手續的通知》, Notice of Chongqing Ecological Environment Bureau on Strengthening Information Management of Solid Waste 《重慶市生態環境局關於強化固體廢物信息化管理有關工作的通知》 and the procedures for obtaining approval of transfer established by the competent authorities in Tianjin, Baoding, Chongqing, Rizhao, Jingmen, Taizhou and Jiaxing. Hazardous waste in Tianjin was transferred to Tianjin Hejia Veolia Environmental Services Co., Ltd. (天津合佳威立雅環境服務有限公司), Tianjin Binhai Hejia Veolia Environmental Services Co., Ltd. (天津濱海合佳威立雅環境服務有限公司), Tianjin Huaqing Baisheng Energy Co., Ltd. (天津華慶百勝能源有限公司), Tianjin Sanyi Langzhong Environmental Protection Technology Co., Ltd. (天津三一朗眾環保科技有限公司), Cangzhou Xinghe Environment Technology Co., Ltd. (滄州星河環境技術有限公司) and other companies for disposal; Hazardous waste in Baoding was transferred to Baoding Kexiong Environmental Protection Technology Co., Ltd. (保定市科雄環保科技有限公司), Cangzhou Xinghe Environment Technology Co., Ltd. (滄州星河環境技術有限公司), Hebei Fenghua Environmental Protection Technology Co., Ltd. (河北風華環保科技股份有限公司), Cangzhou Jihuan Veolia Environmental Services Co., Ltd. (滄州冀環威立雅環境服務有限公司), Guantao County Qingmei Environmental Protection Technology Co., Ltd. (館陶縣晴美環保科技股份有限公司), BBMG Mangrove Environmental Protection Technology Co., Ltd. (北京金隅紅樹林環保技術有限責任公司) and other companies for disposal; Hazardous waste in Chongqing was transferred to Chongqing Lite Juxin Resource Recycling Technology Co., Ltd. (重慶利特聚欣資源循環科技有限責任公司), Chongqing Zhongming Gangqiao Environmental Protection Co., Ltd. (重慶中明港橋環保有限責任公司), Chongqing Tuwei Environmental Protection Technology Co., Ltd. (重慶途維環保科技有限公司), Chongqing Yuxin Environmental Protection Industrial Development Co., Ltd. (重慶雲鑫環保產業發展有限公司) and other companies for disposal; Hazardous waste in Shandong was transferred to Rizhao Kairun Development and Use of Renewable Resources Co., Ltd. (日照凱潤再生資源開發利用有限公司), Taian Dezheng Haizhong Environmental Protection Technology Co., Ltd. (泰安德正海中環保科技有限責任公司), Jining Hailuo Chuangye Environmental Technology Co., Ltd. (濟寧海螺創業環境科技有限責任公司) and Zibo Zutian Environmental Protection Technology Co., Ltd. (淄博祖天環保科技有限公司) for disposal; Hazardous waste in Jingmen was transferred to Huaxin (Nanzhang) Renewable Resources Utilization Co., Ltd. (華新(南漳)再生資源利用有限公司), Dongfeng Veolia Environmental Services (Xiangyang) Company Limited (東風威立雅環境服務(襄陽)有限公司), Yichang Zhixiang Environmental Protection Technology Co., Ltd. (宜昌市志翔環保科技有限公司) and Jingmen Hongxun Renewable Resources Co., Ltd. (荊門市宏勛再生資源有限公司) for disposal; Hazardous waste in Taizhou was transferred to Yancheng Xinyu Huifeng Environmental Protection Technology Co., Ltd. (鹽城新宇輝豐環保科技有限公司), Jiangsu Mingjin Renewable Resources Co., Ltd. (江蘇錦明再生資源有限公司), Jiangsu CONSPIRE Renewable Resources Co., Ltd. (江蘇康斯派爾再生資源有限公司) and Jiangsu Yongbao EP Technology Co., Ltd. (江蘇永葆環保科技有限公司) for disposal; Hazardous waste in Jiaxing was transferred to Huzhou Mingjing Environmental Protection Technology Co., Ltd. (湖州明境環保科技有限公司), Shaoxing Xinjie Environmental Protection Technology Co., Ltd. (紹興鑫傑環保科技有限公司), Jiaxing Solid Waste Disposal Co., Ltd. (嘉興市固體廢物處置有限責任公司) and Chaozhou Jinjie Jingmai Technology Co., Ltd. (潮州金潔經脈科技有限公司) for disposal.

In the first half of 2023, a total of 6,544.5 tonnes of general solid waste was produced, representing a unit production of 0.014 tonne per vehicle, which was disposed of by the qualified waste recycling service providers engaged by the Company.

## 2. *Construction and operation of anti-pollution facilities*

√ Applicable    ☐ Not applicable

In compliance with national laws and regulations as well as emissions standards, the waste emissions indicators of the Company and its major subsidiaries adhered to the most stringent domestic requirements currently in force. Emissions levels of sewage, exhaust gas, noise and solid waste complied with requirements. ① Sewage: sewage from plant sites was fully treated at sewage treatment plants of the Company, undergoing pre-treatment, biochemical treatment, filtering and disinfection procedures, with the treated grey water used for flushing and greening. Licensed discharge of the remaining grey water was made through the municipal sewage network, and the levels of sewage pollutants discharged were much lower than the emissions limits required by laws and regulations. ② Exhaust gas: VOCs produced by stoving were treated by combustion in its RTO, exhaust gas from spraying and coating was treated by zeolite rotor and combustion facilities on top of the existing Giovanni treatment facilities based on their characteristics, undergoing adsorption, desorption and combustion procedures so as to achieve the treatment of VOCs in exhaust gas from spraying and coating. Treated exhaust gas was discharged through exhaust vents at height after meeting the required standards. A real time monitoring system for organic exhaust gas was installed and the discharge situation of VOCs was transmitted to environmental authorities in real time, with supervision by environmental authorities. ③ Noise: in order to reduce noise, the Company proactively adopted various noise prevention and mitigation measures to reduce the impact on the environment. Installation of acoustic shields and anti-vibration bases for noise-generating equipment and constructing green belts in the vicinity of noise sources were the main measures undertaken for preventing and controlling noise. Effectively keeping off and lowering noise ensured eliminating noise efficiently for meeting the required emissions standards. ④ Waste management: the Company tackled the process of waste management at source by storing waste by type and setting up temporary storage sites for solid waste. It also placed emphasis on recycling of resources, with all useful waste of value sold to external parties or re-used and worthless waste handled by dedicated waste disposal companies for compliant disposal. Hazardous waste reduction was implemented to cut hazardous waste at source and at end. Dedicated storage sites meeting requirements, equipped with smart monitoring systems and connected with environmental authorities through the Internet, were set up for all hazardous waste. Real time supervision by government authorities round the clock during the year can ensure that waste storage and disposal meet the required standards.



**3. Environmental impact assessment of construction projects and administrative permits concerning environmental protection**

☒ Applicable   ☐ Not applicable

The Company carried out environmental impact assessment for and final environmental protection acceptance check on each of the new construction, conversion and expansion projects, and enforced the requirements of the environmental impact assessment system, the “Three Simultaneities” system and relevant laws and regulations by strictly complying with laws and regulations such as the Regulations on the Administration of Construction Project Environmental Protection 《建設項目環境保護管理條例》 and the Environmental Impact Assessment Law of the People’s Republic of China 《中華人民共和國環境影響評價法》 promulgated by the State Council, and the Interim Measures for the Final Environmental Protection Acceptance Check on Construction Projects 《建設項目竣工環境保護驗收暫行辦法》 promulgated by the Ministry of Ecology and Environment.

All projects of the Company and its major subsidiaries obtained approval in environmental impact assessment in accordance with the law while relevant auxiliary environmental facilities passed the respective environmental protection acceptance check and obtained a pollutant discharge permit (permit no.: 91130000105941835E001Z). The Company regularly conducted third-party environmental monitoring in accordance with Technical Specifications for Application and Issuance of Pollutant Discharge Permit – Automobile Manufacturing Industry, with all results meeting the required standards.

**4. Emergency plan for environmental contingency**

☒ Applicable   ☐ Not applicable

In order to lower and prevent potential environmental risks effectively, the Company established emergency preparation and response procedures, formulated an environmental contingency plan (File No. 130603-2021-025-L), and completed the filings with the local environmental protection bureau. To ensure the feasibility and effectiveness of the contingency plan, the Company developed measures that should be adopted to control incidents and emergencies with previous occurrences or potential ones that might occur, and drills on the internal environmental contingency plan would be conducted on an annual basis.

**5. Voluntary environmental monitoring plan**

☒ Applicable    ☐ Not applicable

We would carry out third-party monitoring of pollutant discharge on schedule in accordance with the requirements of Technical Specifications for Application and Issuance of Pollutant Discharge Permit – Automobile Manufacturing Industry (《排污許可證申請與核發技術規範汽車製造業》), including:

- ① Regularly monitoring the discharge of sewage, keeping monitoring records, installing automatic pH scale, flow, Chemical oxygen demand (COD), ammoniacal nitrogen, total nitrogen and total phosphorus monitoring equipment, and transmitting data in real-time;
- ② Regularly monitoring the discharge of VOCs, and installing online VOC monitoring equipment;
- ③ Regularly monitoring noise on a voluntary basis and appointing external parties to monitor noise, ensuring that the monitoring results meet the requirements of the relevant standards.

**6. Administrative punishment for environmental issues during the Reporting Period**

☐ Not applicable    ☒ Not applicable

### 7. *Other environmental information which shall be disclosed*

☒ Applicable    ☐ Not applicable

According to the relevant requirements under the Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》 and the Measures for the Lawful Disclosure of Environmental Information by Enterprises (Order No. 24 of the Ministry of Ecological Environment) 《企業環境信息依法披露管理辦法》(生態環境部第 24 號令)), the key units of environment supervision announced by the local ecological environment departments in the places where the Company and its major subsidiaries are located are Great Wall Motor Company Limited, Xushui Branch of Great Wall Motor Company Limited, Tianjin Haval Branch of Great Wall Motor Company Limited, Chongqing Branch of Great Wall Motor Company Limited, Jingmen Branch of Great Wall Motor Company Limited, Rizhao Weipai Automobile Co., Ltd., Pinghu Branch of Great Wall Motor Company Limited, Taizhou Branch of Great Wall Motor Company Limited, Baoding Yixin Automotive Parts Company Limited, Assembling Workshop of Baoding Yixin Automotive Parts Company Limited, Baoding Xushui Branch of Nobo Automotive System Co., Ltd., Baoding Xushui Branch of Nobo Automotive System Co., Ltd., Baoding Xushui Vehicle Seats Branch of Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司保定徐水座椅分公司), Nobo Automotive Parts (Tianjin) Co., Ltd., Baoding Nobo Rubber Production Co., Ltd., Nobo Rubber Production Co., Ltd., Baoding Nobo Auto Decorations Company Limited (保定諾博汽車裝飾件有限公司), Nobo Automotive Parts (Chongqing) Co., Ltd., Nobo Automotive Parts (Jingmen) Co., Ltd., Jingcheng Engineering Automotive Systems Co., Ltd., Baoding Xushui Jinggong Chassis Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司保定徐水精工底盤分公司), Baoding Great Machinery Company Limited (保定市格瑞機械有限公司), Jingcheng Engineering Automotive Parts (Chongqing) Co., Ltd., Jingcheng Engineering Automotive Parts (Jingmen) Co., Ltd., Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd., Jingcheng Engineering Automotive Parts (Taizhou) Co., Ltd., Shunping Precision Die Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工壓鑄分公司), Shunping Precision Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工鑄造分公司), Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定徐水光電分公司), Baoding Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定光電分公司), Baoding Heating System Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定熱系統分公司), Dingxing Branch of Great Wall Motor Company Limited, Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司), Xushui Branch of Honeycomb Transmission Technology Hebei Co., Ltd. Relevant topics and sections on environmental information have been created on the Company's official website to publish the Company's environmental-related information.

**(II) Description of environmental protection of companies other than key pollutant discharging units**

√ Applicable    ☐ Not applicable

In order to build the Company as a green factory, develop it as an environmental-friendly enterprise, apply the concept of green development, advocate the build-up of an ecological system in a disciplined manner and follow the path towards green manufacturing with determination, the Company's subsidiaries focused on accomplishing the following tasks during the Reporting Period:

- ① They stepped up the establishment of management offices and systems to further raise basic management standards. All subsidiaries of the Company had their environmental management offices and management staff, which formed an environmental management network across the Company. Environmental management rules and regulations were formulated and enforced stringently so that environmental work was under management.
- ② In compliance with national laws and regulations as well as emissions standards, the waste emissions indicators of the Company and its major subsidiaries adhered to the most stringent domestic requirements currently in force. Emissions levels of sewage, exhaust gas, noise and solid waste complied with requirements, and sewage from plant sites was fully treated at sewage treatment plants of the Company, undergoing pre-treatment, biochemical treatment, filtering and disinfection procedures, with the treated grey water used for flushing and greening. Licensed discharge of the remaining grey water was made through the municipal sewage network, and the levels of sewage pollutants discharged were much lower than the emissions limits required by laws and regulations. VOCs and RTO produced by stoving were treated by combustion, exhaust gas from spraying and coating was treated by zeolite rotor and combustion facilities on top of the existing Giovanni treatment facilities based on their characteristics, undergoing adsorption, desorption and combustion procedures so as to achieve the treatment of VOCs in exhaust gas from spraying and coating. Treated exhaust gas was discharged through exhaust vents at height after meeting the required standards. In order to reduce noise, the Company proactively adopted various noise prevention and mitigation measures to reduce the impact on the environment. Installation of antivibration bases for noise-generating equipment, constructing green belts in the vicinity of noise sources and provision of acoustic shields (soundproof rooms) were the main measures undertaken for preventing and controlling noise. Effectively keeping off and lowering noise ensured eliminating noise efficiently for meeting the required emissions standards. The Company tackled the process of waste management at source by storing waste by type and setting up temporary storage sites for solid waste. It also placed emphasis on recycling of resources, with all useful waste of value sold to external parties or re-used and worthless waste handled by dedicated waste disposal companies for compliant disposal. Dedicated storage sites meeting requirements, equipped with smart monitoring systems and connected with environmental authorities through the Internet, were set up for all hazardous waste. Real time supervision by government authorities round the clock during the year helped ensure that waste storage and disposal could meet the required standards.

- ③ They improved the construction of various pollution control facilities by increasing financial commitment to environmental protection on an ongoing basis. All enterprises of the Company had built comprehensive pollution prevention and control facilities for the comprehensive treatment of various types of pollution such as sewage, exhaust gas and noise pollution, and for the lawful and compliant disposal of hazardous waste. In recent years, the Company kept increasing financial commitment to environmental protection, especially the prevention and control of air pollution, thus having made due contributions to improving air quality.
- ④ They gained access to environmental laws and regulations in a timely manner to conduct compliance evaluation. The regulations governing environmental impact assessment on construction projects were enforced stringently for the new, renovation and expansion projects of all enterprises to make sure the “Three Simultaneities” system for environmental protection was enforced. The application for pollutant discharge permit was completed and both self-monitoring and third-party monitoring were carried out.
- ⑤ They participated in more environmental exhibitions at home and abroad so as to learn and bring in new, state-of-the-art environmental technologies, and carried out whole process control over pollutant emissions to achieve the management philosophy of waste reduction at source and treatment at the end simultaneously to raise pollution treatment standards and reduce the generation of pollutants.
- ⑥ The Company had established a sound environmental risk emergency response mechanism. All enterprises had formulated an Emergency Plan for Unexpected Environmental Pollution Incidents. Environmental training and emergency drills for unexpected environmental incidents will be conducted every year to make sure that environmental management staff are familiar with environmental-related skills and that they can handle emergency quickly, orderly and efficiently when these incidents occur.

### **1. Administrative punishment for environmental issues**

☐ Not applicable    ☒ Not applicable

### **2. Disclosure of other environmental information with reference to key pollutant discharging units**

☒ Applicable    ☐ Not applicable

- ① Companies other than key pollutant discharging units shall conduct third party monitoring in accordance with the pollutant discharge specifications, and strictly implement the pollutant discharge standards and total amount control requirement to discharge pollutants, ensuring compliance discharge of wastewater, exhaust gas, and noise;
- ② There are compliance storage sites for general solid wastes and hazardous wastes in the Company, and all of them are delivered to qualified manufacturers for compliance disposal.

### 3. *Reasons for failure to disclose other environmental information*

☐ Not applicable    ☒ Not applicable

#### (III) **Description of subsequent development of or changes in disclosed environmental information during the Reporting Period**

☐ Applicable    ☒ Not applicable

#### (IV) **Information on efforts conducive to promoting ecological protection, pollution prevention and control and undertaking environmental responsibility**

☒ Applicable    ☐ Not applicable

The Company has proactively established sound environmental management systems and received the Environmental Management Systems Audit Certification (ISO14001:2004) since 2008. It completed the Recertification Audit (ISO14001:2015) in 2023, ensuring the suitability, adequacy and effectiveness of the environmental management system in the Company.

#### (V) **Measures adopted for reducing carbon emissions during the Reporting Period and their effects**

☒ Applicable    ☐ Not applicable

In order to achieve the overall sustainable development of the Company, Great Wall Motor carried out energy conservation and carbon reduction in all fields covering the entire life cycle.

At the stage of product development, Great Wall Motor incorporated its control over vehicle carbon emission during the entire lifecycle into the research and development performance indicators of vehicles, and set carbon emission targets for vehicle models and reduced carbon emission during the entire lifecycle of products from raw material, parts design and parts production aspects. In terms of raw material, Great Wall Motor reduced carbon emission by using recyclable materials, bio-based materials and renewable materials. In terms of parts design, carbon emission from raw material and its usage was reduced by adopting miniaturized, lightweight, less, compatible and energy-efficient parts and components. In terms of parts production, carbon emission from manufacturing was reduced by miniaturizing manufacturing equipment, refining production process, improving production efficiency, and using green energy for manufacturing and other measures. During the Reporting Period, driven by such various measures, the carbon emissions per vehicle in the manufacturing process were reduced by 0.8% compared with that of 2020. In addition, on 16 June 2023, WEY Blue Mountain, supported by a flagship smart DHT power system which features the concept of pure electricity first, smart hybrid and pure electricity, was named "Low Carbon Car Top Runner of Chinese Automobiles 2023", demonstrating Great Wall Motor's sustainable development concept of clean and low-carbon.

In the manufacturing stage, Great Wall Motor made continuous efforts on energy conservation and carbon reduction from several aspects such as process and technical innovation, refined energy management and expansion of the proportion of renewable energy application, with a total of 156,962 tons of carbon reduced at the factory end during the Reporting Period. In particular, the Company realized an annual carbon emission reduction of 60,106 tons during the Reporting Period through measures such as process enhancement, production efficiency improvement, application of energy-saving equipment, and digital energy management and control. Meanwhile, the Group vigorously promoted the application of renewable energy, and achieved a semi-annual carbon emission reduction of 96,856 tons by continuously increasing distributed photovoltaics, improving the utilization rate of photovoltaic power and procurement of green electricity generated. Going forward, Great Wall Motor will adhere to the concept of sustainable development and constantly promote the continuous reduction of carbon emissions in production links.

In the recycling and reuse stage, Great Wall Motor adhered to the green concept of sustainable development. By utilizing the Internet of Things technology, the Company has built a digital reverse logistics recycling center, achieving transparent and efficient recycling management of scrapped vehicles and waste materials. Additionally, it has established an intelligent remanufacturing center with a light asset model to process remanufactured products with higher quality and lower cost. Such initiatives aim to reduce manufacturing costs, save energy and reduce pollution, achieving a win-win situation for both the Company and society.

In March 2022, Baoding Great Wall Resource Recycling Co., Ltd (保定長城再生資源利用有限公司) under Great Wall Motor obtained the world's first automobile parts remanufacturing management system certification issued by Rheinland for its remanufactured transmission and headlamp business, and Great Wall Motor became the first vehicle enterprise in China to obtain the remanufacturing quality management system certification.

In October 2022, Great Wall Motor fulfilled its responsibilities as a producer, and after passing the examination of the Ministry of Industry and Information Technology, the Ministry of Science and Technology, the Ministry of Finance and the Ministry of Commerce, it has declared to be a pilot enterprise for the extension of producer responsibility of automobile products.

As of July 2023, Great Wall Motor has successfully completed the development and production of 8 remanufactured products, including transmissions, turbochargers, EPS, etc., which has not only reduced manufacturing costs but also led to a cumulative reduction of 115.71 tons of carbon emissions.

## II. DETAILED INFORMATION ON INITIATIVES INCLUDING CONSOLIDATION AND EXPANSION OF POVERTY ALLEVIATION ACHIEVEMENTS AND RURAL REVIVAL

√ Applicable    ☐ Not applicable

In June 2023, Great Wall Motor's Haval brand organized a large-scale public welfare activity themed by "Fighting for Gaokao to realize the dream" with users, during which Haval car owners voluntarily offered free ride for students to the examination place. Meanwhile, students and parents were offered blessing gifts to wish them realizing the dream.



## SECTION 6 SIGNIFICANT EVENTS

### I. PERFORMANCE OF UNDERTAKINGS

#### (I) Undertakings of the de facto controller, shareholders, related parties, acquiring parties of the Company and the Company and other undertaking parties involved during the Reporting Period or subsisting to the Reporting Period

√ Applicable    ☐ Not applicable

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step plan (if undertakings cannot be performed in a timely manner)
Undertakings relating to the initial public offering of the shares of the Company	Resolving related party transaction	Great Wall Motor Company Limited (長城汽車股份有限公司)	From 1 January 2012, Great Wall Motor Company Limited (長城汽車股份有限公司) would not enter into any transactions relating to automotive parts and components with Hebei Baoding Tai Hang Group Company Limited (河北保定太行集團有限公司) and Baoding Tai Hang Pump Manufacturing Company Limited (保定市太行製泵有限公司).	From January 2012, permanent	No	Yes	—	—

## Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step plan (if undertakings cannot be performed in a timely manner)
Undertakings relating to the initial public offering of the shares of the Company	Resolving business competition of the same industry	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	<p>1. Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) is currently neither directly nor indirectly engaged in any Competing Business.</p> <p>2. As long as Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) remains as a related party that has control over Great Wall Motor Company Limited (長城汽車股份有限公司), its directly or indirectly controlled subsidiaries would not in any way, directly or indirectly, engage in any existing or potential Competing Business.</p> <p>3. Subject to the same conditions, Great Wall Motor Company Limited (長城汽車股份有限公司) shall have the right of first refusal over the investment or other business opportunities relating to Competing Business that Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) will pursue or may get in the future.</p>	From 10 December 2010, permanent	No	Yes	—	—

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step plan (if undertakings cannot be performed in a timely manner)
Undertakings relating to the initial public offering of the shares of the Company	Resolving business competition of the same industry	Wei Jian Jun	<ol style="list-style-type: none"> <li>1. The subsidiaries directly or indirectly controlled by Mr. Wei Jian Jun are neither directly nor indirectly engaged in any Competing Business.</li> <li>2. As long as Mr. Wei Jian Jun remains as a related party who has control over Great Wall Motor Company Limited (長城汽車股份有限公司), the subsidiaries directly or indirectly controlled by him would not in any way, directly or indirectly, engage in any existing or potential Competing Business.</li> <li>3. Subject to the same conditions, Great Wall Motor Company Limited (長城汽車股份有限公司) shall have the right of first refusal over the investment or other business opportunities relating to the Competing Business that the subsidiaries directly or indirectly controlled by Mr. Wei Jian Jun will pursue or may get in the future.</li> </ol>	From 10 December 2010, permanent	No	Yes	—	—

## Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step plan (if undertakings cannot be performed in a timely manner)
Undertakings relating to re-financing	Others	Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), Wei Jian Jun	<p>1. The undertaking party undertakes to exercise its rights as a shareholder in accordance with the relevant laws, regulations and the relevant provisions of the Articles of Association of Great Wall Motor Company Limited, not to interfere with the Company's operation or management activities beyond its authority, and not to infringe on the Company's interests.</p> <p>2. The undertaking party undertakes to effectively perform relevant compensation recovery measures developed by Great Wall Motor and any undertaking made by the undertaking party thereon in relation to the compensation recovery measures. If the undertaking party violates such undertakings and consequently causes any loss to Great Wall Motor or any investor, the undertaking party is willing to assume relevant legal liabilities to Great Wall Motor or the investor in accordance with the laws.</p> <p>3. If China Securities Regulatory Commission ("CSRC") puts forth new regulatory requirements on compensation recovery measures or the relevant undertakings in the period from the date of these undertakings to the completion of the public issuance of A Share convertible corporate bonds, and the undertakings above cannot meet such new regulatory requirements of CSRC, the undertaking party undertakes to make additional undertakings in accordance with the latest requirements of CSRC.</p>	From 6 November 2020, permanent	No	Yes	—	—

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step plan (if undertakings cannot be performed in a timely manner)
	Other	All Directors and senior management	<ol style="list-style-type: none"> <li>1. I undertake to perform my duties as a Director and/or a senior management of the Company and uphold the legitimate rights and interests of the Company and all Shareholders of the Company faithfully and diligently.</li> <li>2. I undertake not to convey any benefits to other entities or individuals for free or under unfair terms or otherwise jeopardise the interests of the Company.</li> <li>3. I undertake to limit my spending when performing my duties as a Director and/or a senior management.</li> <li>4. I undertake not to use the assets of the Company in making investments or expenditures other than in relation to the performance of my duties.</li> <li>5. Within my duties and scope of my lawful authorisation, I undertake to fully procure that the remuneration system formulated by the Board or the remuneration and assessment committee under the Board will correspond to the implementation of the recovery measures of the Company, and I will vote in favour of the relevant proposals considered by the Board and at the Shareholders' General Meeting (if voting rights are applicable).</li> </ol>	From 6 November 2020, permanent	No	Yes	—	—

## Significant Events

Background of undertakings	Type of undertakings	Undertaking party	Description of undertakings	Date and duration of undertakings	Any time frame for performance (yes/no)	Strict and timely performance (yes/no)	Reasons for failure of performance (if undertakings cannot be performed timely)	Next step plan (if undertakings cannot be performed in a timely manner)
			<p>6. If the Company adopts any share incentive scheme in the future, within my duties and scope of my lawful authorisation, I undertake to fully procure that the conditions for the exercise of the right of the share incentive scheme will correspond to the implementation of the recovery measures of the Company, and I will vote in favour of the relevant proposals considered by the Board and at the Shareholders' General Meetings (if voting rights are applicable).</p> <p>7. From the date of this undertaking letter to the completion of implementation of the Public Issuance of Convertible Corporate Bonds of the Company, if the CSRC promulgates other new regulatory provisions on the recovery measures and the relevant undertakings, and the above undertakings cannot satisfy such new regulatory provisions as promulgated by the CSRC, I undertake to issue supplementary undertakings then according to the latest stipulations of the CSRC.</p> <p>8. I undertake to fully execute the relevant recovery measures formulated by the Company and each undertaking I made in relation to recovery measures. If I breach such undertakings and cause any loss to the Company or investors, I am willing to bear the relevant legal responsibility to the Company or investors in accordance with the laws.</p>					

## II. NON-OPERATING FUNDS OCCUPIED BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

☐ Applicable    ☒ Not applicable

## III. ILLEGAL GUARANTEES

☐ Applicable    ☒ Not applicable

## IV. AUDIT FOR THE INTERIM REPORT

☒ Applicable    ☐ Not applicable

### (I) APPOINTMENT OR DISMISSAL OF ACCOUNTING FIRM

#### *Description of appointment or dismissal of accounting firm*

☒ Applicable    ☐ Not applicable

During the Reporting Period, the Company continued to engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as its auditor and there was no change of the accounting firm.

#### *Change of the accounting firm during the audit period*

☐ Applicable    ☒ Not applicable

### (II) Explanation of the Company on “non-standard auditor’s report” issued by the accounting firm

☐ Applicable    ☒ Not applicable

## V. CHANGES AND REMEDIES FOR MATTERS SUBJECT TO NON-STANDARD AUDIT OPINIONS IN LAST YEAR’S ANNUAL REPORT

☐ Applicable    ☒ Not applicable

## VI. BANKRUPTCY AND RESTRUCTURING

☐ Applicable    ☒ Not applicable

## VII. MATERIAL LITIGATIONS AND ARBITRATIONS

- ☐ The Company had material litigations and arbitrations during the Reporting Period  
☒ The Company had no material litigations and arbitrations during the Reporting Period

**VIII. ALLEGED VIOLATION OF LAWS AND REGULATIONS AND PUNISHMENT AND CORRECTION OF THE LISTING COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER**

☐ Applicable    ☒ Not applicable

**IX. INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD**

☐ Applicable    ☒ Not applicable

**X. MATERIAL RELATED PARTY TRANSACTIONS**

**(I) Related party transactions relating to daily operations**

**1. Matters disclosed in preliminary announcements without subsequent development or changes**

☐ Applicable    ☒ Not applicable

**2. Matters disclosed in preliminary announcements with subsequent development or changes**

☒ Applicable    ☐ Not applicable

**(1) The Group and Great Wall Holdings Company Limited (hereinafter referred to as "Great Wall Holdings")**

On 31 December 2021, the Company held the 30th meeting of the seventh session of the Board, at which the Resolution on the Estimates of Ordinary Related Party Transactions for 2022-2024 was considered and approved in relation to the estimated aggregate amount of ordinary transactions for leasing (short-term), leasing (long-term), provision of leases, purchase of products, sales of products, purchase of services and provision of services between the Group and Great Wall Holdings from 2022 to 2024. The resolution has been considered and approved at the 2022 first extraordinary general meeting held by the Company on 18 March 2022. For details, please refer to relevant announcements published by the Company on 31 December 2021 and 18 March 2022.

On 17 February 2023, the Company held the 58th meeting of the seventh session of the Board, at which the Resolution on the Adjustment of the Annual Cap of Ordinary Related Party Transactions for 2023 in Relation to the Leasing (Long-term) was considered and approved to adjust the amount of transactions for leasing (long-term) between the Group and Great Wall Holdings. For details, please refer to relevant announcement published by the Company on 17 February 2023.



Set out below are the ordinary related party transactions conducted as of 30 June 2023 between the Group and Great Wall Holdings (including companies directly or indirectly controlled by Great Wall Holdings and companies in which the de facto controllers of Great Wall Holdings serve as directors):

Currency: RMB Unit: 0'000

Type	Estimated cap for 2023	Actual amount for January to June 2023	Reasons for the relatively large difference between the estimated amount and the actual amount
Purchase of products	2,481,629.00	190,735.10	Mainly due to the relatively small number of battery packs purchased from related parties as a result of the small sale scale of new energy vehicles of the Company.
Sales of products	318,735.00	8,657.73	Mainly due to the relatively small number of parts, components and other products of the Company sold in the first half of the year.
Purchase of services	90,764.00	11,205.17	Mainly due to the relatively small number of service projects of the Company settled in the first half of the year.
Provision of services	11,361.00	1,389.98	–
Leasing (short-term)	133,421.00	30,860.92	Mainly due to the relatively small number of assets leased from related parties by the Company in the first half of the year.
Leasing (long-term)	40,000.00	2,791.60	Mainly due to the relatively small number of assets leased from related parties by the Company in the first half of the year.
Provision of leases	941.00	809.91	–

The total amount of the ordinary related party (connected) transactions between the Group and Baoding Great Wall Holdings Company Limited (including companies directly or indirectly under its control) from January to June 2023 did not exceed the estimated cap for 2023. Transactions in relation to the provision of leases are exempt from all requirements of reporting, annual review, announcement, and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

## Significant Events

(2) *The Group and Tianjin Great Wall Binyin Automotive Finance Company Limited (hereinafter referred to as "Great Wall Binyin")*

On 31 December 2021, the Company held the 30th meeting of the seventh session of the Board, at which the Resolution on Deposits with Tianjin Great Wall Binyin Automotive Finance Company Limited (天津長城濱銀汽車金融有限公司) and Other Ordinary Related Party Transactions was considered and approved in relation to the estimated deposit by the Company with Great Wall Binyin, a related party, as well as the estimated aggregate amount of ordinary transactions for provision of leasing, sales of products, purchase of services and provision of services between the Group and Great Wall Binyin from 2022 to 2024. The resolution has been considered and approved at the 2022 first extraordinary general meeting held by the Company on 18 March 2022. For details, please refer to relevant announcements published by the Company on 31 December 2021 and 18 March 2022 in designated media for information disclosure.

Set out below are the ordinary related party transactions conducted as of 30 June 2023 between the Group and Great Wall Binyin:

Deposits by the Group with Great Wall Binyin from January to June 2023

Currency: RMB Unit: 0'000

Type	Estimated daily cap of deposit balance for 2023	Maximum amount of single-day deposit balance in 2023 (January to June)	Reasons for the relatively large difference between the estimated amount and the actual amount
Deposit	1,270,000	676,200	Mainly due to maturity of certain fixed deposits of the Company

Other ordinary related party transactions between the Group and Great Wall Binyin

Currency: RMB Unit: 0'000

Type	Estimated cap for 2023	Actual amount in 2023 (January to June)	Reasons for the relatively large difference between the estimated amount and the actual amount
Sales of products	169.00	0.57	
Purchase of services	224,745.00	0	Mainly due to the decrease in the number of contracts as the Company brought in bank discount channels through which the discount business was diverted to the bank.
Purchase of products	–	21.35	–
Provision of services	6,796.00	1,742.23	–
Provision of leases	68.00	15.43	–
Total	231,778.00	1,779.58	–

Note: Great Wall Binyin is a related party under the Listing Rules of the Shanghai Stock Exchange. Accordingly, the deposit transactions contemplated with Great Wall Binyin constitute related party transactions under the Listing Rules of the Shanghai Stock Exchange but do not constitute connected transactions under the Hong Kong Listing Rules.

(3) *The Group and Spotlight Automotive Ltd. (hereinafter referred to as "Spotlight Automotive")*

On 12 June 2020, the Company held the 1st meeting of the seventh session of the Board, at which the Resolution on the Contemplated Ordinary Related Party Transactions with Spotlight Automotive was considered and approved. On 10 July 2020, the Company held the 2020 second extraordinary general meeting, at which the above resolution was considered and approved. For details, please refer to the relevant announcements published by the Company on 12 June 2020 and 10 July 2020, respectively.

On 23 January 2022, the Company held the 31st meeting of the seventh session of the Board, at which the Resolution on the Amendments to Ordinary Related Party Transactions in 2022 with Spotlight Automotive was considered and approved. On 18 March 2022, the Company held the 2022 first extraordinary general meeting, at which the above resolution was considered and approved. For details, please refer to the relevant announcements published by the Company on 23 January 2022 and 18 March 2022, respectively.

On 29 March 2022, the Company held the 34th meeting of the seventh session of the Board and the 31st meeting of the seventh session of the Supervisory Committee, at which the Resolution on Ordinary Related Party Transactions for Sales of Products in 2022 with Spotlight Automobile was considered and approved. For details, please refer to the relevant announcements published by the Company on 29 March 2022.

On 30 December 2022, the Company held the 55th meeting of the seventh session of the Board, at which the Resolution on the Deliberation of Framework Agreement and the Third Amended Agreement entered into with Spotlight Automotive was considered and approved. The resolution has been considered and approved at the first extraordinary general meeting in 2023 held by the Company on 8 February 2023. For details, please refer to relevant announcements published by the Company on 30 December 2022 and 8 February 2023, respectively.

As of 30 June 2023, the related party transactions between the Group and Spotlight Automotive are as follows:

1. The Group sold products to Spotlight Automotive. The actual amount of related party transactions was RMB84.2318 million.
2. The Group provided services to Spotlight Automotive. The actual amount of related party transactions was RMB41.6798 million.
3. The Group received services from Spotlight Automotive. The actual amount of related party transactions was RMB47.5129 million.
4. The Group purchased products from Spotlight Automotive. The actual amount of related party transactions was RMB1.2013 million.
5. The Group conducted short-term leases from Spotlight Automotive. The actual amount of related party transactions was RMB0.4418 million.

## Significant Events

The ordinary related party transactions between the Group and Spotlight Automotive from January to June 2023 did not exceed the corresponding estimated caps.

Note: Spotlight Automotive is a related party under the Listing Rules of the Shanghai Stock Exchange. Accordingly, the relevant transactions between the Company and Spotlight Automotive constitute related party transactions under the Listing Rules of the Shanghai Stock Exchange but do not constitute connected transactions under the Hong Kong Listing Rules.

For details of development of ordinary related party transactions of the Company, please refer to Note (XI) Related Parties and Transactions to the financial report.

### **3. Matters undisclosed in preliminary announcements**

☐ Applicable    ☒ Not applicable

For details of related party transactions not disclosed in preliminary announcements of the Company, please refer to Note (XI) Related Parties and Transactions to the financial report.

## **(II) Related party transactions relating to acquisition of assets or acquisition or disposal of equity interest**

### **1. Matters disclosed in preliminary announcements without subsequent development or changes**

☐ Applicable    ☒ Not applicable

### **2. Matters disclosed in preliminary announcements with subsequent development or changes**

☐ Applicable    ☒ Not applicable

### **3. Matters undisclosed in preliminary announcements**

☐ Applicable    ☒ Not applicable

### **4. Disclosure about the achievement or otherwise of agreed results during the Reporting Period**

☐ Applicable    ☒ Not applicable

## **(III) Material related party transactions in respect of joint foreign investments**

### **1. Matters disclosed in preliminary announcements without subsequent development or changes**

☐ Applicable    ☒ Not applicable

### **2. Matters disclosed in preliminary announcements with subsequent development or changes**

☐ Applicable    ☒ Not applicable

**3. Matters undisclosed in preliminary announcements**

☐ Applicable    ☒ Not applicable

**(IV) Amounts due to or from related parties****1. Matters disclosed in preliminary announcements without subsequent development or changes**

☐ Applicable    ☒ Not applicable

**2. Matters disclosed in preliminary announcements with subsequent development or changes**

☐ Applicable    ☒ Not applicable

**3. Matters undisclosed in preliminary announcements**

☐ Applicable    ☒ Not applicable

**(V) Financial business between the Company and its related financial companies, and between financial companies controlled by the Company and related parties**

☐ Applicable    ☒ Not applicable

**(VI) Other material related party transactions**

☐ Applicable    ☒ Not applicable

**(VII) Others**

☐ Applicable    ☒ Not applicable

Except for the related party transactions between the Group and Hebei Baocang Expressway Co. Ltd., between the Group and Tianjin Great Wall Binyin Automotive Finance Company Limited as well as between the Group and Spotlight Automotive Ltd., the related party transactions set out in Note (XI) to the financial statements all constitute connected transactions and continuing connected transactions in accordance with Hong Kong Listing Rules. The Company has complied with relevant requirements under the Chapter 14A of the Hong Kong Listing Rules, completed relevant approval, disclosure procedures or has been exempted from complying with the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## XI. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

### 1. Trust, contracting and leasing

☐ Applicable ☒ Not applicable

### 2. Material guarantees performed during or outstanding as at the end of the Reporting Period

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

External guarantees provided by the Company (excluding those provided for its subsidiaries)

Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Guarantee amount	Date of guarantee (date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Principal debt	Guaranty (if any)	Whether the guarantee has been performed	Overdue or not	Amount overdue	Counter guarantee	Related-party guarantee or not	Related relationship
Hebei Changzheng Automobile Manufacturing Co. Ltd. (河北長征汽車製造有限公司)	Wholly-owned subsidiary	Hebei Haoyang Borui Supply Chain Management Co., Ltd. (河北昊陽勃瑞供應鏈管理有限公司)	7,588,320.00	30 June 2023	Date of mortgage/ financial lease contract signed between the guaranteed party and the relevant financial institution	3 years from the date of full repayment	Joint liability guarantee	Principal debt represent the rent and other agreed expenses of the financial leasing business entered between the guaranteed party and the financial institution	None	No	No	–	After the guarantor performs the joint liability guarantee, it obtains the right of recourse against the guaranteed party, and the legal person of the guaranteed party bears joint liability guarantee to the guarantor for this matter	No	Other
Hebei Changzheng Automobile Manufacturing Co. Ltd.	Wholly-owned subsidiary	Baoding Huilu Cargo Transport Co., Ltd. (保定匯路貨物運輸有限公司)	8,337,800.00	30 June 2023	Date of mortgage/ financial lease contract signed between the guaranteed party and the relevant financial institution	3 years from the date of full repayment	Joint liability guarantee	Principal debt represent the rent and other agreed expenses of the financial leasing business entered between the guaranteed party and the financial institution	None	No	No	–	After the guarantor performs the joint liability guarantee, it obtains the right of recourse against the guaranteed party, and the legal person of the guaranteed party bears joint liability guarantee to the guarantor for this matter	No	Other

Total guarantee amount incurred during the Reporting Period (excluding guarantees provided for subsidiaries)	15,926,120.00
Total guarantee balance as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)	15,926,120.00
Guarantees provided by the Company and its subsidiaries for subsidiaries	
Total guarantee amount incurred to subsidiaries during the Reporting Period	2,417,686,000.00
Total guarantee balance to subsidiaries as at the end of the Reporting Period (B)	10,389,229,066.57
Total guarantees (including guarantees to subsidiaries) provided by the Company	
Total guarantee amount (A+B)	10,405,155,186.57
Total guarantee amount as a percentage of the net asset value of the Company (%)	16.69
Of which:	
Amount of guarantees provided for shareholders, parties which have de facto control and their related parties (C)	0
Amount of debt guarantees provided directly or indirectly for parties with gearing ratio exceeding 70% (D)	6,343,904,232.98
Total guarantee amount in excess of 50% of net asset value (E)	0
Total guarantee amount of the above three items (C+D+E)	6,343,904,232.98
Statement on the contingent joint liability in connection with unexpired guarantees	Nil
Details of guarantee	See note 1

## Significant Events

Note 1:

As of 30 June 2023, the guarantee balances provided by the Company or its controlled subsidiaries to its controlled subsidiaries are set out as follows:

Unit: RMB Currency: RMB

No.	Guaranteed parties	Guarantee balance
1	Tianjin Oula Financial Leasing Co., Ltd. (天津歐拉融資租賃有限公司)	847,352,800.00
2	Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司)	336,619,819.98
3	Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司)	421,128,913.00
4	Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司)	915,357,608.87
5	Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司)	231,895,625.10
6	Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司) and Great Wall Motor Sales (Thailand Sales) Co., Ltd. (長城汽車銷售(泰國)有限公司)	867,096,000.00
7	Jingcheng Engineering Auto Parts (Taizhou) Co., Ltd. (精誠工科汽車零部件(泰州)有限公司)	703.49
8	Hycet Engine System (Thailand) Company Limited (蜂巢動力系統(泰國)有限公司), Mind Automotive Parts (Thailand) Co., Ltd. (曼德汽車零部件(泰國)有限公司), Exquisite Automotive Parts (Thailand) Co., Ltd. (精誠工科汽車零部件(泰國)有限公司) and Nobo Automotive Systems (Thailand) Co., Ltd. (諾博汽車系統(泰國)有限公司)	578,064,000.00
9	Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司)	203,433,965.34
10	Nobo Automotive Technology Co., Ltd. (諾博汽車科技有限公司) and its Shanghai Branch	358,200,000.00
11	Mind Electronics Company Limited (曼德電子電器有限公司)	300,000,000.00
12	Great Wall Motor Brazil Co., Ltd. (長城汽車巴西有限公司)	2,012,385,300.00
13	HWA Ding International Co., Ltd. (華鼎國際有限公司)	505,806,000.00
14	Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司)	1,467,104,330.79
15	Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司)	300,000,000.00
16	Xushui Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司 徐水光電分公司)	2,000,000.00
17	Branches and wholly-owned subsidiaries of the Company (26 companies in total)	1,000,000,000.00
18	Zhengtu Online Supply Chain (Hebei) Co., Ltd. (征途在線供應鏈(河北)有限公司)	42,784,000.00
Total		10,389,229,066.57

Note 2:

- (1) The above "guarantee amount incurred to subsidiaries during the Reporting Period" refers to the utilized amount within the approved guarantee amount during the Reporting Period;
- (2) The above "guarantee balance to subsidiaries (actual guarantee amount incurred) as at the end of the Reporting Period" refers to the sum of the amount un-withdrawn and the amount withdrawn and not repaid among utilized amount within the approved guarantee amount;
- (3) The exchange rate of US dollar against Renminbi was based on the Renminbi central parity rate (USD1 = RMB7.2258) as announced by the People's Bank of China on 30 June 2023;
- (4) The exchange rate of Euro against Renminbi was based on the Renminbi central parity rate (EUR1 = RMB7.8771) as announced by the People's Bank of China on 30 June 2023;
- (5) The exchange rate of THB against Renminbi was based on the Renminbi central parity rate (RMB100 = 491.56THB) as announced by the People's Bank of China on 30 June 2023;
- (6) The exchange rate of RUB against Renminbi was based on the Renminbi central parity rate (RMB100 = 1199.55RUB) as announced by the People's Bank of China on 30 June 2023.

### 3. Other material contracts

☐ Applicable ☒ Not applicable

## XII. OTHER SIGNIFICANT EVENTS

☐ Applicable ☒ Not applicable



## SECTION 7

# CHANGES IN SHARES AND SHAREHOLDERS

### I. CHANGES IN SHARE CAPITAL

#### (I) Table of changes in shares

##### 1. Explanation for changes in shares

Unit: share

	Before		Changes (+,-)					After	
	Number of shares	Percentage (%)	New issue	Bonus shares	Shares transfer from reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Shares with selling restrictions	36,310,195	0.41	0	0	0	-24,871,235	-24,871,235	11,438,960	0.13
1. State-owned shares	0	0	0	0	0	0	0	0	0
2. State-owned legal person shares	0	0	0	0	0	0	0	0	0
3. Other domestic shares	36,310,195	0.41	0	0	0	-24,871,235	-24,871,235	11,438,960	0.13
Including: Domestic non-state-owned legal person shares	0	0	0	0	0	0	0	0	0
Domestic natural person shares	36,310,195	0.41	0	0	0	-24,871,235	-24,871,235	11,438,960	0.13
4. Foreign shares	0	0	0	0	0	0	0	0	0
Including: Overseas legal person shares	0	0	0	0	0	0	0	0	0
Overseas natural person shares	0	0	0	0	0	0	0	0	0
II. Tradable shares without selling restrictions	8,728,202,272	99.59	23,452,690	0	0	-268,194,905	-244,742,215	8,483,460,057	99.87
1. Ordinary shares denominated in RMB	6,132,295,772	69.97	23,452,690	0	0	8,935,595	32,388,285	6,164,684,057	72.57
2. Domestic listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	2,595,906,500	29.62	0	0	0	-277,130,500	-277,130,500	2,318,776,000	27.30
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	8,764,512,467	100	23,452,690	0	0	-293,066,140	-269,613,450	8,494,899,017	100

##### 2. Explanation for changes in shares

√ Applicable    ☐ Not applicable

### *I. Repurchase and cancellation of restricted shares and cancellation of share options*

On 17 November 2022, the Company held the 54th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company and the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company were considered and approved, permitting the Company to repurchase and cancel 1,028,190 restricted A Shares with total funds used amounting to RMB12,217,609.40. Cancellation of the abovementioned restricted shares was completed on 3 February 2023, resulting in a decrease in the share capital of the Company of 1,028,190 Shares.

On 17 February 2023, the Company held the 58th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel 174,370 restricted A Shares of participants due to the resignation, job rotation, demotion or failure in the annual personal performance appraisal, with total funds used amounting to RMB696,420.47. Cancellation of the abovementioned restricted shares was completed on 14 April 2023, resulting in a decrease in the share capital of the Company of 174,370 Shares.

On 31 March 2023, the Company held the 62nd meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company, the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant and Reserved Grant of the 2021 Restricted Share Incentive Scheme of the Company, the Resolution on the Cancellation of Certain Share Options under the First Grant and Reserved Grant of the 2020 Restricted Shares and Share Options Incentive Scheme of the Company, and the Resolution on the Cancellation of Certain Share Options under the First Grant and the Reserved Grant of the 2021 Share Options Incentive Scheme of the Company were considered and approved, permitting the Company to repurchase and cancel 14,733,080 restricted A Shares with total funds used amounting to RMB227,249,970.52, and cancel 149,154,428 share options. Cancellation of the abovementioned restricted shares and share options was completed on 7 June 2023, resulting in a decrease in the share capital of the Company of 14,733,080 Shares.

## II. *Unlocking of restricted shares*

On 14 April 2023, the Company held the 63rd meeting of the seventh session of the Board, at which the Resolution on the Achievement of the Unlocking Conditions of the Third Tranche of Restricted Shares under the First Grant and the Second Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the unlocking conditions of the third tranche of restricted shares under the first Grant and second tranche of restricted shares under the reserved grant of the 2020 Incentive Scheme of the Company has been fulfilled. The number of restricted shares under the first grant and reserved grant unlocked and listed is 8,935,595 shares. The above shares were unlocked on 27 April 2023, resulting in a decrease of 8,935,595 restricted shares and an increase of 8,935,595 tradable shares.

## III. *Exercise of share options*

On 14 April 2022, the Company held the 36th meeting of the seventh session of the Board, at which the Resolution on the Fulfilment of the Exercise Conditions of Second Exercise Period of Share Options under the First Grant and First Exercise Period of Share Options under the Reserved Granted of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the exercise conditions of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. The number of exercisable share options in the second exercise period under the first grant of share options is 27,894,058 with exercise period from 5 May 2022 to 26 April 2023, and the number of exercisable share options in the first exercise period under the reserved grant of share options is 7,462,500 with exercise period from 5 May 2022 to 27 January 2023. A total of 202,231 share options were exercised during the Reporting Period, resulting in an increase in the total share capital of the Company of 202,231 shares.

On 14 April 2023, the Company held the 63rd meeting of the seventh session of the Board, at which the Resolution on the Fulfilment of the Exercise Conditions of Third Exercise Period of Share Options under the First Grant and Second Exercise Period of Share Options under the Reserved Granted of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the exercise conditions of third exercise period of share options under the first grant and second exercise period of share options under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. The number of exercisable share options in the third exercise period under the first grant of share options is 27,079,634 with exercise period from 8 May 2023 to 26 April 2024, and the number of exercisable share options in the second exercise period under the reserved grant of share options is 6,892,500 with exercise period from 8 May 2023 to 27 January 2024. A total of 23,246,657 share options were exercised during the Reporting Period, resulting in an increase in the total share capital of the Company of 23,246,657 shares.

## Changes in Shares and Shareholders

### *IV. Repurchase and Cancellation of the Company's H shares*

From 15 December 2022 to 31 December 2022, the Company repurchased 84,707,500 H Shares on the Hong Kong Stock Exchange, which were cancelled on 9 January 2023. In February 2023, the Company repurchased 192,423,000 H Shares on the Hong Kong Stock Exchange, which were cancelled on 9 March 2023. The Company has cancelled a total of 277,130,500 shares during the Reporting Period, resulting in a decrease of the total share capital of the Company of 277,130,500 Shares. For the details of H Shares repurchased during the Reporting Period, please see "Section 3 Management Discussion and Analysis – V. Other Disclosures – (II) Other Disclosures – 2. Purchase, Sale or Redemption of the Company's Listed Securities".

### *V. Conversion of the Company's convertible bonds into shares*

As approved by the China Securities Regulatory Commission on the Approval of the Public Issuance of Convertible Corporate Bonds by Great Wall Motor Company Limited (CSRC Permit [2021] No. 1353), the Company publicly issued 35,000,000 convertible corporate bonds on 10 June 2021 at a par value of RMB100 each, totalling RMB3.5 billion. The bonds were listed on the Shanghai Stock Exchange from 8 July 2021. The convertible bonds publicly issued by the Company can be converted during the period from 17 December 2021 to 9 June 2027. From 1 January 2023 to 30 June 2023, "Great Wall Motor Convertible Bonds" of RMB152,000 in total have been converted into 3,802 shares of the Company, resulting in an increase of the share capital of the Company of 3,802 Shares.

### **3. Impact of changes in shares on financial indicators such as earnings per share and net assets per share after the Reporting Period until the date of the interim report (if any)**

☒ Applicable   ☐ Not applicable

There is no significant impact of changes in shares on financial indicators such as earnings per share and net assets per share after the Reporting Period until the date of the interim report.

### **4. Other discloseable information considered as necessary by the Company or required by securities regulatory authorities**

☐ Applicable   ☒ Not applicable

## (II) Changes in shares with selling restrictions

√ Applicable    ☐ Not applicable

Unit: share

Name of shareholder	Number of shares with selling restriction at the beginning of the Period	Number of shares with selling restrictions removed during the Reporting Period	Increase in the number of shares with selling restrictions during the Reporting Period	Number of shares with selling restrictions cancelled during the Reporting Period	Number of shares with selling restriction at the end of the Reporting Period	Reason for the selling restriction	Date of removal of the selling restriction
Holders of third tranche of restricted shares under the first grant of the 2020 Restricted Share and Share Option Incentive Scheme	8,962,600	8,380,920	0	-581,680	0	Share incentive	27 April 2023
Holders of second tranche of restricted shares under the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme	569,075	554,675	0	-14,400	0	Share incentive	27 April 2023
Holders of second tranche of restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme	9,411,360	0	0	-9,411,360	0	Share incentive	–
Holders of third tranche of restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme	9,411,360	0	0	-570,300	8,841,060	Share incentive	22 July 2024 - 21 July 2025
Holders of first tranche of restricted shares under the reserved grant of the 2021 Restricted Share Incentive Scheme	3,977,900	0	0	-3,977,900	0	Share incentive	–
Holders of second tranche of restricted shares under the reserved grant of the 2021 Restricted Share Incentive Scheme	3,977,900	0	0	-1,380,000	2,597,900	Share incentive	29 April 2024 - 28 April 2025
Total	36,310,195	8,935,595	0	-15,935,640	11,438,960	/	/

Note: 9,411,360 restricted shares held by holders of second tranche of restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme and 3,977,900 restricted shares held by holders of first tranche of restricted share under the reserved grant were cancelled on 7 June 2023.

## Changes in Shares and Shareholders

### II. SHAREHOLDERS

#### (I) Total number of shareholders:

Total number of shareholders as at the end of Reporting Period (person) 197,572

#### (II) Table of shareholding of the top 10 shareholders and the top 10 shareholders of tradable shares or shares without selling restrictions as at the end of the Reporting Period

Unit: share(s)

Name of shareholder (full name)	Increase/ decrease during the Reporting Period	Shareholding of the top 10 shareholders			Pledged, earmarked or frozen		
		Number of shares held at the end of the period	Percentage (%)	Number of shares held with selling restrictions	Condition of shares	Number	Type of shareholder
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	0	5,115,000,000 (A Shares)	60.21	0 (A Shares)	Pledged	630,500,000 (A Shares)	Domestic non-state-owned legal person
HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司)	-277,008,780	2,302,746,961 (H Shares)	27.11	–	Unknown	–	Overseas legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	0	196,889,089 (A Shares)	2.32	–	Unknown	–	Unknown
HONG KONG SECURITIES CLEARING COMPANY LIMITED (香港中央結算有限公司)	568,191	46,828,006 (A Shares)	0.55	–	Unknown	–	Unknown
National Social Security Fund Portfolio 103 (全國社保基金一零三組合)	2,064,990	36,200,000 (A Shares)	0.43	–	Unknown	–	Unknown
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund (中國建設銀行股份有限公司－華夏能源革新股票型證券投資基金)	-2,782,600	29,536,483 (A Shares)	0.35	–	Unknown	–	Unknown
Agricultural Bank of China Co., Ltd. – E Fund Consumer Industry Equity Securities Investment Fund (中國農業銀行股份有限公司－易方達消費行業股票型證券投資基金)	21,332,842	29,487,061 (A Shares)	0.35	–	Unknown	–	Unknown

## Changes in Shares and Shareholders

Name of shareholder (full name)	Increase/ decrease during the Reporting Period	Shareholding of the top 10 shareholders			Pledged, earmarked or frozen		
		Number of shares held at the end of the period	Percentage (%)	Number of shares held with selling restrictions	Condition of shares	Number	Type of shareholder
Industrial and Commercial Bank of China – SSE 50 Exchange- Traded Open-End Index Securities Investment Fund (中國工商銀行－上證50交易型開放式指數證 券投資基金)	545,300	8,850,812 (A Shares)	0.10	–	Unknown	–	Unknown
China Construction Bank Corporation – GF CSI All Share Auto Index Initiated Securities Investment Fund (中國建設銀行股份有限公司－廣發中證全指 汽車指數型發起式證券投資基金)	1,436,279	8,673,676 (A Shares)	0.10	–	Unknown	–	Unknown
National Social Security Fund Portfolio 107 (全國社保基金一零七組合)	7,912,766	7,912,766 (A Shares)	0.09	–	Unknown	–	Unknown

Shareholding of the top 10 shareholders holding shares without selling restrictions			
Name of shareholder	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	5,115,000,000 (A Shares)	RMB-denominated ordinary shares	5,115,000,000 (A Shares)
HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司)	2,302,746,961 (H Shares)	Overseas listed foreign shares	2,302,746,961 (H Shares)
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	196,889,089 (A Shares)	RMB-denominated ordinary shares	196,889,089 (A Shares)
HONG KONG SECURITIES CLEARING COMPANY LIMITED (香港中央結算有限公司)	46,828,006 (A Shares)	RMB-denominated ordinary shares	46,828,006 (A Shares)
National Social Security Fund Portfolio 103 (全國社保基金一零三組合)	36,200,000 (A Shares)	RMB-denominated ordinary shares	36,200,000 (A Shares)

## Changes in Shares and Shareholders

Shareholding of the top 10 shareholders holding shares without selling restrictions			
Name of shareholder	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
China Construction Bank Corporation - Huaxia Energy Reform Equity Securities Investment Fund (中國建設銀行股份有限公司－華夏能源革新股票型證券投資基金)	29,536,483 (A Shares)	RMB-denominated ordinary shares	29,536,483 (A Shares)
Agricultural Bank of China Co., Ltd. - E Fund Consumer Industry Equity Securities Investment Fund (中國農業銀行股份有限公司－易方達消費行業股票型證券投資基金)	29,487,061 (A Shares)	RMB-denominated ordinary shares	29,487,061 (A Shares)
Industrial and Commercial Bank of China - SSE 50 Exchange-Traded Open-End Index Securities Investment Fund (中國工商銀行－上證50交易型開放式指數證券投資基金)	8,850,812 (A Shares)	RMB-denominated ordinary shares	8,850,812 (A Shares)
China Construction Bank Corporation - GF CSI All Share Auto Index Initiated Securities Investment Fund (中國建設銀行股份有限公司－廣發中證全指汽車指數型發起式證券投資基金)	8,673,676 (A Shares)	RMB-denominated ordinary shares	8,673,676 (A Shares)
National Social Security Fund Portfolio 107 (全國社保基金－零七組合)	7,912,766 (A Shares)	RMB-denominated ordinary shares	7,912,766 (A Shares)
Description of specific accounts for repurchase of the top 10 shareholders	The Company's specific account for repurchase is not listed in the "Shareholding of the top 10 shareholders". In 2022, the Company repurchased 40,000,043 A Shares on the Shanghai Stock Exchange through centralized bidding. As of 30 June 2023, the Company had 40,000,043 A Shares in its specific account for repurchase, representing 0.47% of the total shares of the Company during the Reporting Period.		
The explanation of above shareholders' proxy voting right, entrusted voting right and abandonment of voting right	N/A		
Description of the related party relationship or acting in concert among the above shareholders	There is no related party relationship between Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), the controlling shareholder of the Company, and other shareholders. In addition, the Company is not aware of any related party relationship among the other shareholders mentioned above.		
Description of the shareholders holding preference shares with restored voting rights and their shareholding	N/A		

Number of shares held by the top 10 shareholders holding shares with selling restrictions and the terms of restrictions

☐ Applicable ☒ Not applicable



**Shares Held by Substantial Shareholders (SFO Requirements)**

As at 30 June 2023, the following shareholders (excluding the directors, supervisors and chief executives of the Company) had interests or short positions in shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Number of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Baoding Innovation Great Wall Asset Management Company Limited (Note 1)	5,115,000,000(L) (A Shares)	82.82	–	60.21
Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經管中心) (Note 2)	5,115,000,000(L) (A Shares)	82.82	–	60.21
Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) (Note 3)	5,152,998,500(L) (A Shares and H Shares)	–	–	60.66
	5,115,000,000(L) (A Shares)	82.82	–	60.21
	37,998,500(L) (H Shares)	–	1.64	0.45
Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司) (Note 4)	5,152,998,500(L) (A Shares and H Shares)	–	–	60.66
	5,115,000,000(L) (A Shares)	82.82	–	60.21
	37,998,500(L) (H Shares)	–	1.64	0.45
Han Xue Juan (Note 5)	5,152,998,500(L) (A Shares and H Shares)	–	–	60.66
China Credit Trust Co., Ltd.	138,629,803(L) (H Shares)	–	5.98(L)	1.63
Harvest Fund Management Co., Ltd.	138,629,803(L) (H Shares)	–	5.98(L)	1.63
BlackRock, Inc.	138,503,892(L) (H Shares)	–	5.97(L)	1.63
	10,156,500(S) (H Shares)	–	0.44(S)	0.12
Citigroup Inc.	131,273,746(L) (H Shares)	–	5.66(L)	1.55
	48,617,983(S) (H Shares)	–	2.10(S)	0.57
	80,620,996(P) (H Shares)	–	3.48(P)	0.95

(L) denotes a long position in shares of the Company

(S) denotes a short position in shares of the Company

(P) denotes shares available for lending

## Changes in Shares and Shareholders

### Notes:

- (1) Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) (formerly known as Baoding Woerte Management Consultant Company Limited (保定市沃爾特管理諮詢有限公司)) was established on 1 December 2005. Its place of incorporation is Baoding, Hebei Province, the PRC and its registered address is 2066 Chaoyang South Street, Lianchi District, Baoding, Hebei Province. Its business scope covers investments in manufacturing, real estate and horticulture industries, as well as corporate planning; management consultancies; mechanical equipment leasing; non-residential real estate leasing; office equipment rental services; transport equipment rental services; computer and communication equipment leasing; and production line management services (operations that require pre-approvals according to laws and administrative regulations or as prescribed by the State Council can only be conducted after obtaining approvals).

As at 30 June 2023, 62.854%, 0.125%, 0.001% and 37.02% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) were held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), Mr. Wei Jian Jun, Ms. Han Xue Juan and Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經管中心) respectively, while 58.2%, 0.6% and 41.2% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) were held by Mr. Wei Jian Jun, Ms. Han Xue Juan and Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司), a company held as to 99% and 1% by Mr. Wei Jian Jun and Ms. Han Xue Juan, respectively. Therefore, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) is a company controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which is in turn controlled by Mr. Wei Jian Jun, and Mr. Wei Jian Jun is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) pursuant to the SFO.

- (2) Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經管中心) was formerly known as Management Centre of Collective Assets of Nandayuan Town, Nanshi District, Baoding (保定市南市區南大園鄉集體資產經管中心). As at 30 June 2023, Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經管中心) held 37.02% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) for the purposes of the SFO.
- (3) As at 30 June 2023, Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) held 62.854% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) for the purposes of the SFO. At the same time, Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) is interested in 37,998,500 H Shares.
- (4) As at 30 June 2023, Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司) held 41.2% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), which in turn held 62.854% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), and is deemed to be interested in all the shares of the Company held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) and Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) for the purposes of the SFO.
- (5) As at 30 June 2023, Ms. Han Xue Juan held 0.001% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), 0.6% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) and 1% equity interest in Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司), and is the spouse of Mr. Wei Jian Jun. Ms. Han Xue Juan is deemed to be interested in all the shares of the Company in which Mr. Wei Jian Jun is interested for the purposes of the SFO.

Save as disclosed above, as at 30 June 2023, so far as the directors, supervisors and chief executives of the Company are aware, no other person (excluding the directors, supervisors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

***Directors', supervisors' and chief executives' interests in securities***

As at 30 June 2022, the interests and short positions of each of the directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in section 352 of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules, are set out as follows:

Name of director/supervisor	Capacity/nature of interest	Number of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Mr. Wei Jian Jun	Interests in controlled companies	5,115,000,000 (L) (A Shares)	82.82	–	60.21
Mr. Wei Jian Jun	Interests in controlled companies	37,998,500 (L) (H Shares)	–	1.64	0.45
Total		5,152,998,500 (L) (A Shares and H Shares)	–	–	60.66
Mr. Zhao Guo Qing	Beneficial owner	1,035,000 (L) (A Shares)	0.02	–	0.01
Ms. Li Hong Shuan	Beneficial owner and interests of spouse	200,223 (L) (A Shares)	0.003	–	0.002
Mr. Mu Feng	Beneficial owner	900,900 (L) (A Shares)	0.015	–	0.011

(L) denotes a long position in shares of the Company.

Note:

As at 30 June 2023, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) was controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which was in turn controlled by Mr. Wei Jian Jun. Accordingly, pursuant to the SFO, Mr. Wei Jian Jun is deemed to be interested in the 5,115,000,000 A Shares held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and 37,998,500 H Shares held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司).

As at 30 June 2023, Ms. Li Hong Shuan held 118,123 A Shares of the Company and her spouse Mr. Wang Xiao Zu held 82,100 A Shares of the Company. Pursuant to the SFO, Ms. Li Hong Shuan is deemed to be interested in 200,223 A Shares.

Save as disclosed above, so far as the directors of the Company are aware, as at 30 June 2023, none of the directors, supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in section 352 of the SFO or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. For this purpose, the relevant provisions of the SFO shall be construed as if they were applicable to the supervisors.

**(III) Strategic investor or general legal person becoming top ten shareholders as a result of placing of new shares**

☐ Applicable ☒ Not applicable

**III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

**(I) Changes in the shareholding of current and resigned directors, supervisors and senior management during the Reporting Period**

☒ Applicable ☐ Not applicable

Name	Position	The number of shares held at the beginning of the period	The number of shares held at the end of the period	Increase/decrease of shares during the Reporting Period	Reasons for such changes
Li Hong Shuan	Executive Director, Chief Financial Controller, and Secretary to the Board	172,123	118,123	-54,000	Share incentive cancellation

**Other explanation**

☐ Applicable ☒ Not applicable

**(II) Stock options granted to directors, supervisors and senior management during the Reporting Period**

**1. Share options**

☐ Applicable ☒ Not applicable

**2. Restricted shares**

☐ Applicable ☒ Not applicable

**(III) Other Explanations**

☒ Applicable ☐ Not applicable

**Employee Stock Ownership Plan***Unit: Share(s)*

Name	Position	Number of shares to be granted under the Employee Stock Ownership Plan
Li Hong Shuan	Executive Director, Chief Financial Controller and Secretary to the Board	100,000
Lu Cai Juan	Supervisor	17,000

**IV. CHANGES IN CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS**
☐ Applicable    ☒ Not applicable

# SECTION 8

## DESCRIPTION OF PREFERENCE SHARES

☐ Applicable    ☒ Not applicable

## SECTION 9

# DESCRIPTION OF CORPORATE BONDS

### I. CORPORATE BONDS, COMPANY BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

☐ Applicable    ☒ Not applicable

### II. CONVERTIBLE CORPORATE BONDS

☒ Applicable    ☐ Not applicable

#### (I) Issuance of convertible bonds

The Company held the 9th meeting of the seventh session of the Board on 6 November 2020, at which the Resolution on Issuance of A Share Convertible Corporate Bonds was considered and approved. Proceeds raised from the proposed issuance of A share convertible corporate bonds will be used for the new models R&D project and the GDC project to enhance the competitiveness of the principal business of the Company.

The A share convertible corporate bonds and the A shares to be converted into will be listed on the Shanghai Stock Exchange and the total proceeds raised therefrom will not exceed RMB8 billion (RMB8 billion inclusive). The A share convertible corporate bonds will be issued at par value of RMB100 each.

The Company held the fourth extraordinary general meeting in 2020, the third H Shareholders' class meeting in 2020 and the third A Shareholders' class meeting in 2020 on 18 December 2020, at which the aforementioned proposed issuance of A share convertible corporate bonds was considered and approved.

The Company held the 14th meeting of the seventh session of the Board on 12 March 2021, at which the revised issuance plan of the aforementioned proposed issuance of A share convertible corporate bonds was considered and approved. The total amount of the convertible bonds proposed to be issued was revised to not exceed RMB3.5 billion (RMB3.5 billion inclusive). The actual amount of the proceeds raised shall be determined by the Board of the Company or its authorised persons within the above range, subject to the authorisation by the shareholders at the shareholders' general meetings of the Company. All of the proceeds are proposed to be used for the following projects after deduction of issuance expenses:

*Unit: RMB0'000*

Project name	Total project investment	Amount of proceeds raised to be invested
New models R&D project	630,970.81	350,000.00
GDC project	798,002.54	0.00
Total	1,428,973.35	350,000.00

## Description of Corporate Bonds

As approved by CSRC Permit [2021] No.1353, the Company publicly issued 35,000,000 A share convertible corporate bonds on 10 June 2021 at a par value of RMB100 each, totaling RMB3.5 billion with a term of 6 years. The convertible bonds issued can be converted during the period from 17 December 2021 to 9 June 2027. The initial conversion price of the convertible corporate bonds is RMB38.39 per share.

As approved by the Self-regulation Decision [2021] No.287 of Shanghai Stock Exchange, the convertible corporate bonds of RMB3.5 billion were listed and traded on Shanghai Stock Exchange from 8 July 2021 with the abbreviation of "Great Wall Motor Convertible Bonds" and stock code of "113049", and the closing price on 8 July 2021 was RMB142.07 each. The total amount of proceeds raised was RMB3.5 billion, and the actual net proceeds raised were RMB3,487,972,641.51. The utilised proceeds have been used in line with the purposes previously disclosed.

Total proceeds and details of utilisation:

Unit: RMB0'000

Total proceeds from the issuance of A share convertible corporate bonds (RMB0'000)	Planned use of proceeds previously disclosed	Proceeds utilized as of 30 June 2023 (RMB0'000)	Proceeds unutilized as of 30 June 2023 (RMB0'000)	Expected timeline for utilisation of unutilised proceeds
350,000.00	New models R&D project	342,101.98	6,695.28	On or before 31 December 2023
	GDC project	0	0	On or before 31 December 2025

Holders of the Company's A share convertible corporate bonds are natural persons holding accounts with Shanghai Branch of China Securities Depository and Clearing Corporation Limited, legal persons, securities investment funds and other investors in compliance with legal requirements.

## (II) Holders and guarantors of convertible bonds during the Reporting Period

Name of convertible corporate bonds	GWM Convertible Bonds
Number of holders of convertible bonds at the end of period	14,699
Guarantors of convertible bonds of the Company	Nil
Significant changes in the profitability, assets and credit status of the guarantors	Nil



The top ten convertible bond holders are as follows:

Name of holders of convertible corporate bonds	Convertible bonds held as at the end of the period (RMB)	Proportion (%)
Special accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China) (登記結算系統債券回購質押專用賬戶(中國工商銀行))	485,243,000	13.88
Special accounts for bonds repurchase and pledge under the registration and settlement system (CITIC Securities Co., Ltd.) (登記結算系統債券回購質押專用賬戶(中信證券股份有限公司))	293,179,000	8.39
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Construction Bank) (登記結算系統債券回購質押專用賬戶(中國建設銀行))	204,014,000	5.84
Special accounts for bonds repurchase and pledge under the registration and settlement system (Bank of China) (登記結算系統債券回購質押專用賬戶(中國銀行))	201,776,000	5.77
China Foreign Economy and Trade Trust Co., Ltd. – Foreign Investment Trust – Ruijun Wenxiang Private Security Investment Fund (中國對外經濟貿易信託有限公司－外貿信託－睿郡穩享私募證券投資基金)	111,729,000	3.20
Northwest Investment Management (Hong Kong) Limited – Northwest Feilong Fund Limited (西北投資管理(香港)有限公司－西北飛龍基金有限公司)	92,800,000	2.65
Shanghai Wisdomshire Asset Management Co., Ltd. – Ruijun Ruixiang Private Security Investment Fund (上海睿郡資產管理有限公司－睿郡睿享私募證券投資基金)	87,447,000	2.50
Special accounts for bonds repurchase and pledge under the registration and settlement system (China CITIC Bank) (登記結算系統債券回購質押專用賬戶(中信銀行))	82,778,000	2.37
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Minsheng Banking Corp., Ltd.) (登記結算系統債券回購質押專用賬戶(中國民生銀行股份有限公司))	61,545,000	1.76
Special accounts for bonds repurchase and pledge under the registration and settlement system (Agricultural Bank of China) (登記結算系統債券回購質押專用賬戶(中國農業銀行))	49,435,000	1.41

## Description of Corporate Bonds

### (III) Changes in convertible bonds during the Reporting Period

Unit: RMB Currency: RMB

Name of convertible corporate bond	Before this change	Increase/decrease for this change			After this change
		Conversion	Redemption	Buyback	
GWM Convertible Bonds	3,495,492,000	152,000	0	0	3,495,340,000

### (IV) Cumulative conversion of convertible bonds to shares during the Reporting Period

Name of convertible corporate bond	GWM Convertible Bonds
Amount of conversion during the Reporting Period (RMB)	152,000
Number of conversion shares during the Reporting Period (share)	3,802
Cumulative conversion shares (share)	122,514
Percentage of cumulative conversion shares to total issued shares of the Company before conversion (%)	0.001327
Amount of shares not converted (RMB)	3,495,340,000
Ratio of convertible bonds not converted to total issued convertible bonds (%)	99.866857

**(V) Previous adjustments to conversion price***Unit: RMB Currency: RMB*

Name of convertible corporate bond		2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited		
Adjustment date of conversion price	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
10 September 2021	38.30	9 September 2021	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	Repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; the independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; the completion of registration for the grant of restricted shares of the 2021 Incentive Scheme
21 October 2021	38.00	14 October 2021	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; the implementation of 2021 interim equity distribution
11 November 2021	38.01	10 November 2021	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant and reserved grant of 2020 Incentive Scheme
20 May 2022	37.89	13 May 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2020 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; the independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; the implementation of 2021 annual equity distribution

## Description of Corporate Bonds

Name of convertible corporate bond		2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited		
Adjustment date of conversion price	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
27 June 2022	37.84	23 June 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; the completion of registration for the grant of restricted shares of the 2021 Incentive Scheme
22 July 2022	38.00	20 July 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme; the completion of cancellation of H Shares repurchased in June 2022; the repurchase and cancellation of certain restricted shares under the first grant of 2020 Incentive Scheme; the repurchase and cancellation of certain restricted shares under the first grant of 2021 Restricted Incentive Scheme
15 August 2022	38.14	11 August 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The completion of cancellation of H Shares repurchased in July 2022; the independent exercise of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme
28 December 2022	39.47	26 December 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the reserved grant of the 2020 Incentive Scheme and first exercise period of share options under the first grant of the 2021 Incentive Scheme; repurchase and cancellation of certain restricted shares under the first grant of 2021 Restricted Incentive Scheme; the completion of cancellation of H Shares repurchased since September 2022

## Description of Corporate Bonds

Name of convertible corporate bond		2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited		
Adjustment date of conversion price	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
12 January 2023	39.76	10 January 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the reserved grant of the 2020 Incentive Scheme and first exercise period of share options under the first grant of the 2021 Incentive Scheme; the completion of cancellation of H Shares repurchased from 15 December 2022 to 22 December 2022
14 March 2023	40.44	10 March 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the reserved grant of the 2020 Incentive Scheme and first exercise period of share options under the first grant of the 2021 Incentive Scheme; the completion of repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2020 Incentive Scheme; the completion of repurchase and cancellation of certain restricted Shares under the first grant and reserved grant of the 2021 Restricted Share Incentive Scheme; the completion of cancellation of H Shares repurchased from 13 February 2023 to 24 February 2023

## Description of Corporate Bonds

Name of convertible corporate bond		2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited		
Adjustment date of conversion price	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
12 June 2023	40.40	8 June 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of second exercise period of share options under the first grant of the 2020 Incentive Scheme, first exercise period of share options under the first grant of the 2021 Share Option Incentive Scheme, third exercise period of share options under the first grant of the 2020 Incentive Scheme and second exercise period of share options under the reserved grant of the 2020 Incentive Scheme; the completion of repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2020 Incentive Scheme; the completion of repurchase and cancellation of certain restricted Shares under the first grant and reserved grant of the 2021 Restricted Share Incentive Scheme
6 July 2023	40.09	13 July 2023	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	The independent exercise of the first exercise period of share options under the first grant of the 2021 Share Option Incentive Scheme, third exercise period of share options under the first grant of the 2020 Incentive Scheme and second exercise period of share options under the reserved grant of the 2020 Incentive Scheme; the implementation of 2022 annual equity distribution
Latest conversion price as at the end of the Reporting Period				RMB40.40 per share
Latest conversion price as of 30 August 2023				RMB40.09 per share

**(VI) Information on the Company's liability and credit changes as well as the cash arrangement for future annual debt repayment**

According to the 2023 Follow-up Credit Rating Report of Great Wall Motor Company Limited issued by China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) on 26 May 2023, the Company's issuer credit rating is AAA with stable rating outlook, and the credit rating of the bonds is also AAA.

As of 30 June 2023, the total liabilities of the Company were RMB121.864 billion, and the gearing ratio was 66.15%. The Company maintains an excellent issuer credit rating and sound solvency indicators. Meanwhile, the Company generates stable profitability and has desirable development prospects with strong solvency and risk aversion to ensure the capital requirements for repaying the principal and interest of the current tranche of convertible corporate bonds.

**(VII) Other information of convertible bonds**

Nil

# SECTION 10

## FINANCIAL REPORT (UNAUDITED) REVIEW REPORT

De Shi Bao (Yue) Zi (23) No. R[R00048]

(Page 1 of 1)

### TO THE SHAREHOLDERS OF GREAT WALL MOTOR COMPANY LIMITED:

We have reviewed the accompanying financial statements of Great Wall Motor Company Limited (hereinafter “Great Wall Motor”), which comprise of the consolidated and the Company’s balance sheets as at 30 June 2023, and the consolidated and the Company’s income statements, the consolidated and the Company’s statements of changes in shareholders’ equity and the consolidated and the Company’s cash flow statements for the six months then ended, and the notes to the financial statements. The management is responsible for the preparation of these interim consolidated financial statements. Our responsibility is to issue a review report on these interim consolidated financial statements based on our review.

We conducted our review in accordance with “Chinese Certified Public Accountants Review Standards No. 2101-Review of Financial Statements”. The standards require us to plan and conduct review procedures, accordingly provide limited assurance that whether there is no material misstatement of the Great Wall Motor’s financial statements. The review is limited to procedures as enquiry of entity’s relevant staff and analytical review of financial data, providing lower level of assurance than an audit. Since we have not conducted audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the above interim financial statements of the Company which comprised the consolidated and the Company’s financial position as at 30 June 2023, and the consolidated and the Company’s operating results and cash flows for the six months then ended are not prepared, in all material aspects, in accordance with the “Accounting Standards for Business Enterprises”.

**Deloitte Touche Tohmatsu CPA LLP.**

Shanghai, China

*Chinese Certified Public Accountants:*

(Engagement Partner)

**Li, Xu**

**Yin, Lili**

30 August 2023

*The review report and the accompanying financial statements are English translations of the Chinese review report and statutory financial statements prepared under accounting principles and practices generally accepted in the People’s Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.*



# CONSOLIDATED BALANCE SHEET

At 30 June 2023

RMB

Items	Notes	30/06/2023 (Unaudited)	31/12/2022 (Audited)
<b>Current Assets:</b>			
Cash and bank balances	(VI)1	27,828,576,459.09	35,773,467,830.28
Held-for-trading financial assets	(VI)2	2,193,612,447.65	2,053,553,807.44
Derivative financial assets		41,324,428.62	13,170,797.64
Notes receivable	(VI)4	2,532,270,411.91	2,735,886,300.00
Accounts receivable	(VI)3	6,307,353,706.03	6,611,191,147.15
Financing with receivables	(VI)4	25,535,535,808.81	22,152,492,848.09
Prepayments	(VI)5	4,275,846,581.31	2,228,893,811.88
Other receivables	(VI)6	2,053,250,648.04	2,415,575,628.26
Inventories	(VI)7	23,557,589,432.87	22,374,522,377.01
Contract assets	(VI)8	301,250,480.00	4,072,792.00
Non-current assets due within one year	(VI)10	1,975,472,794.92	1,928,674,676.06
Other current assets	(VI)9	7,274,175,582.07	9,389,221,535.55
<b>Total Current Assets</b>		<b>103,876,258,781.32</b>	107,680,723,551.36
<b>Non-Current Assets:</b>			
Long-term receivables	(VI)10	1,878,786,127.03	1,755,411,228.37
Long-term equity investments	(VI)11	10,427,615,758.52	10,285,585,309.98
Other equity instrument investments	(VI)12	1,493,572,395.54	1,481,976,762.81
Other non-current financial assets		135,928,692.28	133,328,692.28
Investment properties	(VI)13	440,372,992.45	422,442,121.94
Fixed assets	(VI)14	28,053,907,313.77	26,949,019,721.87
Construction in progress	(VI)15	8,850,432,401.87	8,305,799,414.52
Right-of-use assets	(VI)16	883,428,793.48	1,092,940,845.53
Intangible assets	(VI)17	9,933,496,792.52	8,197,265,268.36
Development expenditure	(VI)18	11,785,010,204.36	11,981,107,869.85
Goodwill		27,763,359.77	27,763,359.77
Long-term prepaid expenses		237,109,514.76	267,214,694.31
Deferred tax assets	(VI)19	4,060,266,954.32	3,252,650,505.92
Other non-current assets	(VI)20	2,139,213,331.59	3,524,071,126.20
<b>Total Non-current Assets</b>		<b>80,346,904,632.26</b>	77,676,576,921.71
<b>TOTAL ASSETS</b>		<b>184,223,163,413.58</b>	185,357,300,473.07
<b>Current Liabilities:</b>			
Short-term borrowings	(VI)21	4,823,771,753.01	5,943,335,783.46
Derivative financial liabilities	(VI)22	189,129,479.92	28,800,759.63
Notes payable	(VI)23	24,858,777,000.29	30,061,481,322.24
Accounts payable	(VI)24	33,102,766,892.40	29,305,857,540.98
Contract liabilities	(VI)25	8,853,056,024.80	7,752,836,116.70
Employee benefits payable	(VI)26	1,159,602,822.74	4,208,573,006.72
Taxes payable	(VI)27	2,256,468,272.32	1,898,129,278.86
Other payables	(VI)28	9,096,674,133.35	6,163,920,243.68
Non-current liabilities due within one year	(VI)29	6,718,960,549.59	4,883,529,528.07
Other current liabilities	(VI)30	6,113,626,403.27	5,555,585,325.06
<b>Total Current Liabilities</b>		<b>97,172,833,331.69</b>	95,802,048,905.40

# Consolidated Balance Sheet

At 30 June 2023

RMB

Items	Notes	30/06/2023 (Unaudited)	31/12/2022 (Audited)
<b>Non-current Liabilities:</b>			
Long-term borrowings	(VI)21	15,812,993,384.37	15,405,655,852.03
Bonds payable	(VI)31	3,449,093,122.34	3,511,206,000.48
Lease liabilities	(VI)32	773,330,957.35	978,708,416.66
Long-term payables		28,566,135.95	—
Deferred income	(VI)33	3,541,559,883.10	3,584,723,726.03
Deferred tax liabilities	(VI)19	862,635,945.05	770,879,408.34
Long-term employee benefits payable		46,109,558.53	41,711,136.24
Other non-current liabilities		176,511,065.38	46,458,912.59
<b>Total Non-current Liabilities</b>		<b>24,690,800,052.07</b>	24,339,343,452.37
<b>TOTAL LIABILITIES</b>		<b>121,863,633,383.76</b>	120,141,392,357.77
<b>SHAREHOLDERS' EQUITY:</b>			
Share capital	(VI)34	8,494,899,017.00	8,764,512,467.00
Other equity instruments	(VI)35	335,565,003.91	335,579,596.45
Capital reserve	(VI)36	2,472,366,663.07	2,126,322,573.72
Less: Treasury shares	(VI)37	1,389,286,028.99	2,459,965,985.56
Other comprehensive income	(VI)54	(233,004,653.49)	234,443,844.95
Special reserve		94,956,205.04	5,673,833.25
Surplus reserve	(VI)38	4,580,997,029.22	7,017,877,861.90
Undistributed profits	(VI)39	48,000,521,556.73	49,176,813,140.82
<b>Total Equity Attributable to Shareholders of the Company</b>		<b>62,357,014,792.49</b>	65,201,257,332.53
<b>Minority Interests</b>		<b>2,515,237.33</b>	14,650,782.77
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>62,359,530,029.82</b>	65,215,908,115.30
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>184,223,163,413.58</b>	185,357,300,473.07

The accompanying notes form part of the financial statements.

The financial statements on pages 133 to 294 were signed by:

**Wei Jianjun**

Legal Representative

**Li Hongshuan**

Chief Financial Officer

**Wang Haiping**

Head of the Finance Section

# BALANCE SHEET OF THE COMPANY

At 30 June 2023

		RMB	
Items	Notes	30/06/2023 (Unaudited)	31/12/2022 (Audited)
<b>Current Assets:</b>			
Cash and bank balances	(XVI)1	12,505,072,480.33	16,829,695,601.22
Held-for-trading financial assets		1,502,797,622.12	1,508,596,536.57
Notes receivable		2,416,061,707.55	2,491,018,173.00
Accounts receivable	(XVI)2	28,140,840,363.24	25,706,233,799.68
Financing with receivables		21,837,600,896.40	17,437,826,198.48
Prepayments		1,650,671,485.91	2,096,903,209.77
Other receivables	(XVI)3	12,814,586,840.96	10,178,090,115.94
Inventories		9,241,018,996.53	10,234,842,200.05
Contract assets		301,250,480.00	4,072,792.00
Non-current assets due within one year		304,092,231.06	300,099,226.29
Other current assets		5,268,881,051.56	7,640,685,322.20
<b>Total Current Assets</b>		<b>95,982,874,155.66</b>	<b>94,428,063,175.20</b>
<b>Non-Current Assets:</b>			
Long-term receivables		466,965,408.43	458,933,998.65
Long-term equity investments	(XVI)4	28,905,783,346.16	27,725,727,762.11
Other equity instrument investments		7,700,000.00	7,700,000.00
Other non-current financial assets		135,928,692.28	133,328,692.28
Investment properties		2,556,973,077.78	2,602,845,616.53
Fixed assets		13,681,000,312.59	13,526,907,154.13
Construction in progress		3,938,624,157.39	3,672,460,626.17
Right-of-use assets		314,582,164.18	398,234,469.21
Intangible assets		6,724,003,727.75	5,688,633,484.12
Development expenditure		8,935,792,341.98	8,981,389,164.56
Long-term prepaid expenses		39,675,520.84	45,538,079.40
Deferred tax assets		2,222,885,408.16	1,850,190,817.75
Other non-current assets		1,096,988,319.99	1,981,822,641.00
<b>Total Non-Current Assets</b>		<b>69,026,902,477.53</b>	<b>67,073,712,505.91</b>
<b>TOTAL ASSETS</b>		<b>165,009,776,633.19</b>	<b>161,501,775,681.11</b>

## Balance Sheet of the Company

At 30 June 2023

		RMB	
Items	Notes	30/06/2023 (Unaudited)	31/12/2022 (Audited)
<b>Current Liabilities:</b>			
Short-term borrowings		126,762,000.00	1,386,109,700.00
Derivative financial liability		184,585,152.99	8,528,317.13
Notes payable		18,208,320,580.02	21,581,764,653.37
Accounts payable		36,276,538,898.82	30,802,903,628.18
Contract liabilities		19,055,622,918.17	17,930,185,162.17
Employee benefits payable		490,623,142.34	2,086,128,687.66
Taxes payable		821,073,639.87	945,962,145.16
Other payables		9,814,560,680.53	6,978,027,306.02
Non-current liabilities due within one year		5,413,893,507.25	2,982,080,919.60
Other current liabilities		2,758,624,047.25	2,809,657,102.62
<b>Total Current Liabilities</b>		<b>93,150,604,567.24</b>	87,511,347,621.91
<b>Non-current Liabilities:</b>			
Long-term borrowings		14,649,390,223.64	14,046,083,611.10
Bonds payable		3,359,324,722.34	3,316,660,000.48
Lease liabilities		425,974,001.75	541,288,301.67
Deferred income		2,080,578,407.54	2,150,578,424.28
Other non-current liabilities		147,649,787.61	19,982,787.61
<b>Total Non-current Liabilities</b>		<b>20,662,917,142.88</b>	20,074,593,125.14
<b>TOTAL LIABILITIES</b>		<b>113,813,521,710.12</b>	107,585,940,747.05
<b>SHAREHOLDERS' EQUITY:</b>			
Share capital	(VI)34	8,494,899,017.00	8,764,512,467.00
Other equity instruments	(VI)35	335,565,003.91	335,579,596.45
Capital reserve		2,461,208,183.11	2,135,584,074.82
Less: Treasury shares	(VI)37	1,389,286,028.99	2,459,965,985.56
Other comprehensive income		(67,750,105.04)	(60,950,480.39)
Special reserve		39,742,203.10	993,923.05
Surplus reserve		2,453,565,922.62	4,890,446,242.43
Undistributed profits		38,868,310,727.36	40,309,635,096.26
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>51,196,254,923.07</b>	53,915,834,934.06
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>165,009,776,633.19</b>	161,501,775,681.11

# CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 30 June 2023

		RMB	
Items	Notes	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>I. Total operating income</b>		<b>69,971,117,162.78</b>	62,134,116,007.85
Including: Operating income	(VI)40	69,971,117,162.78	62,134,116,007.85
Less: Total operating costs		69,188,920,908.37	57,440,540,407.91
Including: Operating costs	(VI)40	58,180,357,751.58	50,713,870,192.71
Taxes and levies	(VI)41	2,398,366,057.80	2,053,144,291.26
Selling expenses	(VI)42	3,253,302,670.39	2,216,143,959.74
Administrative expenses	(VI)43	2,071,045,814.95	2,213,421,425.12
Research and development expenses	(VI)44	3,509,415,452.83	3,176,619,531.12
Financial expenses	(VI)45	(223,566,839.18)	(2,932,658,992.04)
Including: Interest expenses		447,821,889.59	302,707,514.44
Interest income		553,402,713.04	565,918,318.48
Add: Other income	(VI)46	432,678,578.56	470,232,485.17
Investment income	(VI)47	463,657,426.68	377,086,073.39
Including: Investment income from joint ventures and associates		440,933,916.15	421,584,127.05
Losses from changes in fair values	(VI)48	(132,420,650.66)	(121,905,323.59)
Impairment losses on credit		(14,389,467.74)	(6,519,733.31)
Impairment losses on assets	(VI)49	(304,198,289.15)	(77,959,864.18)
Losses from disposal of assets		(2,154,500.24)	(31,476,693.82)
<b>II. Operating profit</b>		<b>1,225,369,351.86</b>	5,303,032,543.60
Add: Non-operating income	(VI)50	204,887,646.86	584,635,348.34
Less: Non-operating expenses		37,988,552.21	21,588,481.74
<b>III. Total profit</b>		<b>1,392,268,446.51</b>	5,866,079,410.20
Less: Income tax expenses	(VI)51	29,600,548.62	274,197,509.87
<b>IV. Net profit</b>	(VI)52	<b>1,362,667,897.89</b>	5,591,881,900.33
(I) Classification by going concern:			
Net profit under going concern		1,362,667,897.89	5,591,881,900.33
(II) Classification by attribution of ownership:			
1. Net profit attributable to shareholders of the Company		1,361,287,795.74	5,600,501,901.48
2. Profit or loss attributable to minority interests		1,380,102.15	(8,620,001.15)

## Consolidated Income Statement

For the period from 1 January to 30 June 2023

Items	Notes	RMB	
		For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>V. Net other comprehensive (loss) income after taxes</b>	(VI)54	<b>(467,448,498.44)</b>	1,332,188,934.72
Net other comprehensive (loss) income attributable to shareholders of the Company after taxes		<b>(467,448,498.44)</b>	1,332,188,934.72
(I) Other comprehensive income that cannot be reclassified into profit or loss in the future		<b>8,245,682.06</b>	141,072,252.05
1. Re-measure and set the amount of change in benefit plan		<b>8,245,682.06</b>	—
2. Changes in fair value of other equity instrument investments		—	141,072,252.05
(II) Other comprehensive (loss) income that will be reclassified to profit or loss		<b>(475,694,180.50)</b>	1,191,116,682.67
1. Translation difference of financial statements denominated in foreign currency		<b>(471,637,934.45)</b>	1,082,685,192.53
2. Changes in fair value of financial assets classified as at fair value through other comprehensive income		<b>(4,056,246.05)</b>	108,431,490.14
Net other comprehensive income attributable to minority interests		—	—
<b>VI. Total comprehensive income</b>		<b>895,219,399.45</b>	6,924,070,835.05
Total comprehensive income attributable to shareholders of the Company		<b>893,839,297.30</b>	6,932,690,836.20
Total comprehensive income (loss) attributable to minority interests		<b>1,380,102.15</b>	(8,620,001.15)
<b>VII. Earnings per share:</b>			
(I) Basic earnings per share	(VI)53	<b>0.16</b>	0.61
(II) Diluted earnings per share	(VI)53	<b>0.16</b>	0.60

# INCOME STATEMENT OF THE COMPANY

For the period from 1 January to 30 June 2023

		RMB	
Items	Notes	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>I. Operating income</b>	(XVI)5	<b>63,670,580,147.22</b>	57,916,942,526.05
Less: Operating costs	(XVI)5	<b>57,833,408,838.18</b>	52,780,311,046.68
Taxes and levies		<b>2,066,416,369.78</b>	1,856,214,753.53
Selling expenses		<b>2,227,129,605.90</b>	1,208,099,377.91
Administrative expenses		<b>1,090,743,908.84</b>	1,201,903,552.12
Research and development expenses		<b>2,067,148,921.50</b>	1,779,763,395.51
Financial expenses		<b>(442,942,884.44)</b>	(228,716,621.66)
Including: Interest expenses		<b>314,370,676.86</b>	235,859,307.24
Interest income		<b>386,831,591.04</b>	444,824,752.21
Add: Other income		<b>100,189,327.94</b>	132,067,339.74
Investment income	(XVI)6	<b>2,571,049,829.34</b>	5,815,357,966.61
Including: Investment income from joint ventures		<b>462,858,976.89</b>	443,590,180.16
Losses from changes in fair values		<b>(178,635,050.31)</b>	(22,602,351.79)
Impairment gains on credit		<b>1,463,995.22</b>	26,923,230.97
Impairment losses on assets		<b>(666,947,561.51)</b>	(106,701,697.23)
Losses from disposal of assets		<b>(838,522.46)</b>	(26,784,037.10)
<b>II. Operating profit</b>		<b>654,957,405.68</b>	5,137,627,473.16
Add: Non-operating income		<b>77,708,175.76</b>	521,858,021.75
Less: Non-operating expenses		<b>26,895,880.99</b>	14,952,271.72
<b>III. Total profit</b>		<b>705,769,700.45</b>	5,644,533,223.19
Less: Income tax expenses		<b>(390,485,823.35)</b>	(98,057,654.83)
<b>IV. Net profit</b>		<b>1,096,255,523.80</b>	5,742,590,878.02
Net profit under going concern		<b>1,096,255,523.80</b>	5,742,590,878.02
<b>V. Net other comprehensive (loss) income after taxes</b>		<b>(6,799,624.65)</b>	52,797,457.89
Other comprehensive (loss) income that will be reclassified into profit or loss		<b>(6,799,624.65)</b>	52,797,457.89
Changes in fair value of financial assets classified as at fair value through other comprehensive income		<b>(6,799,624.65)</b>	52,797,457.89
<b>VI. Total comprehensive income</b>		<b>1,089,455,899.15</b>	5,795,388,335.91

# CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 30 June 2023

RMB

Items	Notes	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>I. Cash Flows from Operating Activities:</b>			
Cash receipts from the sales of goods and rendering of services		72,879,773,422.68	83,284,205,668.96
Receipts of tax refunds		3,079,225,144.52	1,984,600,656.47
Other cash receipts relating to operating activities	(VI)55(1)	2,698,042,993.89	3,725,247,481.60
Sub-total of cash inflow from operating activities		78,657,041,561.09	88,994,053,807.03
Cash payments for goods purchased and services received		60,293,497,655.24	60,989,141,632.37
Cash payments to and on behalf of employees		8,606,675,828.82	7,522,856,045.44
Payments of various types of taxes		6,432,436,167.96	5,247,184,449.58
Other cash payments relating to operating activities	(VI)55(2)	5,760,621,746.02	7,070,653,007.25
Sub-total of cash outflow from operating activities		81,093,231,398.04	80,829,835,134.64
Net Cash Flows from Operating Activities	(VI)56(1)	(2,436,189,836.95)	8,164,218,672.39
<b>II. Cash Flows from Investing Activities:</b>			
Cash receipts from disposal of investments		6,490,286,600.00	10,701,009,630.00
Cash receipts from investment income		627,347,506.61	261,649,982.26
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		110,987,183.29	191,840,634.69
Other cash receipts relating to investing activities	(VI)55(3)	—	100,000,000.00
Sub-total of cash inflow from investing activities		7,228,621,289.90	11,254,500,246.95
Cash payments to purchase and construct fixed assets, intangible assets and other long-term assets		7,752,967,804.00	7,108,528,787.73
Cash payments to acquire investments		4,559,000,000.00	8,955,000,000.00
Other cash payments relating to investing activities	(VI)55(4)	26,022,380.97	—
Sub-total of cash outflow from investing activities		12,337,990,184.97	16,063,528,787.73
Net Cash Flow Used in Investing Activities		(5,109,368,895.07)	(4,809,028,540.78)



## Consolidated Cash Flow Statement

For the period from 1 January to 30 June 2023

		RMB	
Items	Notes	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>III. Cash Flows from Financing Activities:</b>			
Cash receipts from capital contributions		183,604,793.04	327,062,057.41
Cash receipts from borrowings		8,829,275,493.92	14,700,240,947.70
Other cash receipts relating to financing activities	(VI)55(5)	7,165,726,632.84	—
Sub-total of cash inflow from financing activities		16,178,606,919.80	15,027,303,005.11
Cash repayments of borrowings		6,582,059,044.99	6,030,683,310.81
Cash payments for distribution of dividends or profits or settlement of interest expenses		384,436,127.14	941,540,694.50
Cash repayments of bonds		387,119,200.00	490,962,600.00
Other cash payments relating to financing activities	(VI)55(6)	2,445,378,723.80	10,591,786,103.98
Sub-total of cash outflow from financing activities		9,798,993,095.93	18,054,972,709.29
Net Cash Flow Used in Financing Activities		6,379,613,823.87	(3,027,669,704.18)
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>		(19,286,449.46)	(65,262,671.63)
<b>V. Net (Decrease) Increase in Cash and Cash Equivalents</b>	(VI)56(1)	(1,185,231,357.61)	262,257,755.80
Add: Opening balance of cash and cash equivalents	(VI)56(3)	26,898,656,878.98	27,907,854,151.86
<b>VI. Closing balance of cash and cash equivalents</b>	(VI)56(3)	25,713,425,521.37	28,170,111,907.66

# CASH FLOW STATEMENT OF THE COMPANY

For the period from 1 January to 30 June 2023

RMB

Items	Notes	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>I. Cash Flows from Operating Activities:</b>			
Cash receipts from the sales of goods and rendering of services		62,827,841,506.82	72,971,747,851.69
Receipts of tax refunds		2,143,579,783.02	1,249,651,332.56
Other cash receipts relating to operating activities		684,804,588.08	1,189,210,908.09
Sub-total of cash inflow from operating activities		65,656,225,877.92	75,410,610,092.34
Cash payments for goods purchased and services received		58,019,895,074.92	71,882,862,535.88
Cash payments to and on behalf of employees		3,301,134,013.38	2,839,260,656.56
Payments of various types of taxes		4,125,687,678.70	3,140,516,437.12
Other cash payments relating to operating activities		4,025,330,353.83	3,319,134,747.55
Sub-total of cash outflow from operating activities		69,472,047,120.83	81,181,774,377.11
Net Cash Flows Used in Operating Activities	(XVI)7(1)	(3,815,821,242.91)	(5,771,164,284.77)
<b>II. Cash Flows from Investing Activities:</b>			
Cash receipts from disposal of investments		5,000,000,000.00	9,321,009,630.00
Cash receipts from investment income		1,219,263,778.22	3,077,041,074.35
Net cash receipts from disposal of subsidiaries and other business units		—	37,728,667.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		105,822,419.97	240,170,181.99
Other cash receipts relating to investing activities		377,535,560.00	843,400,000.00
Sub-total of cash inflow from investing activities		6,702,621,758.19	13,519,349,553.34
Cash payments to purchase and construct fixed assets, intangible assets and other long-term assets		4,100,416,968.97	3,538,725,068.93
Cash paid for investments		3,357,993,630.00	8,704,011,031.56
Other cash payments relating to investing activities		498,280,000.00	1,509,455,035.00
Sub-total of cash outflow from investing activities		7,956,690,598.97	13,752,191,135.49
Net Cash Flow Used in Investing Activities		(1,254,068,840.78)	(232,841,582.15)

## Cash Flow Statement of the Company

For the period from 1 January to 30 June 2023

		RMB	
Items	Notes	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>III. Cash Flows from Financing Activities:</b>			
Cash receipts from capital contributions		183,604,793.04	299,012,057.41
Cash receipts from borrowings		5,397,908,396.00	11,459,742,100.00
Other cash receipts relating to financing activities		4,229,520,228.05	26,000,000.00
Sub-total of cash inflow from financing activities		9,811,033,417.09	11,784,754,157.41
Cash payments for repayments of borrowings		2,706,350,000.00	4,055,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		248,605,639.84	814,570,346.77
Other cash payments relating to financing activities		2,319,618,357.80	7,524,818,767.95
Sub-total of cash outflow from financing activities		5,274,573,997.64	12,394,389,114.72
Net Cash Flow from (Used in) Financing Activities		4,536,459,419.45	(609,634,957.31)
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>		70,823,771.40	23,896,847.04
<b>V. Net Decrease in Cash and Cash Equivalents</b>	(XVI)7(1)	(462,606,892.84)	(6,589,743,977.19)
Add: Opening balance of cash and cash equivalents	(XVI)7(2)	12,810,720,693.53	20,288,128,849.56
<b>VI. Closing balance of cash and cash equivalents</b>	(XVI)7(2)	12,348,113,800.69	13,698,384,872.37

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from 1 January to 30 June 2023

RMB

		For the period from 1 January to 30 June 2023 (Unaudited)									
		Attributable to shareholders of the Company									
Items		Share capital	Other equity instruments	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total equity
I.	Balance at the beginning of the period	8,764,512,467.00	335,579,596.45	2,126,322,573.72	2,459,965,985.56	234,443,844.95	5,673,833.25	7,017,877,861.90	49,176,813,140.82	14,650,782.77	65,215,908,115.30
II.	Changes in the current period	(269,613,450.00)	(14,592.54)	346,044,089.35	(1,070,679,956.57)	(467,448,498.44)	89,282,371.79	(2,436,880,832.68)	(1,176,291,584.09)	(12,135,545.44)	(2,856,378,085.48)
(I)	Total comprehensive (loss) income	—	—	—	—	(467,448,498.44)	—	—	1,361,287,795.74	1,380,102.15	895,219,399.45
(II)	Owners' contributions and reduction in capital	(269,613,450.00)	(14,592.54)	330,376,893.16	(1,065,984,902.07)	—	—	(2,436,880,319.81)	—	—	(1,310,146,567.12)
1.	Capital contributions from owners (VI) 34, 36	23,448,888.00	—	160,155,905.04	—	—	—	—	—	—	183,604,793.04
2.	Conversion options of convertible bonds classified as equity instruments and impact of conversion of the current period	3,802.00	(14,592.54)	53,276.65	—	—	—	—	—	—	42,486.11
3.	Share-based payments recognized in shareholders' equity	—	—	392,396,801.87	—	—	—	—	—	—	392,396,801.87
4.	Impact of canceling expired restricted shares and unlocking restricted shares s(VI) 36 - 37	(15,935,640.00)	—	(222,229,090.40)	(278,425,367.05)	—	—	—	—	—	40,260,636.65
5.	Repurchased and cancelled shares (VI) 34 - 36 - 37 - 38	(277,130,500.00)	—	—	(787,559,535.02)	—	—	(2,436,880,319.81)	—	—	(1,926,451,284.79)
(III)	Profit distribution	—	—	—	(4,695,054.50)	—	—	—	(2,535,597,469.70)	—	(2,530,902,415.20)
1.	Distributions to shareholders	—	—	—	(4,695,054.50)	—	—	—	(2,535,597,469.70)	—	(2,530,902,415.20)
(IV)	Transfer of shareholders' equity	—	—	—	—	—	—	(512.87)	512.87	—	—
1.	others	—	—	—	—	—	—	(512.87)	512.87	—	—
(V).	Special reserve	—	—	—	—	—	89,282,371.79	—	—	—	89,282,371.79
1.	Transferred in the current period	—	—	—	—	—	130,784,525.01	—	—	—	130,784,525.01
2.	Used in the current period	—	—	—	—	—	(41,502,153.22)	—	—	—	(41,502,153.22)
(VI).	Others	—	—	15,667,196.19	—	—	—	—	(1,982,423.00)	(13,515,647.59)	169,125.60
1.	Disposal of subsidiaries	—	—	—	—	—	—	—	—	(13,515,647.59)	(13,515,647.59)
2.	Others	—	—	15,667,196.19	—	—	—	—	(1,982,423.00)	—	13,684,773.19
III.	Balance at the end of the period	8,494,899,017.00	335,565,003.91	2,472,366,663.07	1,389,286,028.99	(233,004,653.49)	94,956,205.04	4,580,997,029.22	48,000,521,556.73	2,515,237.33	62,359,530,029.82

# Consolidated Statement of Changes in Shareholders' Equity

For the period from 1 January to 30 June 2023

RMB

For the period from 1 January to 30 June 2022 (Unaudited)									
Attributable to shareholders of the Company									
Items	Share capital	Other equity instruments	Capital reserve	Treasury shares	Less: Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	Total equity
I. Balance at the beginning of the period	9,235,713,278.00	335,951,802.16	4,871,909,273.63	642,035,492.50	(247,369,962.28)	6,677,505,529.86	41,892,707,709.74	4,100,634.23	62,128,482,772.84
II. Changes in the current period	33,037,934.00	(361,069.30)	2,119,547,184.85	885,892,245.97	1,332,188,934.72	(14,346.81)	4,953,473,195.19	19,429,998.85	7,571,409,585.53
(I) Total comprehensive income(loss)	—	—	—	—	1,332,188,934.72	—	5,600,501,901.48	(8,620,001.15)	6,924,070,835.05
(II) Owners' contributions and reduction in capital	33,037,934.00	(361,069.30)	2,217,263,064.70	888,288,468.77	—	—	—	28,050,000.00	1,389,701,460.63
1. Capital contributions from owners	33,137,166.00	—	265,874,891.41	100,720,428.00	—	—	—	28,050,000.00	226,341,629.41
2. Conversion options of convertible bonds classified as equity instruments and impact of conversion of the current period	99,138.00	(361,069.30)	3,618,297.06	—	—	—	—	—	3,356,365.76
3. Share-based payments recognized in shareholders' equity	—	—	1,948,438,383.13	—	—	—	—	—	1,948,438,383.13
4. Impact of canceling expired restricted shares and unlocking restricted shares	(198,370.00)	—	(668,506.90)	(59,422,090.60)	—	—	—	—	58,555,213.70
5. Repurchased shares	—	—	—	846,990,131.37	—	—	—	—	(846,990,131.37)
(III) Profit distribution	—	—	—	(2,396,222.80)	—	—	(647,043,053.10)	—	(644,646,830.30)
1. Distributions to shareholders	—	—	—	(2,396,222.80)	—	—	(647,043,053.10)	—	(644,646,830.30)
(IV) Transfer of shareholders' equity	—	—	—	—	—	(14,346.81)	14,346.81	—	—
1. others	—	—	—	—	—	(14,346.81)	14,346.81	—	—
(V). Others	—	—	(97,715,879.85)	—	—	—	—	—	(97,715,879.85)
III. Balance at the end of the period	9,268,751,212.00	335,590,732.86	6,991,456,458.48	1,527,927,738.47	1,084,818,972.44	6,677,491,183.05	46,846,180,904.93	23,530,633.08	69,699,892,358.37

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

For the period from 1 January to 30 June 2023

RMB

Items	For the period from 1 January to 30 June 2023 (Unaudited)								
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total equity
I. Balance at the beginning of the period	8,764,512,467.00	335,579,596.45	2,135,584,074.82	2,459,965,985.56	(60,950,480.39)	993,923.05	4,890,446,242.43	40,309,635,096.26	53,915,834,934.06
II. Changes in the current period	(269,613,450.00)	(14,592.54)	325,624,108.29	(1,070,679,956.57)	(6,799,624.65)	38,748,280.05	(2,436,880,319.81)	(1,441,324,368.90)	(2,719,580,010.99)
(I) Total comprehensive income(loss)	—	—	—	—	(6,799,624.65)	—	—	1,096,255,523.80	1,089,455,899.15
(II) Owners' contributions and reduction in capital	(269,613,450.00)	(14,592.54)	330,376,893.16	(1,065,984,902.07)	—	—	(2,436,880,319.81)	—	(1,310,146,567.12)
1. Capital contributions from owners									
(VI)34 - 36	23,448,888.00	—	160,155,905.04	—	—	—	—	—	183,604,793.04
2. Conversion options of convertible bonds classified as equity instruments and impact of conversion of the current period	3,802.00	(14,592.54)	53,276.65	—	—	—	—	—	42,486.11
3. Share-based payments recognized in shareholders' equity((VI)36)	—	—	392,396,801.87	—	—	—	—	—	392,396,801.87
4. Impact of canceling expired restricted shares and unlocking restricted shares	(15,935,640.00)	—	(222,229,090.40)	(278,425,367.05)	—	—	—	—	40,260,636.65
5. Repurchased and cancelled shares	(277,130,500.00)	—	—	(787,559,535.02)	—	—	(2,436,880,319.81)	—	(1,926,451,284.79)
(III) Profit distribution	—	—	—	(4,695,054.50)	—	—	—	(2,535,597,469.70)	(2,530,902,415.20)
1. Distributions to shareholders	—	—	—	(4,695,054.50)	—	—	—	(2,535,597,469.70)	(2,530,902,415.20)
(IV) Special reserve	—	—	—	—	—	38,748,280.05	—	—	38,748,280.05
1. Transferred in the current period	—	—	—	—	—	50,156,845.59	—	—	50,156,845.59
2. Used in the current period	—	—	—	—	—	(11,408,565.54)	—	—	(11,408,565.54)
(V) Others	—	—	(4,752,784.87)	—	—	—	—	(1,982,423.00)	(6,735,207.87)
1. Others	—	—	(4,752,784.87)	—	—	—	—	(1,982,423.00)	(6,735,207.87)
III. Balance at the end of the period	8,494,899,017.00	335,565,003.91	2,461,208,183.11	1,389,286,028.99	(67,750,105.04)	39,742,203.10	2,453,565,922.62	38,868,310,727.36	51,196,254,923.07

# Statement of Changes in Shareholders' Equity of the Company

For the period from 1 January to 30 June 2023

RMB

Items	For the period from 1 January to 30 June 2022 (Unaudited)							
	Share capital	Other equity instruments	Capital reserve	Treasury shares	Less: comprehensive income	Surplus reserve	Undistributed profits	Total equity
I. Balance at the beginning of the period	9,235,713,278.00	335,951,802.16	4,874,960,778.98	642,035,492.50	(105,936,120.13)	4,890,446,242.43	33,321,678,732.45	51,910,779,221.39
II. Changes in the current period	33,037,934.00	(361,069.30)	2,120,968,892.37	885,892,245.97	52,797,457.89	—	5,095,547,824.92	6,416,098,793.91
(I) Total comprehensive income	—	—	—	—	52,797,457.89	—	5,742,590,878.02	5,795,388,335.91
(II) Owners' contributions and reduction in capital	33,037,934.00	(361,069.30)	2,217,263,064.70	888,288,468.77	—	—	—	1,361,651,460.63
1. Capital contributions from owners	33,137,166.00	—	265,874,891.41	100,720,428.00	—	—	—	198,291,629.41
2. Conversion options of convertible bonds classified as equity instruments and impact of conversion of the current period	99,138.00	(361,069.30)	3,618,297.06	—	—	—	—	3,356,365.76
3. Share-based payments recognized in shareholders' equity	—	—	1,948,438,383.13	—	—	—	—	1,948,438,383.13
4. Impact of canceling expired restricted shares and unlocking restricted shares	(198,370.00)	—	(668,506.90)	(59,422,090.60)	—	—	—	58,555,213.70
5. Repurchased shares	—	—	—	846,990,131.37	—	—	—	(846,990,131.37)
(III) Profit distribution	—	—	—	(2,396,222.80)	—	—	(647,043,053.10)	(644,646,830.30)
1. Distributions to shareholders	—	—	—	(2,396,222.80)	—	—	(647,043,053.10)	(644,646,830.30)
(IV) Others	—	—	(96,294,172.33)	—	—	—	—	(96,294,172.33)
III. Balance at the end of the period	9,268,751,212.00	335,590,732.86	6,995,929,671.35	1,527,927,738.47	(53,138,662.24)	4,890,446,242.43	38,417,226,557.37	58,326,878,015.30

# NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January to 30 June 2023

## I. BASIC CORPORATE INFORMATION

### I. Company overview

Great Wall Motor Company Limited (hereinafter referred as “the Company”) is registered in Baoding, Hebei Province which is the main city for its core business as well. The controlling shareholder of the Company is Baoding Innovation Great Wall Asset Management Company Limited (hereinafter referred as “Innovation Great Wall”) and the ultimate controlling shareholder is Wei Jianjun.

The Company was originally named as Baoding Great Wall Motor Group Company Limited. On 5 June 2001, upon the approval by Office of the Stock Reform Leading Panel of *the People’s Government of Hebei Province with Ji Gu Ban [2001] No. 62*, Baoding Great Wall Motor Group Company Limited was reorganized to Baoding Great Wall Motor Company Limited. On 28 May 2003, upon the approval by Hebei Administration for Industry and Commerce, Baoding Great Wall Motor Company Limited was renamed Great Wall Motor Company Limited.

The Company and its subsidiaries (the “Group”) are principally engaged in the manufacturing and sales of automobiles and components and parts of automobiles and related after-sales services, processing and manufacturing of moulds, repairing of automobiles, transportation of general goods and specific transportation (by truck). The legal representative of the Company is Wei Jian Jun.

### 2. The scope of consolidated financial statements

The Company’s and consolidated financial statements have been approved by the Board of Directors on 30 August 2023.

For the scope of consolidated financial statements of this period refer to Note (VIII) “Interest in other entities”. Changes in the scope of consolidated financial statements for the current period mainly refer to Note (VII) “changes in consolidation scope.”

## II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### Basis of preparation

The Group has applied the ASBEs and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (“MoF”). In addition, the Group also discloses relevant financial information according to the requirements of *Rules on Compiling the Information Disclosure of the Company that Issue Stocks Publicly No.15-General Provision on Financial Report* (revised in 2014) by the China’s Securities Regulatory Commission (the “CSRC”).



## II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

### Basis of preparation (continued)

According to the Consultation Summary on Accepting Mainland Accounting and Auditing Standards and Hiring Mainland Accounting Firms for Incorporated Companies Listed in Hong Kong and the corresponding amendments to the Hong Kong Listing Rules issued by the Stock Exchange of Hong Kong Limited in December 2010, as well as the relevant documents of the Ministry of Finance and the CSRC, after deliberation and approval by the shareholders' meeting of the Company, starting from 2011, the Company no longer provides the A-share shareholders and H-share shareholders with financial statements prepared in accordance with the Chinese Accounting Standards for Business Enterprises and the International Financial Reporting Standards respectively, but provides all shareholders with financial statements prepared in accordance with the Chinese Accounting Standards for Business Enterprises, and has considered the disclosure provisions of the Companies Ordinance of Hong Kong and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited when preparing the financial statements.

### Basis of accounting and principle of measurement

The Group's financial statements have been prepared on an accrual basis. Except for certain financial instruments which are measured at fair value, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

Under historical cost method, the amount of assets was measured at the fair value of cash or cash equivalents or consideration paid at the time of purchase. Liabilities were measured at the amount of money or assets and liabilities due to the current obligations actually received, or a present obligation of the contract amount, or the measurement of cash or cash equivalents in accordance with daily activities to repay the debts of the amount expected to be paid.

The fair value refers to the amount, at which both willing parties engaged to a fair transaction who are familiar with the condition exchange their assets or clear off their debts under fair conditions. Whether fair value is observable or measured by valuation techniques, the measurement and disclosure in this financial statement were all based on it.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

### Going concern

The Group has evaluated its ability of going concern for the next 12 months since 30 June 2023. There is no indication of major events that may affect the ability of going concern. Thus, the financial statements have been prepared under the assumption of going concern.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

#### 1. Statement of compliance with the ASBEs

The financial statements have been prepared in compliance with the ASBEs to truly and completely reflect the consolidated and the Company's financial position as at 30 June 2023, and the consolidated and the Company's operating results, the consolidated and the Company's statements of changes in shareholders' equity and the consolidated and the Company's cash flow statements for the six months ended 30 June 2023.

#### 2. Accounting year

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

#### 3. Operating cycle

Operating cycle refers to period from assets purchased for production to cash or cash equivalents realized. The operating cycle of the Company is 12 months.

#### 4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The Company's foreign subsidiary chooses its functional currency on the basis of the primary economic environment in which it operates. The Group adopts RMB to prepare its financial statements.

#### 5. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combination includes business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

##### 5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained in the business combination are recognized at their carrying amounts at the date of merger as recorded by the party being combined. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to capital reserves. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss when incurred.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 5. Accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control (continued)

##### 5.2 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The combination costs of the combining party shall be the fair value of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for the control over the acquiree on the acquisition date. The overhead for the business combination of the combining party, including the expenses for audit, legal services, assessment, and other administrative expenses, shall be recorded in profit or loss for the current period when incurred.

Identifiable assets, liabilities and contingent liabilities of acquiree qualifying for the conditions of recognition acquired by the acquirer in business combination are measured at fair value on the acquisition date.

For the difference that the combination cost is larger than the portion of fair value of net identifiable assets of acquiree acquired in combination, it is recognized as goodwill as an asset, and initially measured at cost. For those with combination cost lower than the portion of fair value of net identifiable assets of acquiree acquired in combination, re-verification is first carried out on the measurement of the fair value of all identifiable assets, liabilities and contingent liabilities as well as the combination cost. For those with combination cost still lower than the portion of fair value of net identifiable assets of acquiree acquired in combination after re-verification, they are credited to profit or loss for the current period.

Goodwill occurred as a result of combination shall be recognized separately in the consolidated financial statement and measured at cost less accumulated impairment losses.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 6. Preparation of consolidated financial statements

The scope of consolidated financial statements is determined on the basis of control. Control is achieved when the Group has power over the investee; is exposed, or has rights to achieve returns from its involvement with the investee; and has the ability to use its power to affect its returns. Once the relevant facts and situation changed that altered the elements define control, the Group shall re-evaluate control.

The combination of subsidiaries begins with controlling the subsidiary by the Group, and ceases with the Group's losing control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

Major accounting policies and accounting years adopted by the subsidiaries are defined according to the standardized accounting policies and accounting years stipulated by the Company.

All significant intra-group accounts and transactions between the parent company and its subsidiaries or between subsidiaries are eliminated on consolidation.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented as "minority interest" in the consolidated balance sheet within owners' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement under the "net profit" item as profit or losses attributable to "minority interests".

The loss of the subsidiary attributable to minority interest is more than minority interests in that subsidiary at beginning of the period, the minority interest shall be reversed by the balance of the loss of the subsidiary attributable to minority interests.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 6. Preparation of consolidated financial statements (continued)

For the transaction of acquiring minority interests of its subsidiaries, treated as equity transaction, the book value of shareholder's equity attributed the Company and that of minority interest should be adjusted to reflect the change in the company's interest in the subsidiaries. Differences between the adjustment of minority interests and the fair value of consideration are adjusted to capital reserve. If the differences exceed capital reserve, retained earnings shall be adjusted.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost, and is offset against goodwill. Other comprehensive income related to an equity investment in an existing subsidiary is accounted for on the same basis at the time of loss of control as when the subsidiary directly disposed of the related asset or liability.

#### 7. Classification of joint arrangements and accounting treatments of joint operations

A joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. 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. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Group accounts for investments in joint ventures using equity method. Refer to Note (III) 14.3.2 "Long-term equity investments accounted for using the equity method" for details.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 7. Classification of joint arrangements and accounting treatments of joint operations (continued)

When the Group invest or sell assets (except that such assets constitute a business), only profit or loss arising from the transaction attributable to parties involved in such joint operation is recognized prior to the resale of the assets to third parties by joint operations. When there is an impairment of the asset investment or sale, the Group recognizes such loss in full.

When the Group purchase assets or others from joint operations (except that such assets constitute a business), only profit or loss arising from the transaction attributable to parties involved in such joint operation is recognized prior to the resale of the assets to third parties. When there is an impairment of purchased assets, the Group recognizes such loss based on its share.

#### 8. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (usually due within three months from the purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 9. Translation of transactions and financial statements denominated in foreign currencies

##### 9.1 Transactions denominated in foreign currencies

On initial recognition, foreign currency transactions are translated into the reporting currency using the spot exchange rate prevailing at the date of transaction.

As at the balance sheet date, monetary items denominated in foreign currency are exchanged to Renminbi by adopting the prevailing exchange rate on that date. Foreign exchange difference arising from the difference between the prevailing exchange rate on that date and the prevailing exchange rate on initial reorganization or on the previous balance sheet date are all credited to profit or loss for the current period, with the exception that foreign exchange differences for specific borrowings denominated in foreign currency and qualifying for conditions of capitalization are capitalized during the capitalization year and credited to the cost of relevant assets.

Non-monetary items denominated in foreign currency that are measured at historical cost are still measured at amount denominated in reporting currency exchanged at the prevailing exchange rate at the transaction date. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date when the fair value is determined. The difference between the translated functional currency amount and the original functional currency amount is treated as a change in fair value (including exchange rate changes) and included in the current profit and loss or recognized as other comprehensive income.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 9. Translation of transactions and financial statements denominated in foreign currencies (continued)

##### 9.2 Translation of financial statements denominated in foreign currency

To prepare consolidated financial statements, the financial statements denominated in foreign currency of a foreign operation are translated to RMB in compliance with the following requirement: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; all equity (except undistributed profits) items are translated at the spot exchange rates at the dates on which such items arose; income and expenses and profit appropriation items in the income statement are translated at the spot exchange rate at the date of transaction; Undistributed profits at the beginning of the year/period is the translated undistributed profits at the end of prior year; undistributed profits at the end of year/period is presented as the translated items of profit distribution; all exchange differences of assets, liabilities and shareholders' equity resulting from the translation are recognized separately as "other comprehensive income" in the shareholders' equity on the balance sheet.

Cash flow dominated in foreign currency or from foreign subsidiaries shall be translated at the spot exchange rate when it incurs. Effects arising from changes of exchange rate of cash and cash equivalents is regarded as a reconciling item and presented separately as "Effect of changes in exchange rates on cash and cash equivalents" in the cash flow statement.

The closing balance at the end of the previous year/period and the actual figures of the previous year/period are presented according to the translated amounts of the financial statements of the prior year.

When the control on foreign operation is lost due to the disposal of ownership interests of the Group's foreign operation or partial disposal of equity investment or other reasons, exchange differences of foreign currency statements attributable to the shareholders of the parent company related to such foreign operation and presented under shareholder's equity item in the balance sheet are all transferred to profit or loss for the current period.

#### 10. Financial instruments

The Group shall recognize a financial asset or a financial liability in its statement of financial position when, the Group becomes party to the contractual provisions of the instrument.

Where financial assets are purchased or sold in a regular way, assets to be received and liabilities to be borne for it are recognized on the date of transaction, or sold assets are derecognized on the date of transaction.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

The financial assets and liabilities are measured at fair value on initial recognition. For the financial assets and liabilities at fair value through profit or loss (FVTPL), related transaction expenses are directly charged to the profit or loss for the period; for other financial assets and liabilities, related transaction expenses are included in the initial recognized amount. For accounts receivable excluding significant financing components or regardless of financing components of contracts less than one year recognized based on ASBEs No.14 – Revenue (“Revenue Standard”), accounts receivable initially recognized shall be measured at transaction price defined based on the Revenue Standard on initial recognition.

Effective interest method is the method that is used in the calculation of the amortized cost of a financial asset or a financial liability and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant year.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group shall estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but shall not consider the expected credit losses.

Amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization amount using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance (applies to financial assets only).

##### **10.1 Classification, recognition and measurement of financial assets**

After initial recognition, the Group shall measure a financial asset at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group shall classify the financial asset into the financial asset measured at amortized cost. Such financial assets mainly include: cash and bank balances, accounts receivable, notes receivable, other receivables, other current assets – deposits in non-bank financial institutions and long-term receivables (excluding financial lease payments).



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.1 Classification, recognition and measurement of financial assets (continued)

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling such financial assets, the Group shall classify the financial asset into the financial asset at fair value through other comprehensive income ("FVTOCI"). Notes receivable classified as at FVTOCI upon acquisition are presented as financing with receivables.

On initial recognition, the Group may, based on an individual financial asset, irrevocably designate a non-tradable equity instrument investment which is non-contingent consideration and recognized in business combination not involving enterprises under common control as financial asset measured at FVTOCI. Such financial assets are presented as other equity instrument investments.

The Group's purpose of holding the financial assets is for trading if one of the following conditions is satisfied:

- The purpose of acquiring the financial assets is to sell the assets in the near future.
- The relevant financial assets are, on initial recognition, a part of the centrally-managed identifiable financial instrument portfolio, and the objective evidence indicates that short-term profit model exists in the near future.
- The relevant financial assets are derivative instruments. However, derivatives that meet the definition of financial guarantee contracts and those designated as effective hedging instruments are excluded.

Financial assets measured at FVTPL include those classified as at FVTPL and those designated as at FVTPL:

- Financial assets that are not qualified to be classified as financial assets at amortized cost or financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Group will irrevocably designate financial assets at FVTPL.

Other than derivative financial assets, the financial assets at FVTPL are presented as held-for-trading financial assets and those due after one year from the balance sheet date (or with no fixed term) and expected to be held for more than one year are presented as other non-current financial assets.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.1 Classification, recognition and measurement of financial assets (continued)

###### 10.1.1 Financial assets at amortized cost

The financial asset at amortized cost is subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss.

The Group recognizes interest income on financial assets measured at amortized cost using the effective interest method. The Group calculates interest income based on the Carrying amount of financial assets multiplied by the actual interest rate, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Group calculates and recognizes its interest income based on amortized cost of the financial asset and the effective interest through credit adjustment since initial recognition.
- For purchased or originated financial assets that were not credit-impaired but have become credit-impaired in subsequent period, the Group calculates the interest income by applying the effective interest rate to the amortized cost of the financial assets in subsequent period. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of above provisions, the Group will calculate the interest income by applying effective interest rate to the carrying amount of the financial assets.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.1 Classification, recognition and measurement of financial assets (continued)

###### 10.1.2 Financial assets at FVTOCI

Impairment gains or losses on a financial asset at FVTOCI and the interest income calculated using the effective interest method shall be recognized in profit or loss. Except for them, changes in fair value of such financial assets shall be recognized in other comprehensive income. The amount of such financial asset recognized in profit or loss of each period is equal to the amount deemed as measured at amortized cost all the time and recognized in profit or loss of each period. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to profit or loss.

Changes in fair value of non-tradable equity instrument investment designated as at FVTOCI are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income are transferred from other comprehensive income to retained earnings. During the period that the Group holds these non-tradable equity instrument, the Group has established the right of collecting dividends, whose economic benefit is probably flow into the Group, and the amount of the dividends can be reliably measured, then the Group will recognize dividends in profit or loss.

###### 10.1.3 Financial assets at FVTPL

Financial assets at FVTPL shall be subsequently measured at fair value. Gains or losses from change in fair value, dividends and interest income related to such financial assets shall be recognized in profit or loss.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.2 Impairment of financial instruments and other items

The Group shall recognize a loss allowance for expected credit losses on financial assets at amortized cost, financial assets at FVTOCI and other items (lease receivables and contract assets).

The Group measures a loss allowance equivalent to the amount of lifetime expected credit losses for the contract assets or accounts receivable arising from transactions adopting Revenue Standards, and lease receivables arising from transactions adopting *ASBEs No. 21 – Leases*.

For other financial instrument, the Group assesses changes in credit risks of the relevant financial asset since initial recognition at each balance sheet date. If the credit risks of the financial instrument has been significantly increased since initial recognition, the Group will make a loss allowance at an amount of lifetime expected credit loss; if not, the Group will make a loss allowance for the financial instrument at an amount in the future 12-month expected credit losses. Increase in or reversal of credit loss provision is included in profit or loss as loss or gain on impairment, except for financial assets classified as at fair value through other comprehensive income. The Group recognizes credit loss provision for financial assets at FVTOCI in other comprehensive income and recognizes loss or gain on impairment in profit or loss for the period, without reducing the carrying amount of the financial assets presented in the balance sheet.

The Group has made a loss allowance against amount of lifetime expected credit losses in the prior accounting period. However, at the balance sheet date, the credit risk on a financial instrument has not increased significantly since initial recognition; the Group will measure the loss allowance for that financial instrument at an amount in the future 12-month expected credit losses. Reversed amount of loss allowance arising from such circumstances shall be included in profit or loss as impairment gains or loss.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.2 Impairment of financial instruments and other items (continued)

###### 10.2.1 Significant increase in credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

- (1) Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- (2) An actual or expected significant change in the operating results of the borrower.
- (3) Significant increases in credit risk on other financial instruments of the same borrower.
- (4) A significant adverse change in the regulatory, economic, or technological environment of the borrower.
- (5) Significant changes in the expected performance and repayment behavior of the borrower.

The Group may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. If the risk of default of a financial instrument is low, the borrower is highly capable of meeting its contract cash flow obligations in the short term, and the financial instrument is considered to have a lower credit risk even if there is a negative change in the economic situation and operating environment over a longer period of time, but it may not necessarily reduce the borrower's performance of its contract cash obligations.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.2 Impairment of financial instruments and other items (continued)

###### 10.2.2 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (1) Significant financial difficulty of the issuer or the borrower;
- (2) A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- (3) The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor that will not be made under any other circumstances;
- (4) It becoming probable that the debtor will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or the debtor.

###### 10.2.3 Recognition of expected credit losses

The Group adopts individual or portfolio evaluation methods to recognize the credit loss on related financial instruments and other items. For those financial instruments whose credit losses are recognized by impairment matrix on the basis of portfolio evaluation methods, the Group can group financial instruments on the basis of shared credit risk characteristics. Common credit risk characteristics adopted by the Group include: type of financial instrument, credit risk rating, type of collateral, initial recognition date, remaining contract term, debtor's industry, debtor's geographical location, and the value of the collateral relative to the financial asset.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.2 Impairment of financial instruments and other items (continued)

###### 10.2.3 Recognition of expected credit losses (continued)

The Group determines expected credit losses of relevant financial instruments using the following methods:

- For financial assets, a credit loss is the present value of the difference between: The contractual cash flows that are due to the Group under the contract; and (b) the cash flows that the Group expects to receive.
- For lease receivables, a credit loss is the present value of the difference between: (a) The contractual cash flows that are due to the Group under the contract; and (b) the cash flows that the Group expects to receive.
- For a financial asset that is credit-impaired at the reporting date, the Group shall measure the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The factors reflected in methods of measurement of expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; time value of money; reasonable and supportable information about past events, current conditions and forecasts on future economic status at balance sheet date without unnecessary additional costs or efforts.

###### 10.2.4 Written-off of financial assets

The Group shall directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.3 Transfer of financial assets

The Group shall derecognize a financial asset when: (1) the contractual rights to the cash flows from the financial asset expire, (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between the carrying amount at the derecognition date of the financial asset transferred and the sum of the consideration received from the transfer of the financial asset and the amount correlating to the derecognition part in the accumulated amount originally recognized in changes in fair value of other comprehensive income is recognized in profit or loss. If the transferred financial asset is the non-tradable equity instrument investment designated as at FVTOCI, cumulative gain or loss that has been recognized in other comprehensive income should be removed from other comprehensive income and be recognized in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognize the transferred financial asset in its entirety. Considerations received should be recognized as a financial liability.

##### 10.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group are classified into financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial liability and equity instruments on initial recognition.

###### 10.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.4 Classification of financial liabilities and equity instruments (continued)

###### 10.4.1 Classification, recognition and measurement of financial liabilities (continued)

###### 10.4.1.1 Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include held-for-trading financial liabilities (including derivatives of financial liabilities) and financial liabilities designated as FVTPL. Financial liabilities at FVTPL of the Group comprise held-for-trading financial liabilities.

A financial liabilities meets one of the following conditions, indicating that the purpose of the Group's assumption of the financial liability is transactional:

- The purpose of undertaking related financial liabilities is mainly for the recent repurchase.
- The relevant financial liabilities are,, on initial recognition, a part of the centrally-managed identifiable financial instruments portfolio, and the objective evidence indicates that short-term profit model exists in the near future.
- The related financial liabilities are derivative instruments. However, derivatives that meet the definition of financial guarantee contracts and those designated as effective hedging instruments are excluded.

Financial liabilities at FVTPL are subsequently measured at fair value, and gains or losses from changes in fair value and dividends or interest expenses related to these financial liabilities are included in the current profits and losses.

###### 10.4.1.2 Other financial liabilities

Other financial liabilities of the Group are subsequently measured at amortized cost. Gain or loss arising from derecognition or amortization of such financial liabilities is recognized in profit or loss.

Other financial liabilities of the Group mainly include: short-term borrowings, notes payables, accounts payable, other payables, other current liabilities, long-term borrowings and bonds payable, etc.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.4 Classification of financial liabilities and equity instruments (continued)

###### 10.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing debtor) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

###### 10.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The issuance (including refinance), repurchase, selling or cancellation of these instruments are treated as change in equity. The enterprise should not recognize changes in the fair value of the equity instruments. The related transaction costs are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and stock dividends paid do not affect total amount of shareholders equity.

For the restricted stock incentive plan implemented by the Group, the repurchase obligation of the restricted stock granted by the Group to the incentive target shall be recognized as liability and treated as repurchase of treasury stock.

##### 10.5 Derivatives

Derivative financial instruments include forward exchange contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value.

##### 10.6 Offsetting a financial asset and a financial liability

Where the Group has a legal right that is currently enforceable to set off the amount of the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 10. Financial instruments (continued)

##### 10.7 Convertible bonds

The convertible bonds issued by the Group, which include both liabilities and conversion options, are separated and recognized respectively at the initial recognition. Among them, the conversion option to exchange a fixed amount of cash or other financial assets for a fixed amount of its own equity instrument settlement is accounted as an equity instrument.

At the time of initial recognition, the fair value of the liability is determined according to the current market price of similar bonds without conversion option. The difference between the overall issue price of convertible bonds and the fair value of the liability part shall be taken as the value of the conversion option of the bondholder to convert the bonds into equity instruments and included in other equity instruments.

During subsequent measurement, the liabilities of convertible bonds are measured at amortized cost using the effective interest rate method; The value of the conversion option divided into equity instruments continues to be retained in equity instruments. There is no loss or gain on the maturity or conversion of convertible bonds.

The transaction costs incurred in issuing convertible bonds shall be apportioned between the components of liabilities and equity instruments according to the distribution method consistent with the overall issuance price. The transaction costs related to the components of equity instruments are directly included in equity instruments; The transaction costs related to the composition of liabilities are included in the book value of liabilities and amortized within the term of convertible bonds using the effective interest rate method.

#### 11. Financing with receivables

For the notes receivable classified as at fair value through other comprehensive income, the portion within one year (inclusive) since acquisition is presented as financing with receivables. Refer to Note III.10.1, 10.2 and 10.3 for the relevant accounting policies.

#### 12. Inventories

##### 12.1 Classification of inventories

Inventories of the Group mainly include raw materials, work-in-progress, finished products and low-value and short-lived consumables. Inventories are initially measured at cost. Cost of inventories includes costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

##### 12.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 12. Inventories (continued)

##### **12.3 Recognition basis of net realizable value of inventories**

At the balance sheet date, inventories are calculated at the lower of cost and net realizable value. Provision for inventory impairment is made when the net realizable value is lower than the cost.

Net realizable value represents the estimated selling price of inventories minus cost estimated to incur upon completion, estimated selling costs and relevant taxes during normal course of business. When determining the net realizable value of inventory, basis is relied on the actual evidences obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

For large quantity and low value items of inventories, provision for decline in value is made based on categories of inventories. For items of inventories relating to a product line that are produced and marketed in the same geographical area, have the same or similar end uses or purposes, and cannot be practicably evaluated separately from other items in that product line, provision for decline in value is determined on an aggregate basis. Provision for decline in value of other inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

##### **12.4 Inventory count system**

The inventory count system shall be on a perpetual basis.

##### **12.5 Amortization of low-value and short-lived consumables and other turnover materials**

Turnover materials are materials that can be reused many times and still be remained in original condition after gradual transfer of their value but are not recognized as fixed assets, including low-value and short-lived consumables and other turnover materials.

Low-value and short-lived consumables and other turnover materials are amortized by one-time write-off.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 13. Contract assets

##### 13.1 Recognition method and criteria of contract assets

Contract asset refers to the Group's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

##### 13.2 Method for determination and accounting treatments of expected credit loss of contract assets

For method for determination and accounting treatments of expected credit loss of contract assets, please refer to Note III "10.2 Impairment of financial instruments and other items".

#### 14. Long-term equity investments

##### 14.1 Judgement criterion of determining joint control or significant influence over the investee

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of an enterprise, except to control or joint control the formulation of such policies together with other parties. In determining whether there is control or significant influence over the investee, potential voting right factors (such as the convertible corporate bonds for the period and the exercisable stock warrants for the period of the investee and other invested units held) were taken into account.

##### 14.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of book value of owners' equity of combined party in financial statements of ultimate controlling party is recognized as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and book value of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination involving enterprises not under common control, the initial investment cost of the long-term equity investment acquired shall be the cost of acquisition.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 14. Long-term equity investments (continued)

##### 14.2 Determination of initial investment cost (continued)

Any audit, legal service, appraisal and other agency expense and other administration expense occurred during combination, the acquiree shall recognize those expenditure in profit or loss.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

##### 14.3 Method for subsequent measurement and profit or loss recognition

###### 14.3.1 Long-term equity investments accounted for using the cost method

The Company's separate financial statements adopted cost method to account for the long-term equity investments of subsidiaries. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

###### 14.3.2 Long-term equity investments accounted for using the equity method

The Group accounts for investments in associates and joint ventures using equity method. Associate refers to the investee that the Group can exert significant influence on Joint venture refers to a joint venture arrangement in which the Group only has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost. Where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted accordingly.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 14. Long-term equity investments (continued)

##### 14.3 Method for subsequent measurement and profit or loss recognition (continued)

###### 14.3.2 Long-term equity investments accounted for using the equity method (continued)

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; Other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the capital reserve. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. If the accounting policies and accounting periods adopted by the investee are inconsistent with those of the company, the financial statements of the investee shall be adjusted according to the accounting policies and accounting periods of the company, and the investment income and other comprehensive income shall be recognized. For transactions between the Group and associated enterprises and joint ventures, if the assets invested or sold do not constitute business, the unrealized internal transaction profits and losses are calculated according to the proportion enjoyed, and the part attributable to the Group is offset, and the investment profits and losses are recognized on this basis. However, the unrealized internal transaction losses between the Group and the investee are not offset if they belong to the impairment loss of the transferred assets.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 14. Long-term equity investments (continued)

##### 14.3 Method for subsequent measurement and profit or loss recognition (continued)

###### 14.3.3 Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration paid is recognized in current profit or loss.

Where the Group loses control over investee due to disposal of part of shares, during preparing separate financial statement, if remaining shares after disposal can make joint control or significant influence on investee, they are accounted under equity method, and adjusted as if they are accounted under equity method since the acquisition date; If remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instruments, and the difference between fair value on date of losing control and book value is recognized in profit or loss of current period.

#### 15. Investment properties

Investment property refers to real estate held to earn rentals or for capital appreciation, or both, including leased land use right, land use right held and provided for transferring after appreciation and leased constructions, etc.

Investment property is initially measured at cost. Subsequent expenditures related to an investment property shall be included in cost of investment property only when the economic benefits associated with the asset will likely flow to the Group and its cost can be measured reliably. All other subsequent expenditures on investment property shall be included in profit or loss for the current period when incurred.

The Group adopts cost method for subsequent measurement of investment property, which is depreciated or amortized using the same policy as that for buildings and land use right.

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property net of the carrying amount and related taxes and surcharges is recognized in profit or loss for the current period.

When there is evidence that the Group has converted its own buildings and land use rights to lease, the fixed assets and intangible assets are converted into investment real estate at the book value before conversion.

When there is evidence that the buildings and land use rights held to earn rentals or for capital appreciation are converted to self-occupation, the carrying amount of such properties before the conversion are transferred to fixed assets and intangible assets.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 16. Fixed assets

##### 16.1 Recognition criteria

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and have a useful life of more than one accounting year. Fixed assets are only recognized when their related economic benefits are likely to flow to the Group and their cost can be reliably measured. Fixed assets are initially measured at cost.

For subsequent expenses related to fixed assets, if the economic benefits related to such fixed assets is likely to inflow and its cost could be reliably measured, they are capitalized to fixed assets cost and the carrying amount of replacement will be derecognized. Other subsequent expenses other than the above are charged to profit or loss for the current period when incurred.

##### 16.2 Depreciation method

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings	8-40	5	2.38-11.88
Machinery and equipment	10	5	9.50
Transportation vehicles	4-10	5	9.50-23.75
Electronic equipment and others	3-10	5	9.50-31.67

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the stage and in the condition expected at the end of its useful life.

##### 16.3 Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the current period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 17. Construction in progress

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

#### 18. Borrowing costs

Borrowing costs include interest, amortization of discount or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings. For borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, when expenditures for the asset and borrowing costs are being incurred, activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced, such borrowing costs shall be capitalized as part of the cost of that asset; and capitalization shall discontinue when the qualifying asset is ready for its intended use or sale. Other borrowing costs shall be recognized as expense during the current period in which they are incurred.

Where funds are borrowed for a specific purpose, the amount of interest to be capitalized shall be the actual interest expense incurred during the current period less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. Where funds are borrowed for general purpose, the Group shall determine the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate shall be the weighted average of the interest rates applicable to the general-purpose borrowings.

Qualifying assets are assets (fixed assets, inventories, etc.) that necessarily take a substantial year of time for acquisition, construction or production to get ready for their intended use or sale.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 19. Intangible assets

##### 19.1 Valuation method, useful life, impairment test for intangible assets

Intangible assets include land use right, software and others and non-patent technology, etc.

An intangible asset shall be measured initially at cost.

Land use right acquired shall normally be recognized as an intangible asset. Self-constructed buildings (e.g. plants), related land use right and the buildings shall be separately accounted for as intangible assets and fixed assets. For buildings and structures purchased, the purchase consideration shall be allocated among land use right and the buildings on a reasonable basis. If there is any difficulty in making a reasonable allocation, the consideration shall be recognized in full as fixed assets.

When an intangible asset with a finite useful life is available for use, its original cost less estimated net residual value and any accumulated impairment losses provided is amortized over its estimated useful life using the straight-line method. The intangible assets with infinite useful life are not amortized. The useful life and annual amortization rates of various types of intangible assets are as follows:

Category	Depreciation years	Annual depreciation rate (%)
Land use right	50	2.00
Software and others	2-10	10.00-50.00
Non-patent technology	2-10	10.00-50.00

The Group shall review the finite useful life of an intangible asset and the amortization method applied at the end of the period. A change in the useful life or amortization method used shall be accounted for as a change in accounting estimate.

Details of impairment test for intangible assets are set out in Note III “20. Impairment of long-term assets”.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 19. Intangible assets (continued)

##### 19.2 Research and development expenditure

The internal research and development expenditures of the Group are classified into research phase expenditure and development phase expenditure.

Expenditure arising from the research phase is accounted for in profit or loss for the current period when incurred.

Expenses incurred during the development phase that satisfy the following conditions are recognized as intangible assets, while those that do not satisfy the following conditions are accounted for in the profit or loss for the current period:

- (1) It is technically feasible that the intangible asset can be used or sold upon completion;
- (2) There is intention to complete the intangible asset for use or sale;
- (3) The intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset;
- (4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) The expenses attributable to the development phase of the intangible asset can be measured reliably.

If it is impossible to distinguish between expenditures in the research stage and expenditures in the development stage, all R&D expenditures incurred shall be included in the current profit or loss. The cost of intangible assets arising formed in internal development activities only includes the total amount of expenditures from the time point when the capitalization conditions are met to the time when the intangible assets reach the predetermined uses. For the same intangible asset, the expenditures that have been expensed into profit or loss before the capitalization conditions are met in the development process will not be adjusted.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 20. Impairment of long-term assets

The Group assesses at each balance sheet date whether there is any indication that any long-term equity investments, investment properties measured at cost, fixed assets, construction in progress and intangible assets and right-of-use assets with a finite useful life may be impaired. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for the individual asset. Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

The recoverable amount should be estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset is determined at the higher of the net amount after deducting the disposal expenses from the assets' fair value and the current value of the assets' estimated future cash flow.

If the recoverable amount of an asset or an asset group is less than its carrying amount, a provision for impairment loss of the asset will be made for the reduction and is charged to profit or loss for the current period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

An impairment loss once recognized shall not be reversed in a subsequent year.

#### 21. Long-term prepaid expenses

Long-term prepaid expenses are expenses which have incurred but shall be amortized over the current period and subsequent years of more than one year. Long-term prepaid expenses are amortized evenly over the estimated benefit year.

#### 22. Contract liabilities

Contract liabilities refers to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Contract assets and contract liabilities under common contract are presented as net.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 23. Employee benefits

##### 23.1 Accounting treatment of short-term employee benefits

In the accounting year in which employees have rendered services, the Group shall recognize the short-term employee benefits that actually occurred as liability, and charged to profit or loss for the current period or cost of relevant assets. The Group shall recognize the amount of employee welfare that actually occurred and charged to profit or loss for the current period or cost of relevant assets.

During the accounting year which employees rendered service, medical insurance, work-related injury insurance, maternity insurance and other social security contributions and housing provident fund paid by the Group, as well as labor union funds and employees' education expenses extracted by requirement. Based on the required accrual basis and proportions in order to determine the appropriate amount of employee benefits, such employee benefits shall be recognized as corresponding liabilities, and charged to profit or loss during current year or cost of relevant assets.

##### 23.2 Accounting treatment of post-employment benefits

Post-employment benefits within the Group are defined contribution plans and defined benefit plans.

In the accounting year which employees rendered services, the amount of the defined contribution plans shall be recognized as liability and charged to profit or loss during current year or cost of relevant assets.

For defined benefit plans, the Group assigns the benefit obligations generated by the defined benefit plan to the period during which employees provide services according to a formula determined by the expected cumulative benefit unit method, and includes them in the current profit and loss or the cost of related assets. The employee compensation cost incurred by the defined benefit plan is divided into the following components:

- (1) Service costs (including current service costs, past service costs, and settlement gains and losses);
- (2) The net interest of the net liabilities of the defined benefit plan (including the interest income of the plan assets, the interest expense of the defined benefit plan obligations, and the interest affected by the asset ceiling); and
- (3) Re-measure the changes in the net liabilities of the defined benefit plan.

Service costs and the net interest of the net liabilities of the defined benefit plan are included in the current profit and loss or the cost of related assets. Re-measurement of changes in defined benefit plan net liabilities (including actuarial gains or losses, return on plan assets deducted from the amount included in the net debt of the defined benefit plan net assets, changes in the impact of the asset ceiling Excluding the amount included in the net interest of the defined benefit plan's net liabilities or) is included in other comprehensive income.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 24. Provisions

When obligations related to contingencies meet the following conditions simultaneously, they are recognized as Provisions: (1) the obligation is a current obligation undertaken by the group; (2) Fulfilling this obligation is likely to result in an outflow of economic benefits; (3) The amount of this obligation can be reliably measured.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money.

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

#### 25. Share-based payment

A share-based payment is a transaction which the Group grants equity instruments in return for services rendered by employees. All of the Group's share-based payments are equity-settled share-based payments.

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognized as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest, with a corresponding increase in capital reserve.

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognized as related costs or expenses, with a corresponding adjustment to capital reserve.

#### ***Recognition and measurement of restricted stock repurchase obligations***

Under the Group's stock incentive plan of restricted stock, the Group grants non-publicly issued shares of the Company for a restricted sale period (the "Restricted Stock") to the incentive targets. During the restricted sale period, restricted shares shall be restricted for sale and shall not be transferred, use to guarantee or repay debts. When the agreed unlocking conditions are met, the restricted stock will be unlocked. If all or part of the shares expire or be canceled due to unlocking, the Group will repurchase the shares at the agreed price.

On the grant date, the Group recognizes the share capital and capital reserve according to the subscription payment received from the incentive targets. Meanwhile, for the Group obligation of restricted stock repurchase, recognized liabilities calculated by the number of restricted stock and the repurchase price, treat as the acquisition of treasury stock. Recognizing the relevant liabilities in accordance with ASBEs No. 22 – recognition and measurement of financial instruments.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 26. Revenue

The revenue from the Group is mainly from selling automobiles and components and parts of automobiles; processing and manufacturing of models; providing services and so on.

The Group recognizes revenue based on the transaction price allocated to such performance obligation when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents the commitment that a good and service that is distinct shall be transferred by the Group to the customer. Transaction price refers to the consideration that the Group is expected to charge due to the transfer of goods or services to the customer, but it does not include payments received on behalf of third parties and amounts that the Group expects to return to the customer.

The Group assesses the contract on the commencement date to identify the individual performance obligations contained in the contract and determine whether the individual performance obligations will be performed within a certain period of time or at a certain point in time. Should one of the following conditions is satisfied, it is a performance obligation performed within a certain period of time. The Group recognizes revenue within a period of time in accordance with the progress of contract performance. The conditions are: (1) The customer obtains and consumes the economic benefits brought by the contract at the same time performing the contract; (2) The customer is able to control the products under construction during the Group’s performance; (3) The products of the Group have irreplaceable uses, and the Group has the right to ask for payment for the cumulative part that has been completed so far during the entire contract period. Otherwise, the Group recognizes revenue at the point the customer obtains control of the relevant goods or services.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to single performance obligation according to relative proportion of the stand-alone selling prices of the goods or services promised by single performance obligation. However, where there is conclusive evidence that the contract discount or variable consideration is only related to one or more (not all) performance obligations in the contract, the Group shall allocate the contract discount or variable consideration to relevant one or more performance obligations. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximize the use of observable inputs and apply estimation methods consistently in similar circumstances.

#### ***Variable consideration***

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either the expected value method or the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Group updates the estimated transaction price.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 26. Revenue (continued)

##### ***Consideration payable to customers***

If there is a consideration payable to customers in the contract, unless the consideration is to obtain other clearly distinguishable goods or services from customers, the Group will offset the transaction price with the consideration payable, and offset the current income at the later of the recognition of relevant income and the payment (or commitment) of customer consideration.

##### ***Warranties***

For sales with quality assurance terms, if the quality assurance provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Group will account for the quality assurance responsibility in accordance with the No. 13 – Contingencies.

#### 27. Government grants

Government grants are monetary assets and non-monetary assets gratuitous acquired from the government. Government grants are recognized when they meet the requirements of government grants and is receivable.

Government grants are measured in accordance with the amount received or receivable if they are monetary assets.

##### ***27.1 Judgement criteria and accounting treatment of government grants related to asset***

A government grant related to an asset is charged against carrying amount of related assets or recognized as deferred income and evenly included in profit or loss over the useful life of the related asset.

##### ***27.2 Judgement criteria and accounting treatment of government grants related to income***

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent years, the grant is recognized as deferred income, and recognized in profit or loss over the period in which the related costs are recognized. If the grant is a compensation for related expenses and losses already incurred, the grant is recognized immediately in profit or loss for the current period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 28. Deferred tax assets and deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

##### 28.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods shall be measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

##### 28.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized. The relevant provisions on the exemption of initial recognition of deferred tax liabilities and deferred tax assets are not applicable to a single transaction (not a business combination) that affects neither the accounting profit nor taxable income (or deductible losses) at the time of transaction, and where the assets and liabilities initially recognized generate equal taxable temporary differences and deductible temporary differences.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the year in which the asset is realized or the liability is settled.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 28. Deferred tax assets and deferred tax liabilities (continued)

##### 28.2 Deferred tax assets and deferred tax liabilities (continued)

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

For the expenses related to share based payment, during the period when the costs and expenses are recognized in accordance with the ASBEs, the Group estimates the amount that can be deducted before tax according to the information obtained at the end of the accounting period, calculates and determines its tax basis and the resulting temporary differences, and recognizes the relevant deferred income tax when the recognition conditions are met. If the amount that can be deducted before tax in the future period is expected to exceed the costs and expenses related to share based payment recognized in the ASBEs, the income tax impact of the excess part will be directly included in the owner's equity.

##### 28.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and 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 either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future year in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 29. Lease

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

At inception of the contracts, the Group assesses whether the contract is, or contains, a lease. Unless the terms and conditions of the contract are changed, the Group does not reassess whether a contract is, or contains, a lease.

##### 29.1 The Group as lessee

###### 29.1.1 Separation of a lease

For a contract that contains one or more lease or non-lease components at the same time, the Group separates the individual lease component and non-lease component of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

###### 29.1.2 Right-of-use asset

Except for short-term leases and leases of low-value assets, the Group recognizes right-of-use assets at the commencement date of the lease. The commencement date of a lease is the date that the underlying asset leased out by the lessor is available for use by the Group. Right-of-use assets are initially measured at cost, which includes the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received (if any);
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, exclusive of the cost incurred for production of inventories.

Right-of-use assets is depreciated by the Group in accordance with relevant regulations on depreciation in ASBES No.4 – Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life of the leased assets. Otherwise, right-of-use assets are depreciated over the shorter of lease term and the remaining useful life of the leased assets.

The Group determines whether a right-of-use asset is impaired and makes accounting treatments in accordance with relevant regulations in ASBES No.8 – Impairment of Assets, and account for the identified impairment loss.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 29. Lease (continued)

##### 29.1 The Group as lessee (continued)

###### 29.1.3 Lease liabilities

At the commencement date of a lease, except for short-term lease and leases of low-value assets, the Group initially measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. The Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refers to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- fixed payments and in substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Group.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognized in profit or loss, or in the cost of relevant assets, in the period of those payments.

After the commencement date of a lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate and recognizes the expenses in profit or loss or cost of related assets.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 29. Lease (continued)

##### 29.1 The Group as lessee (continued)

###### 29.1.3 Lease liabilities (continued)

Subsequent to the commencement date of a lease, in case of any of the following circumstances, the Group re-measures lease liabilities and makes a corresponding adjustment to the related right-of-use assets, if the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group calculates the difference in the current profit and loss:

- the Group re-measures the lease liabilities at the present value of revised lease payment discounted at revised discount rate due to the changes of lease term or results of assessment on purchase option.
- the Group re-measures the lease liabilities at the present value of revised lease payment discounted at original discount rate due to the changes in amount payable estimated based on guaranteed residual value or the index or ratio used to determine the amount of lease payment.

###### 29.1.4 Short-term leases and leases of low-value assets

The Group elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of transportation vehicle, machinery and electronic equipment. 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 any purchase options. A lease of a low-value asset, is a lease that the single underlying asset, when is new, is of low value. The Group shall recognize the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

###### 29.1.5 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the scope of increase which is adjusted based on circumstances of such contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the revised contract consideration, re-determines the lease term and re-measures the lease liabilities at the present value of the revised lease payments discounted using the revised discount rate.

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 29. Lease (continued)

##### 29.1 The Group as lessee (continued)

###### 29.1.5 Lease modifications (continued)

If the scope of the lease is narrowed or the lease term is shortened as a result of the lease modification, the Group reduces the carrying amount of the right-of-use assets accordingly, and record the relevant gains or losses of partial or complete termination of the lease into the current profit and loss. In case of re-measurement of lease liabilities due to other lease modifications, the Group adjusts the carrying amount of the right-of-use assets accordingly.

##### 29.2 The Group as lessor

###### 29.2.1 Separation of a lease

For a contract that contains lease and non-lease components simultaneously, the Group applies the Revenue Standard to allocate consideration in a contract to lease and non-lease components. The basis of the allocation is the separately stand-alone price of the lease component and the non-lease component.

###### 29.2.2 Classification of lease

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Other leases which are not finance leases are operating leases.

###### 29.2.2.1 The Group as lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

The variable receipts of lease received by the Group that are related to operating leases and not included in receipts of lease are recognized in profit or loss for the period when they are incurred.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 29. Lease (continued)

##### 29.2 The Group as lessor (continued)

###### 29.2.2 Classification of lease (continued)

###### 29.2.2.2 The Group as lessor under finance lease

At the commencement date, the Group uses the net lease investment as the accounting value of the finance lease receivables and derecognizes the finance lease assets. The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received at the commencement date, discounted at the interest rate embedded in the lease.

The amount of lease receivable refers to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- fixed payments and in substance fixed payments to be paid by the lessee, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or rate;
- exercise price of purchase options, if it is reasonably determined that the lessee will exercise the option;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- The residual value of the guarantee provided to the Group by the lessee, a party related to the lessee and an independent third party who has the financial ability to perform the guarantee obligation.

The variable lease receipts that are not included in the measurement of net investment in the lease investment are recognized in current profit or loss when actually incurred.

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 29. Lease (continued)

##### 29.3 Sales and leaseback transaction

###### 29.3.1 The Group as a seller-lessee

The Group assesses whether the transfer of the asset in the sales and leaseback transaction constitutes a sale in accordance with the Revenue Standard. If the transfer of the asset is not a sale, the Group continues to recognize the transferred assets and should recognize a financial liability equal to the transfer proceeds. Such financial liability is accounted for applying ASBEs Enterprises No.22 – Recognition and Measurement of Financial Instruments. If the transfer of an asset constitutes a sale, the Group shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use and recognize only the amount of any gain or loss that relates to the rights transferred to the lessor.

#### 30. Accounting treatment method of asset securitization business

The Group securitizes some financial lease receivables (“trust property”) and trusts assets to specific purpose entities, which issue priority asset-backed securities to investors. The Group holds subordinated asset-backed securities, which cannot be transferred until the principal and interest of the priority asset-backed securities are paid off. As an asset service provider, the Group provides services such as asset maintenance and daily management, formulation of annual asset disposal plan, formulation and implementation of asset disposal plan, signing relevant asset disposal agreements and regularly preparing asset service reports; At the same time, as a liquidity support institution, the Group provides liquidity support when the principal of priority asset-backed securities is not paid in full to make up the difference between interest or principal. After paying the trust tax and related expenses, the trust property is preferentially used to repay the principal and interest of the priority asset-backed securities. After all the principal and interest are repaid, the remaining trust property is owned by the Group as the income of the subordinated asset-backed securities. The Group has actually retained almost all the risks and rewards related to the trust property, so it has not terminated the recognition of the trust property; At the same time, the Group has actual control over specific purpose entities and has included them in the scope of consolidated financial statements.

When applying the accounting policy of securitized financial assets, the Group has considered the risk and reward of assets transferred to other entities and the extent to which the Group exercises control over the entity:

- When the Group has transferred almost all the risks and rewards of the ownership of the financial asset, the Group will derecognize the financial asset;
- When the Group retains almost all the risks and rewards of the ownership of the financial asset, the Group continues to recognize the financial asset;
- If the Group does not transfer or retain almost all the risks and rewards of the ownership of the financial asset, the Group will consider whether there is control over the financial asset. If the Group does not retain control, the Group will derecognize the financial asset and recognize the rights and obligations generated or retained in the transfer as assets or liabilities respectively. If the Group retains control, financial assets are recognized according to the degree of continued involvement in financial assets.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

#### 31. Changes in significant accounting policies

##### 31.1 Changes in accounting policies

The Interpretation No. 16 of the Accounting Standards for Business Enterprises (the “Interpretation No. 16”) was issued by the Ministry of Finance on 30 November 2022, which stipulated the accounting treatment concerning the exemption of initial recognition of deferred income tax relating to assets and liabilities arising from a single transaction.

Interpretation No. 16 revised the coverage of exemption of the initial recognition of deferred income tax in the Accounting Standards for Business Enterprises No. 18 – Income Tax, and specified that the relevant provisions on the exemption of initial recognition of deferred tax liabilities and deferred tax assets are not applicable to a single transaction (not a business combination) that affects neither the accounting profit nor taxable income (or deductible losses) at the time of transaction, and where the assets and liabilities initially recognized generate equal taxable temporary differences and deductible temporary differences. The Interpretation became effective from 1 January 2023 and could be early applied.

The Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

### IV. SIGNIFICANT JUDGEMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of the Group’s accounting policies, which are described in Note III, the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgements, estimates and assumptions are based on historical experiences of the Group’s management as well as other factors that are considered to be relevant. Actual results may differ from these estimates of the Group.

The Group regularly reviews the aforesaid judgments, estimates and assumptions on the basis of continuous operation. Where the changes in accounting estimates only impact the current period, the impact shall be recognized during the current period; where such changes impact both the current and future years, the impact shall be confirmed during the current and future years when such changes occur.

#### Significant judgements made in the application of accounting policies

The Group has made the following important judgments in the application of accounting policies, which had a significant impact on the amounts recognized in the financial statements:

##### **Capitalization of development expenditure**

If the expenditure in the development stage meets the conditions as described in Note (III)19.2, it shall be capitalized, or included in the current profit and loss if not. Whether the expenditure in the development stage is capitalized or expensed requires significant judgment and estimates.

##### **Determination of the lease term of lease contract with renewal option**

For the lease contract signed by the Group as the lessee with the renewal option, the Group needs to use judgment to determine the lease term of the lease contract. An assessment of whether the Group is reasonably certain to exercise this option will affect the length of the lease term, which will have a significant impact on the amount of lease liabilities and right-of-use assets recognized.

#### IV. SIGNIFICANT JUDGEMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES (continued)

##### **Key assumptions and uncertainties in accounting estimates**

The following are the critical assumptions and uncertainties which may cause material adjustments to the carrying amounts of assets and liabilities concerning the future at the date of balance sheet:

##### ***Provision for decline in value of inventories***

The Group recognizes provision for decline in value of inventory according to net realizable value of the inventory. Provision for inventory impairment is required to be recognized when there is sign showing that the net realizable value is lower than cost. Recognition of net realizable value involves judgment and estimation. If the result of re-estimation differs from current estimation, such difference will impact the book value of inventory for the corresponding period.

##### ***Useful life of fixed assets***

The Group estimates the useful life of fixed assets based on experience of actual useful life of fixed asset of similar nature and function. If the useful life of a fixed asset is shortened, the Company will adopt measures to accelerate the depreciation of the fixed asset or eliminate fixed assets which are idle or technologically obsolete.

##### ***Recognition of deferred tax assets***

The realization of deferred tax assets is mainly determined by future actual earnings and actual tax rate of temporary difference in future utilization year. If the actual future earning is less than estimates, or the actual tax rate is lower than estimates, the recognized deferred income tax asset shall be reversed, and be recognized in the income statement in the year in which the reversal is incurred. If the actual earnings accrued in the future is more than estimates, or the actual tax rate is higher than estimates, such deferred tax asset shall be recognized in the consolidated income statement in the year in which they are incurred.

##### ***After-sales service expenses***

The Group undertakes the warranty obligation for the vehicles sold within a certain warranty period, and accrues the after-sales service expenses according to the sales volume and estimated cost standards. If the actual after-sales service expenses are greater or less than the expected amount, it will affect the profit and loss of the period.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### V. TAXATION

#### I. Major tax types and rates

Tax type	Basis	Tax rate
Value-added tax	Sales ( <i>Note</i> )	3%, 5%, 6%, 7%, 9%, 10%, 12%, 13%, 15%, 16%, 19%, 20%
Consumption tax	Sales	2%, 3%, 4%, 5%, 8%, 12%
City maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Education surcharge	Turnover tax payable	3%, 2%
Enterprise income tax	Taxable income ( <i>Note</i> )	5%, 20%, 21%, 24%, 25%, 27%, 27.38%, 30%, 30.04%, 31.5%, 31.98%, 32.8%, 34%
Real estate tax	Original cost/rental income of the real estate	For self-occupied real estate of the Group, the tax is calculated at 70% of the original cost and a tax rate of 1.2%. For leased real estate, the tax is calculated at 12% of the rental income
Land use tax	Land use area	Relevant tax rate

Note: The corporate income tax rate of 25% is applied to all the companies in the Group located in Chinese mainland except for the Group's branches and subsidiaries set out in Note (V) 2, to which the preferential tax rate of 15% is applied. The Company's foreign subsidiaries are subject to VAT ranging from 7% to 20% and income tax ranging from 20% to 34%, which are calculated based on the statutory tax rates of the countries in which they operate.

## V. TAXATION (continued)

### 2. Tax incentives and approvals

#### 2.1 Income tax incentives

##### 2.1.1 Income tax incentive policy for recruitment of the disabled

Pursuant to the “Notice on Granting Tax Credit and Exemption Relating to Enterprise Income Tax on the Employment of Disabled Persons” (關於安置殘疾人員就業有關企業所得稅優惠政策問題的通知) (No. 70 [2009] of the MoF) (the “Notice”) issued by the MoF and the State Administration of Taxation, the Company and its subsidiaries, Rizhao Weipai Automobile Co., Ltd. (日照魏牌汽車有限公司) (“Rizhao Weipai”), Baoding Great Machinery Company Limited (保定市格瑞機械有限公司) (“Baoding Great”), Baoding Yixin Automotive Parts Company Limited (保定億新汽車配件有限公司) (“Baoding Yixin”), Nuobo Rubber Production Company Limited (諾博橡膠製品有限公司) (“Nuobo Rubber”), Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司) (“Jinggong Motor”), Jingcheng Engineering Automotive Parts (Rizhao) Co., Ltd. (精誠工科汽車零部件(日照)有限公司) (“Jinggong Parts Rizhao”), Jingcheng Engineering Automotive Parts (Jingmen) Co., Ltd. (精誠工科汽車零部件(荊門)有限公司) (“Jinggong Parts Jingmen”), Jingcheng Engineering Automotive Parts (Chongqing) Co., Ltd. (精誠工科汽車零部件(重慶)有限公司) (“Chongqing Jinggong Motor”), Nuobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司) (“Nuobo Automotive”), Baoding Nuobo Automotive Decoration Co., Ltd. (保定諾博汽車裝飾件有限公司) (“Nuobo Decoration”), Nobo Automotive Parts (Pinghu) Co., Ltd. (諾博汽車零部件(平湖)有限公司) (“Nuobo Parts Pinghu”), Nobo Automotive Parts (Zhangjiagang) Co., Ltd. (諾博汽車零部件(張家港)有限公司), Nobo Automotive (Tianjin) Co., Ltd. (諾博汽車零部件(天津)有限公司) (“Nuobo Parts Tianjin”), Nobo Automotive (Rizhao) Co., Ltd. (諾博汽車零部件(日照)有限公司) (“Nuobo Parts Rizhao”), Nuobo Automobile Rubber & Plastic (Anhui) Co., Ltd. (諾博汽車橡塑(安徽)有限公司) (“Nuobo Rubber & Plastic Anhui”), Mind Electronics Company Limited (曼德電子電器有限公司) (“Mind Electronics”), Mind Automotive Parts (Rizhao) Co., Ltd. (曼德汽車零部件(日照)有限公司) (“Mind Parts Rizhao”), Mind Automotive Parts (Chongqing) Co., Ltd. (曼德汽車零部件(重慶)有限公司) (“Mind Parts Chongqing”), Mind Automotive Parts (Jingmen) Co., Ltd. (曼德汽車零部件(荊門)有限公司) (“Mind Parts Jingmen”), Salon Mecha Technology Co., LTD. (沙龍機甲科技有限公司) (“Salon Mecha Technology”), Yunshi Chelian Technology Co., LTD (雲視車聯科技有限公司) (“Yunshi Chelian”), Shanghai Salon Zhixing Industrial Co., Ltd. (上海沙龍智行實業有限公司) (“Shanghai Salon”), Tianjin Great Wall Lean Automotive Parts Company Limited (天津長城精益汽車零部件有限公司) (“Tianjin Lean”) and Nobo Automotive Technology Co., Ltd. (諾博汽車科技有限公司) (“Nobo Automotive Technology”) satisfied all conditions as prescribed in the Notice for deduction 100% of the wages paid to disabled staff from taxable income when determining income tax, and they were entitled to deduct 100% of the actual wages paid to disabled staff from the taxable income when determining enterprise income taxes.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### V. TAXATION (continued)

#### 2. Tax incentives and approvals (continued)

##### 2.1 Income tax incentives (continued)

###### 2.1.2 Enterprise income tax exemption for new and high-tech enterprise

According to the “Enterprise Income Tax Law of the People’s Republic of China” and other relevant regulations, the Company and its subsidiaries, Baoding Great and Mind Electronics, Jinggong Motor, Nuobo Automotive and Nuobo Rubber have filed to the Science and Technology Department of Hebei Province, Jiangsu Province, Zhejiang Province, Chongqing and Shandong Province and relevant provincial and municipal Finance Department and Taxation Bureau and have been finally recognized as high-tech enterprises, and pay the enterprise income tax at a preferential rate of 15% from 1 January 2022 to 31 December 2024. The Company and its subsidiaries, Nobo Automotive Technology, Nuobo Decoration, Nuobo Parts Pinghu, Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司) (“Honeycomb Transmission”), Honeycomb Transmission Technology (Chongqing) Co., Ltd. (蜂巢傳動科技(重慶)有限公司) (“Honeycomb Transmission Chongqing”), Mind Parts Rizhao, Honeycomb Weiling Power Technology (Jiangsu) Co., Ltd (蜂巢蔚領動力科技(江蘇)有限公司) (“Honeycomb Weiling Power Technology (Jiangsu)”) and Honeycomb Engine System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司) (“Honeycomb Engine System”) were recognized as high-tech enterprises in 2022 (valid for three years), and the applicable income tax rate is 15% from 2022 to 2024.

## V. TAXATION (continued)

### 2. Tax incentives and approvals (continued)

#### 2.1 Income tax incentives (continued)

##### 2.1.3 Income tax credit for encouraged industry enterprises in the western region

According to the “Notice on Tax Policies of the Strategy of Further Development of Western Region” (關於深入實施西部大開發戰略有關稅收政策問題的通知) (No. 58 [2011] of the MoF) issued by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation, and the “Announcement No. 23 [2020] on Continuing Enterprise Income Tax Policies for the Large-Scale Development of Western China” (關於延續西部大開發企業所得稅政策的公告) issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, subsidiaries including Chongqing Haval Motors Co., Ltd. (重慶哈弗汽車有限公司) (“Chongqing Haval”), Chongqing Yongchuan Great Wall Automotive Parts Co., Ltd. (重慶市永川區長城汽車零部件有限公司) (“Chongqing Parts”), Chongqing Great Wall Automobile After-sales Service Co., Ltd. (重慶市長城汽車售後服務有限公司) (“Chongqing Great Wall After-sales”), Chongqing Haval Logistics Co., Ltd. (重慶哈弗物流有限公司) (“Chongqing Haval Logistics”), Chongqing Jinggong Motor, Nobo Automotive Parts (Chongqing) Co., Ltd. (諾博汽車零部件(重慶)有限公司) (“Chongqing Nobo Parts”), Mind Parts Chongqing, Honeycomb Transmission Chongqing, Chongqing Duzi Technology Co., Ltd. (重慶度勢科技有限公司) (“Duzi Technology”) and Honeycomb Power System (Chongqing) Co., Ltd. (蜂巢動力系統(重慶)有限公司) (“Honeycomb Power Chongqing”), Honeycomb Power System (Chongqing) Co., Ltd. Casting Branch (蜂巢動力系統(重慶)有限公司鑄造分公司) (“Honeycomb Power Casting Chongqing”), Chongqing Weipai Automotive Sales Co., Ltd. (重慶魏牌汽車銷售有限公司) (“Chongqing Weipai”), Chongqing Great Wall Automobile Technology Co., Ltd. (重慶長城汽車技術有限公司) (“Chongqing Great Wall Technology”) comply with the above provisions, therefore, the preferential tax policy for the development of the western region is applied in 2022, and the preferential income tax rate is 15%. The above-mentioned companies are expected to meet the conditions stipulated in the above provisions in 2023, so the preferential tax rate of 15% continues to be implemented for the current period.

##### 2.1.4 Income tax credit for small-scaled minimal profit enterprise

According to the “Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Small Low-Profit Enterprises” (關於實施小微企業普惠性稅收減免政策的通知) (No. 13 [2019] of the MoF) issued by the MoF and the State Administration of Taxation, and “Announcement on the Implementation of Preferential Income Tax Policies for Small Low-Profit Enterprises and Individual Industrial and Commercial Households” (No. 12 [2021]) issued by the MoF and the State Administration of Taxation, the Group’s small low-profit enterprises will halve the enterprise income tax on the part of the annual taxable income not exceeding RMB1 million from January 1, 2021 to December 31, 2022 on the basis of the preferential policies specified in Article 2 of the above No. 13 [2019] of the MoF.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### V. TAXATION (continued)

#### 2. Tax incentives and approvals (continued)

##### 2.1 Income tax incentives (continued)

###### 2.1.4 Income tax credit for small-scaled minimal profit enterprise (continued)

According to the “Announcement on Further Implementing the Preferential Income Tax Policies for Micro and Small Enterprises” (關於進一步實施小微企業所得稅優惠政策的公告) (No.13 (2022) of the MoF), issued by the MoF and the State Administration of Taxation, for the Group’s small low-profit enterprises, the annual taxable income that is not less than RMB1 million nor more than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%, from 2022 to 2024.

According to the “Announcement on the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households” (關於小微企業和個體工商戶所得稅優惠政策的公告) (No.6 (2023) of the MoF) issued by the MoF and the State Administration of Taxation, for the Group’s small low-profit enterprises, the annual taxable income that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%, from 1 January 2023 to 31 December 2024.

###### 2.1.5 Weighted Deduction of R&D expenses

According to the provisions of the Announcement on Further Improving the Policy of Pre-Tax Deduction of R&D Expenses (Announcement No. 7 of 2023 by the General Administration of Taxation of the Ministry of Finance), the Company and its subsidiaries shall, when calculating taxable income from January 1, 2023, calculate and deduct 100% of the research and development expenses in accordance with the above provisions in accordance with the actual amount of tax; If intangible assets are formed, 200% of the cost of intangible assets will be amortized before tax from January 1, 2023.

##### 2.2 Value-added tax incentives

###### *Preferential value-added tax policies on disabled person employment*

According to the requirements under the “Notice on Preferential VAT Policies for Promoting the Employment of Disabled Persons” (關於促進殘疾人就業增值稅優惠政策的通知) (No. 52 [2016] of the MoF) issued by the MoF and State Administration of Taxation, Baoding Great and Baoding Yixin, subsidiaries of the Company, met the conditions: the ratio of the disabled persons employed by the taxpayer each month to the number of in-service employees is 25% or more, the number of disabled persons employed by the taxpayer is ten or more, and “the income from production and sales of commodities or the provision of processing, repair and maintenance services accounted for 50% of the taxation income for the purposes of value added tax” as approved by relevant authorities. The tax authorities shall adopt the method of refund immediately after payment of VAT with a limit to the entities and individual industrial and commercial households employing disabled persons (hereinafter referred to as “taxpayers”) according to the number of disabled persons actually employed. The specific limit of VAT refundable to each disabled person employed by a taxpayer shall be determined by the tax authority at or above the county level as quadruple the minimum monthly wage standard applicable in the district or county (including a county-level city or banner) as approved by the people’s government of a province (including an autonomous region, municipality directly under the Central Government, or city under separate state planning).



## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

## I. Cash and bank balances

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
<b>Cash:</b>		
RMB	167,956.83	261,446.89
GBP	14,749.99	13,541.53
EUR	16,972.40	2,421.63
Others	31,606.40	17,602.40
<b>Bank balances:</b>		
RMB	19,490,150,439.91	23,287,573,730.61
EUR	1,342,779,171.50	651,798,992.61
RUB	1,323,159,621.62	629,167,651.34
USD	973,130,063.55	371,896,810.36
AUD	1,004,463,002.86	982,155,655.74
Others	1,579,511,936.31	975,769,025.87
<b>Other cash and bank balances:</b>		
RMB	2,113,051,598.05	8,868,174,976.08
EUR	2,099,305.05	1,794,137.27
Others	34.62	4,841,837.95
<b>Total</b>	<b>27,828,576,459.09</b>	<b>35,773,467,830.28</b>
Including: Overseas cash and bank balances	4,355,889,594.01	4,008,702,214.52

As at 30 June 2023, the restricted monetary capital used by the Group was RMB2,115,150,937.72. Of which, the deposit of bank acceptance bill is RMB2,022,019,218.72; L/C deposit is RMB60,296,243.19; The guarantee deposit is RMB14,509,374.88; Other deposits are RMB18,326,100.93.

As of December 31, 2022, the restricted monetary capital used by the Group was RMB8,874,810,951.30. Of which, the deposit of bank acceptance bill is RMB8,828,157,244.29; L/C deposit is RMB20,640,048.91; The guarantee deposit is RMB21,504,945.36; Other deposits are RMB4,508,712.74.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 2. Held-for-trading financial assets

		RMB
Item	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Financial assets classified as at fair value through profit or loss	2,193,612,447.65	2,053,553,807.44
Including: Equity instrument	—	494,949,000.00
Wealth management products	2,193,612,447.65	1,558,604,807.44
Total	2,193,612,447.65	2,053,553,807.44

#### 3. Accounts receivable

##### (1) Disclosed by aging:

Aging	30/06/2023 (Unaudited)			31/12/2022 (Audited)		
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)
Within 1 year	5,607,911,464.95	(47,691,248.99)	0.85	6,503,334,038.81	(49,664,539.32)	0.76
1 to 2 years	776,654,032.13	(33,049,677.41)	4.26	182,961,122.72	(25,451,621.92)	13.91
2 to 3 years	21,967,063.87	(18,437,928.52)	83.93	7,298,644.86	(7,286,498.00)	99.83
Over 3 years	387,650,420.26	(387,650,420.26)	100.00	370,752,280.11	(370,752,280.11)	100.00
Total	6,794,182,981.21	(486,829,275.18)	7.17	7,064,346,086.50	(453,154,939.35)	6.41

The analysis of aging of accounts receivable is based on the time of revenue recognition.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 3. Accounts receivable (continued)

## (2) Disclosed by classification of method of credit loss provision

RMB

Classifications	30/06/2023 (Unaudited)					31/12/2022 (Audited)				
	Carrying amount		Credit loss provision		Book value	Carrying amount		Credit loss provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Credit loss provision assessed by single	358,165,349.84	5.27	(358,165,349.84)	100.00	—	345,218,300.46	4.89	(345,218,300.46)	100.00	—
Credit loss provision assessed by portfolios	6,436,017,631.37	94.73	(128,663,925.34)	2.00	6,307,353,706.03	6,719,127,786.04	95.11	(107,936,638.89)	1.61	6,611,191,147.15
Total	6,794,182,981.21	100.00	(486,829,275.18)	7.17	6,307,353,706.03	7,064,346,086.50	100.00	(453,154,939.35)	6.41	6,611,191,147.15

Description of accounts receivable for which credit loss provision has been assessed by portfolios:

As part of the Group's credit risk management, the Group uses the credit period of receivables and overdue aging as the basis to assess the expected credit losses of various receivables.

The credit risk and expected credit loss reserves of accounts receivable with credit loss withdrawn by portfolio are as follows:

RMB

Aging	30/06/2023 (Unaudited)				31/12/2022 (Audited)			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Within credit period	0.00%-4.00%	6,264,862,895.47	(37,014,837.26)	6,227,848,058.21	0.00%-4.00%	6,588,061,060.41	(17,682,147.33)	6,570,378,913.08
1-180 days overdue	5.85%-50.00%	84,445,663.64	(4,940,015.82)	79,505,647.82	11.78%-50.00%	46,260,173.57	(5,447,939.50)	40,812,234.07
Overdue more than 180 days	100.00%	86,709,072.26	(86,709,072.26)	—	100.00%	84,806,552.06	(84,806,552.06)	—
Total		6,436,017,631.37	(128,663,925.34)	6,307,353,706.03		6,719,127,786.04	(107,936,638.89)	6,611,191,147.15

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 3. Accounts receivable (continued)

##### (3) Provision, collection or reversal of credit loss provision for the period:

RMB

Credit loss provision	30 June 2023 (Unaudited)		Total
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance at 1 January 2023	23,130,086.83	430,024,852.52	453,154,939.35
— Transfer to credit impairment incurred	(4,334,475.54)	4,334,475.54	—
Provision for the period	40,460,300.81	6,209,854.25	46,670,155.06
Reversal for the period	(17,301,059.02)	(7,744,123.39)	(25,045,182.41)
Write-off for the period	—	(897,686.20)	(897,686.20)
Exchange difference	—	12,947,049.38	12,947,049.38
Balance at 30 June 2023	41,954,853.08	444,874,422.10	486,829,275.18

##### (4) Top five entities with the largest balances of accounts receivable:

RMB

Name of entity	Closing balance	Proportion of the amount to the total accounts receivable (%)	Closing balance of credit loss provision
Customer 1	1,126,652,492.42	16.58	(323,123.50)
Customer 2	970,452,504.00	14.28	—
Customer 3	866,985,128.46	12.76	—
Customer 4	358,165,349.84	5.27	(358,165,349.84)
Customer 5	322,364,794.54	4.74	—
Total	3,644,620,269.26	53.63	(358,488,473.34)

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 4. Notes receivable and Financing with receivables

## 4.1 Notes receivable

## (1) Classification

RMB

Classifications	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Bank acceptances	2,506,741,069.33	2,686,688,339.57
Commercial acceptances	25,529,342.58	49,197,960.43
Total	2,532,270,411.91	2,735,886,300.00

Note: The Group pledged notes receivable RMB878,916,028.39 at the end of this period to issue notes payable and pledge loans.

## (2) Notes receivable endorsed or discounted by the Group at the end of the period and not yet mature at the balance sheet date

RMB

Item	The amount is not recognized at the end of the period	The amount is recognized at the end of the period
Banker's acceptance	—	466,939,586.47
Commercial acceptance	—	18,238,864.38
Total	—	485,178,450.85

## 4.2 Financing with receivables

## (1) Classification

RMB

Category	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Bank acceptances	25,535,535,808.81	22,152,492,848.09
Total	25,535,535,808.81	22,152,492,848.09

Note: The business model of the Group's management of certain notes receivable is aimed at both collecting contract cash flows and selling them, classified as financial assets measured at fair value with changes recognized in other comprehensive income, and reported as accounts receivable financing.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 4. Notes receivable and Financing with receivables (continued)

##### 4.2 Financing with receivables (continued)

(2) At the end of the period has pledged receivables financing

Project	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Bank acceptances	18,775,795,781.99	16,921,215,489.61
Total	18,775,795,781.99	16,921,215,489.61

Note: The Group pledged such notes at the end of this period for issuing notes payable.

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

Project	RMB	
	The confirmation amount shall be terminated at the end of the period	The confirmation amount shall not be terminated at the end of the period
Bank acceptances	18,805,694,036.88	—
Total	18,805,694,036.88	—

Note: The Group holds that its bank acceptances are not exposed to significant credit risk and will not subject to significant loss due to the default of the notes acceptor, therefore the Group has not made any provision for credit loss.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 5. Prepayments

## (1) Prepayments by aging:

Aging	30/06/2023 (Unaudited)		31/12/2022 (Audited)	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	4,164,538,534.06	97.39	2,084,618,548.19	93.53
1 to 2 years	97,367,276.53	2.28	134,864,541.79	6.05
2 to 3 years	10,562,816.74	0.25	5,347,588.98	0.24
Over 3 years	3,377,953.98	0.08	4,063,132.92	0.18
Total	4,275,846,581.31	100.00	2,228,893,811.88	100.00

Description of aging of prepayments:

Prepayments with aging over one year are mainly amounts prepaid to raw material suppliers which are not settled.

## (2) Top five entities with the largest balances of prepayments:

Name of entity	Amount	RMB
		Proportion of the amount to the total prepayments (%)
Supplier 1	1,202,791,505.45	28.13
Supplier 2	607,429,199.98	14.21
Supplier 3	596,426,345.24	13.95
Supplier 4	327,420,031.17	7.66
Supplier 5	114,448,904.41	2.68
Total	2,848,515,986.25	66.63

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other receivables

##### 6.1 Summary of other receivables

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Interest receivable	1,360,564.60	11,817,739.94
Dividend receivable	321,680,787.88	—
Other receivables	1,730,209,295.56	2,403,757,888.32
Total	2,053,250,648.04	2,415,575,628.26

##### 6.2 Interest receivable

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Interest of bank deposits	1,360,564.60	11,817,739.94
Total	1,360,564.60	11,817,739.94

##### 6.3 Other receivables

(1) Disclosed by aging:

Aging	30/06/2023 (Unaudited)			31/12/2022 (Audited)		
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)
Within 1 year	1,312,851,885.97	(476,768.00)	0.04	2,051,146,435.89	(863,359.43)	0.04
1 to 2 years	197,043,909.62	(2,514,469.00)	1.28	144,058,560.72	(494,653.11)	0.34
2 to 3 years	89,973,436.39	(3,185,907.81)	3.54	74,022,379.99	—	—
Over 3 years	141,688,143.71	(5,170,935.32)	3.65	145,241,232.43	(9,352,708.17)	6.44
Total	1,741,557,375.69	(11,348,080.13)	0.65	2,414,468,609.03	(10,710,720.71)	0.44



## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 6. Other receivables (continued)

## 6.3 Other receivables (continued)

(2) Other receivables classified by nature are as follows:

Nature	RMB	
	Carrying amount at 30/06/2023 (Unaudited)	Carrying amount at 31/12/2022 (Audited)
Taxes refunds	782,245,543.94	928,992,309.85
Purchase margin	—	668,208,827.66
Proceeds from land transfer	270,758,568.00	270,758,568.00
Security and margin deposits	141,264,290.70	87,241,471.35
Pretty cash	26,547,286.64	28,557,029.67
Others	520,741,686.41	430,710,402.50
Total	1,741,557,375.69	2,414,468,609.03

(3) Analysis of credit loss provision

Aging	30/06/2023 (Unaudited)				31/12/2022 (Audited)			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Indefinite/within contractual repayment period	—	1,730,209,295.56	—	1,730,209,295.56	—	2,402,873,873.38	—	2,402,873,873.38
1-180 days overdue	—	—	—	—	49.41%	1,747,374.37	(863,359.43)	884,014.94
Overdue more than 180 days	100.00%	11,348,080.13	(11,348,080.13)	—	100.00%	9,847,361.28	(9,847,361.28)	—
Total		1,741,557,375.69	(11,348,080.13)	1,730,209,295.56		2,414,468,609.03	(10,710,720.71)	2,403,757,888.32

The Group determines the expected credit losses for other receivables based on historical experience data and forward-looking information. For the six months ended 30 June 2023 and the year of 2022, the Group's assessment methods and major assumptions have not changed.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 6. Other receivables (continued)

##### 6.3 Other receivables (continued)

###### (4) Credit loss provision

RMB

Credit loss provision	Phase 1 Future 12-month ECL	Phase 2 Lifetime ECL (not credit- impaired)	Phase 3 Lifetime ECL (credit- impaired)	Total
Balance at 1 January 2023	—	863,359.43	9,847,361.28	10,710,720.71
Provision for the period	—	—	1,163,359.42	1,163,359.42
Reversal for the period	—	—	(526,000.00)	(526,000.00)
Transfer to occurred credit impairment	—	(863,359.43)	863,359.43	—
Balance at 30 June 2023	—	—	11,348,080.13	11,348,080.13

###### (5) Top five entities with the largest balances of other receivables:

RMB

Name of entity	Nature	Amount	Aging	Proportion of the amount to the total other receivables (%)	Closing balance of credit loss provision
Entity 1	Taxes refunds receivable	577,078,358.89	Within 1 year, 1-2 years	33.14	—
Entity 2	Land receivable	270,758,568.00	Within 1 year, 2-3 years, more than 3 years	15.55	—
Entity 3	Taxes refunds receivable	178,817,443.51	Within 1 year	10.27	—
Entity 4	Others	166,518,657.93	Within 1 year	9.56	—
Entity 5	Security or margin deposits	35,000,000.00	Within 1 year	2.01	—
Total		1,228,173,028.33		70.53	—

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 7. Inventories

## (1) Inventories by category

RMB

Item	30/06/2023 (Unaudited)		
	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	7,442,017,697.38	(146,713,955.23)	7,295,303,742.15
Work-in-progress	1,793,989,479.08	(6,446,702.33)	1,787,542,776.75
Finished goods	13,940,680,126.90	(117,018,061.36)	13,823,662,065.54
Low-valued and short-lived consumables	651,657,719.03	(576,870.60)	651,080,848.43
Total	23,828,345,022.39	(270,755,589.52)	23,557,589,432.87

RMB

Item	31/12/2022 (Audited)		
	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	7,338,037,595.65	(130,639,116.93)	7,207,398,478.72
Work-in-progress	1,969,018,738.91	(5,880,354.95)	1,963,138,383.96
Finished goods	12,555,442,806.64	(55,480,359.78)	12,499,962,446.86
Low-valued and short-lived consumables	704,967,316.63	(944,249.16)	704,023,067.47
Total	22,567,466,457.83	(192,944,080.82)	22,374,522,377.01

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 7. Inventories (continued)

##### (2) Provision for decline in value of inventories

Inventories by category	1/1/2023 (Audited)	Provision for the period	Decrease for the period		Other increase (decrease) for the period	RMB
			Reversals	Written-off or Disposal		30/06/2023 (Unaudited)
Raw materials	130,639,116.93	130,798,036.20	(23,219,075.14)	(91,529,223.31)	25,100.55	146,713,955.23
Work-in-progress	5,880,354.95	5,980,373.75	—	(5,414,026.37)	—	6,446,702.33
Finished goods	55,480,359.78	197,922,389.61	(7,276,426.66)	(129,178,527.01)	70,265.64	117,018,061.36
Low-valued and short-lived consumables	944,249.16	—	(7,008.61)	(334,698.46)	(25,671.49)	576,870.60
Total	192,944,080.82	334,700,799.56	(30,502,510.41)	(226,456,475.15)	69,694.70	270,755,589.52

##### (3) Analysis of provision for decline in value of inventories

Item	Basis of provision for decline in value of inventories	Reasons for reversal or written-off of provision for decline in value of inventories during the period	Percentage of the reversal to the closing balance of the inventory during the period (%)
Raw materials	Note 1	Note 2	0.31
Work-in-progress	Note 1	Note 2	—
Finished goods	Note 1	Note 2	0.05
Low-valued and short-lived consumables	Note 1	Note 2	—

Note 1: As the estimated net realizable value of some vehicle products was lower than the inventory cost as at the end of the period, provision for decline in value had been made for raw materials, work-in-progress, and finished goods correspondingly.

Note 2: As the estimated net realizable value of part of the raw materials, finished goods and low-valued and short-lived consumables was higher than the inventory cost as at the end of the period, the provision for decline in value of inventories for the previous period has been reversed. Due to the fact that the inventory for which the previous period's provision for inventory depreciation has been made has been sold or requisitioned in the current period, the provision for inventory depreciation that has been made has been written off.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 8. Contract assets

RMB

Item	30/06/2023 (Unaudited)			31/12/2022 (Audited)		
	Carrying amount	Credit loss provision	Book value	Carrying amount	Credit loss provision	Book value
State subsidies receivable	1,020,402,924.00	—	1,020,402,924.00	1,293,322,393.00	—	1,293,322,393.00
Less: Reclassified as other non-current assets	719,152,444.00	—	719,152,444.00	1,289,249,601.00	—	1,289,249,601.00
Total	301,250,480.00	—	301,250,480.00	4,072,792.00	—	4,072,792.00

## 9. Other current assets

Details of other current assets:

RMB

Item	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Deposits in non-bank financial institutions (Note 1)	4,341,562,197.94	6,908,799,698.05
Input VAT to be deducted	1,799,047,904.66	1,674,457,396.94
Mould (Note 2)	645,933,052.58	577,411,498.39
Prepaid enterprise income tax	48,582,056.15	85,502,919.99
Others	439,050,370.74	143,050,022.18
Total	7,274,175,582.07	9,389,221,535.55

Note 1: The deposits in non-bank financial institutions are stored in Tianjin Great Wall Binyin Automotive Finance Co., Ltd. (天津長城濱銀汽車金融有限公司) ("Automotive Finance").

Note 2: The estimated useful life is less than one year.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 10. Long-term receivables

##### (1) Long-term receivables

RMB

Item	30/06/2023 (Unaudited)			31/12/2022 (Audited)			Discount rate range
	Carrying amount	Credit loss provision	Book value	Carrying amount	Credit loss provision	Book value	
Performance bond	403,910,731.26	—	403,910,731.26	396,861,252.35	—	396,861,252.35	2.42%
Land advances	367,146,908.22	—	367,146,908.22	362,171,972.59	—	362,171,972.59	2.14%
Finance lease receivables	3,140,385,495.28	(57,184,212.81)	3,083,201,282.47	2,990,224,044.44	(65,171,364.95)	2,925,052,679.49	0.00%-19.51%
Including: Unearned finance income	(315,734,345.53)	—	(315,734,345.53)	(314,677,178.60)	—	(314,677,178.60)	—
Sub-total	3,911,443,134.76	(57,184,212.81)	3,854,258,921.95	3,749,257,269.38	(65,171,364.95)	3,684,085,904.43	—
Less: Long-term receivables due within one year	1,998,876,661.40	(23,403,866.48)	1,975,472,794.92	1,972,308,775.07	(43,634,099.01)	1,928,674,676.06	—
Total	1,912,566,473.36	(33,780,346.33)	1,878,786,127.03	1,776,948,494.31	(21,537,265.94)	1,755,411,228.37	—

##### (2) Credit loss provision

RMB

Category	30/06/2023 (Unaudited)					31/12/2022 (Audited)				
	Carrying amount	Credit loss provision		Book value		Carrying amount	Credit loss provision		Book value	
	Amount	Ratio (%)	Amount			Amount	Ratio (%)	Amount		
Credit loss provision by portfolios	3,911,443,134.76	100	(57,184,212.81)	1.46	3,854,258,921.95	3,749,257,269.38	100.00	(65,171,364.95)	1.74	3,684,085,904.43
Total	3,911,443,134.76	100	(57,184,212.81)	1.46	3,854,258,921.95	3,749,257,269.38	100.00	(65,171,364.95)	1.74	3,684,085,904.43

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 10. Long-term receivables (continued)

## (2) Credit loss provision (continued)

## Finance lease receivables

In order to reduce the credit risk of finance lease receivables, the Group uses the credit risk rating system to divide the finance lease receivables into five risk levels: normal, concerned, subordinate, suspicious and loss based on the transaction records and relevant external information available. During the period from 1 January to 30 June 2023 and the year of 2022, the Group's assessment methods and major assumptions have not changed.

RMB

Credit loss provision	For the period from 1 January to 30 June 2023 (Unaudited)		
	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2023	44,709,124.12	20,462,240.83	65,171,364.95
Provision for the period	15,908,617.79	6,343,209.96	22,251,827.75
Reversal for the period	(20,506,216.91)	(9,618,475.17)	(30,124,692.08)
Write-off for the period	—	(114,287.81)	(114,287.81)
—Transfer to credit impairment occurred	(6,052,864.28)	6,052,864.28	—
Balance at 30 June 2023	34,058,660.72	23,125,552.09	57,184,212.81

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 11. Long-term equity investments

The details of long-term equity investment are as follows:

RMB

Investee	1/1/2023 (Audited)	Changes in the current period								30/06/2023 (Unaudited)	Closing balance of impairment provision
		Increase for the period	Decrease in investment	Investment profit or loss recognized under the equity method	Other comprehensive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment	Others		
Joint ventures											
Auto finance	10,212,327,960.02	—	—	464,856,432.43	—	—	(321,680,787.88)	—	—	10,355,503,604.57	—
Chongqing PetroChina Haval Energy Co., Ltd. ("Chongqing Petro China Haval")	996,613.94	—	—	(65,988.68)	—	—	—	—	—	930,625.26	—
Sub-total	10,213,324,573.96	—	—	464,790,443.75	—	—	(321,680,787.88)	—	—	10,356,434,229.83	—
Associates											
Haomo Zhixing Technology Co., Ltd. ("Haomo Zhixing") (Note)	—	—	—	(24,852,784.95)	—	24,852,784.95	—	—	—	—	—
Jiangsu Baojie Electromechanical Co., Ltd. ("Jiangsu Baojie")	10,244,011.82	—	—	2,056,278.17	—	—	—	—	—	12,300,289.99	—
Jiangsu Longcheng Alloy Material Co. LTD ("Jiangsu Longcheng")	52,029,981.77	—	—	(1,138,029.96)	—	—	—	—	—	50,891,951.81	—
Wuxi Xindong Semiconductor Technology Co., Ltd ("Wuxi Xindong")	9,986,742.43	—	—	(1,997,455.54)	—	—	—	—	—	7,989,286.89	—
Sub-total	72,260,736.02	—	—	(25,931,992.28)	—	24,852,784.95	—	—	—	71,181,528.69	—
Total	10,285,585,309.98	—	—	438,858,451.47	—	24,852,784.95	(321,680,787.88)	—	—	10,427,615,758.52	—

Note: As for the loss of Minmo Zhixing in the current period, the Group recognizes the investment loss according to the loss share of the associated enterprise, and the unrecognized loss share in the current period is RMB72,587,108.77. The share of accumulated losses at the end of the period is RMB161,692,510.43.



## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 12. Other equity instrument investments

Item	30/06/2023	RMB
	(Unaudited)	31/12/2022 (Audited)
Unlisted equity instrument investments	1,493,572,395.54	1,481,976,762.81
Total	1,493,572,395.54	1,481,976,762.81

- (1) The above-mentioned unlisted equity instrument investments are the equity investments of unlisted enterprises held by the Group and the Company.
- (2) In the current period, the Company have not received dividends from the above-mentioned other equity instrument investments; In 2022, a dividend of RMB3,240,134.00 was received from the above-mentioned other equity instrument investments.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 13. Investment properties

The investment properties measured at cost:

				RMB
Item	Buildings	Land use right	Total	
I. Original carrying amount				
1 January 2023 (Audited)	607,190,383.08	22,185,808.77	629,376,191.85	
Additions for the period	63,423,668.13	187,726.45	63,611,394.58	
1. Acquisition	3,324,773.34	—	3,324,773.34	
2. Transfer from intangible assets	—	187,726.45	187,726.45	
3. Transfer from fixed assets	56,224,345.54	—	56,224,345.54	
4. Transfer from construction in progress	3,280,221.35	—	3,280,221.35	
5. Other additions	594,327.90	—	594,327.90	
Decrease for the period	(17,816,642.78)	(304,480.12)	(18,121,122.90)	
1. Disposal	(53,200.00)	—	(53,200.00)	
2. Transfer to fixed assets	(17,763,442.78)	—	(17,763,442.78)	
3. Transfer to intangible assets	—	(304,480.12)	(304,480.12)	
Foreign currency translation differences	(1,838,410.31)	—	(1,838,410.31)	
30 June 2023 (Unaudited)	<b>650,958,998.12</b>	<b>22,069,055.10</b>	<b>673,028,053.22</b>	
II. Accumulated amortization and depreciation				
1 January 2023 (Audited)	202,867,796.90	4,066,273.01	206,934,069.91	
Additions for the period	29,485,862.54	242,137.82	29,728,000.36	
1. Provision or amortization	10,797,697.56	223,370.15	11,021,067.71	
2. Transfer from intangible assets	—	18,767.67	18,767.67	
3. Transfer from fixed assets	18,688,164.98	—	18,688,164.98	
Decrease for the period	(3,702,842.00)	(53,794.70)	(3,756,636.70)	
1. Disposal	(15,519.66)	—	(15,519.66)	
2. Transfer to fixed assets	(3,687,322.34)	—	(3,687,322.34)	
3. Transfer to intangible assets	—	(53,794.70)	(53,794.70)	
Foreign currency translation differences	(250,372.80)	—	(250,372.80)	
30 June 2023 (Unaudited)	<b>228,400,444.64</b>	<b>4,254,616.13</b>	<b>232,655,060.77</b>	
III. Book value				
1 January 2023 (Audited)	<b>404,322,586.18</b>	<b>18,119,535.76</b>	<b>422,442,121.94</b>	
30 June 2023 (Unaudited)	422,558,553.48	17,814,438.97	440,372,992.45	

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 14. Fixed assets

## (1) Information of fixed assets:

RMB					
Item	Buildings	Machinery and equipment	Transportation vehicles	Other equipment	Total
I. Original carrying amount					
1 January 2023 (Audited)	17,691,650,138.53	27,050,102,086.12	522,334,865.23	11,383,384,227.40	56,647,471,317.28
Additions for the period	71,028,631.55	2,340,114,590.22	713,196,261.99	944,256,885.96	4,068,596,369.72
1. Acquisition	44,613,226.04	1,050,690,582.25	94,659,920.10	291,769,503.51	1,481,733,231.90
2. Transfer from construction in progress	8,651,962.73	1,270,390,465.64	564,041,336.29	621,314,856.30	2,464,398,620.96
3. Transfer from inventories	—	19,033,542.33	54,495,005.60	31,172,526.15	104,701,074.08
4. Transfer from investment properties	17,763,442.78	—	—	—	17,763,442.78
Decrease for the period	(107,303,185.08)	(671,587,010.42)	(21,113,514.36)	(91,720,212.00)	(891,723,921.86)
1. Disposal or retired	(15,265,724.97)	(64,862,858.70)	(16,936,873.48)	(49,445,803.75)	(146,511,260.90)
2. Decrease for transferring to construction in progress	—	(177,332,774.71)	(68,933.40)	(9,107,184.85)	(186,508,892.96)
3. Transfer to investment properties	(56,224,345.54)	—	—	—	(56,224,345.54)
4. Decrease due to disposal of subsidiaries	—	—	(3,346,223.03)	(723,450.46)	(4,069,673.49)
5. Other transfer-out	(35,813,114.57)	(429,391,377.01)	(761,484.45)	(32,443,772.94)	(498,409,748.97)
Foreign currency translation differences	(116,563,554.01)	(175,849,944.61)	(3,500,892.10)	(147,807,005.74)	(443,721,396.46)
30 June 2023 (Unaudited)	<b>17,538,812,030.99</b>	<b>28,542,779,721.31</b>	<b>1,210,916,720.76</b>	<b>12,088,113,895.62</b>	<b>59,380,622,368.68</b>
II. Accumulated depreciation					
1 January 2023 (Audited)	4,558,285,695.26	16,516,943,721.76	313,854,068.08	7,615,600,026.05	29,004,683,511.15
Additions for the period	323,780,624.77	1,128,979,810.97	39,969,937.83	527,697,589.17	2,020,427,962.74
1. Provision for the period	320,093,302.43	1,128,979,810.97	39,969,937.83	527,697,589.17	2,016,740,640.40
2. Transfer from investment properties	3,687,322.34	—	—	—	3,687,322.34
Decrease for the period	(25,559,878.11)	(198,520,353.88)	(3,017,076.32)	(57,108,793.15)	(284,206,101.46)
1. Disposal or retired	(6,871,713.13)	(42,955,325.94)	(2,653,748.42)	(38,512,373.96)	(90,993,161.45)
2. Decrease for transferring to construction in progress	—	(153,118,329.34)	(26,194.65)	(5,110,876.99)	(158,255,400.98)
3. Transfer to investment Properties	(18,688,164.98)	—	—	—	(18,688,164.98)
4. Decrease due to disposal of subsidiaries	—	—	(337,133.25)	(164,872.79)	(502,006.04)
5. Other transfer-out	—	(2,446,698.60)	—	(13,320,669.41)	(15,767,368.01)
Foreign currency translation Differences	(23,244,996.86)	(67,535,889.40)	(3,218,106.36)	(4,385,607.36)	(98,384,599.98)
30 June 2023 (Unaudited)	<b>4,833,261,445.06</b>	<b>17,379,867,289.45</b>	<b>347,588,823.23</b>	<b>8,081,803,214.71</b>	<b>30,642,520,772.45</b>

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 14. Fixed assets (continued)

##### (1) Information of fixed assets: (continued)

RMB

Item	Buildings	Machinery and equipment	Transportation vehicles	Electronic equipment and others	Total
III. Provision for impairment					
1 January 2023 (Audited)	204,878.87	168,626,685.71	3,597,005.65	521,339,514.03	693,768,084.26
Additions for the period	—	—	—	—	—
Decrease for the period	—	(4,020,451.10)	(116,695.95)	(5,436,654.75)	(9,573,801.80)
1. Disposal or retired	—	(3,172,795.41)	(116,695.95)	(2,227,376.41)	(5,516,867.77)
2. Decrease for transferring to construction in progress	—	(847,655.69)	—	(2,950,408.29)	(3,798,063.98)
3. Other transfer-out	—	—	—	(258,870.05)	(258,870.05)
Foreign currency translation differences	—	—	—	—	—
30 June 2023 (Unaudited)	204,878.87	164,606,234.61	3,480,309.70	515,902,859.28	684,194,282.46
IV. Book value					
1 January 2023 (Audited)	13,133,159,564.40	10,364,531,678.65	204,883,791.50	3,246,444,687.32	26,949,019,721.87
30 June 2023 (Unaudited)	12,705,345,707.06	10,998,306,197.25	859,847,587.83	3,490,407,821.63	28,053,907,313.77

##### (2) Fixed assets of which certificates of title have not been obtained

As of 30 June, 2023, the net property value of the fixed assets that have not yet obtained the real estate title certificate is RMB1,321,810,857.71 (31 December, 2022: RMB1,999,887,754.17), and the relevant real estate title certificate is being processed.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 15. Construction in progress

(1) The breakdown of construction in progress is as follows:

RMB

Item	30/06/2023 (Unaudited)			31/12/2022 (Audited)		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Parts and Components						
Department reconstruction project	3,221,066,659.44	(857,461.00)	3,220,209,198.44	3,016,359,399.02	(600,730.89)	3,015,758,668.13
Shangrao automotive project	594,575,661.28	—	594,575,661.28	626,125,139.85	—	626,125,139.85
Overseas automotive project	858,653,312.01	—	858,653,312.01	857,199,504.49	—	857,199,504.49
Industrial Park Phase I, II and III expansion	469,441,168.25	(3,259,513.29)	466,181,654.96	320,012,324.29	(3,259,513.29)	316,752,811.00
Taizhou automotive project	5,749,782.18	—	5,749,782.18	45,057,021.11	—	45,057,021.11
Xushui automotive project	781,285,875.94	(334,523.67)	780,951,352.27	619,914,103.66	(334,523.67)	619,579,579.99
Daye automotive project	452,146,023.78	—	452,146,023.78	605,073,062.25	—	605,073,062.25
Xushui parts and components project	433,469,322.99	(75,351.06)	433,393,971.93	398,609,044.32	(75,351.06)	398,533,693.26
Tianjin parts and components project	211,268,919.74	—	211,268,919.74	274,925,282.04	(306,627.78)	274,618,654.26
Tianjin automotive project	165,275,633.45	(123,262.86)	165,152,370.59	278,815,224.84	(123,262.86)	278,691,961.98
Jingmen automotive project	235,309,282.38	—	235,309,282.38	194,092,545.23	—	194,092,545.23
Russia 80,000 sets of vehicle plant and residential area supporting project	182,982,360.15	—	182,982,360.15	128,706,138.49	—	128,706,138.49
Chongqing Great Wall automotive project	188,770,898.62	—	188,770,898.62	17,596,136.50	—	17,596,136.50
New technology center	13,584,074.80	—	13,584,074.80	13,584,074.80	—	13,584,074.80
Rizhao automotive project	4,880,122.20	—	4,880,122.20	5,067,842.03	—	5,067,842.03
Other projects in automotive	939,450,155.06	—	939,450,155.06	802,999,095.67	—	802,999,095.67
Other projects in progress	97,173,261.48	—	97,173,261.48	106,363,485.48	—	106,363,485.48
Total	8,855,082,513.75	(4,650,111.88)	8,850,432,401.87	8,310,499,424.07	(4,700,009.55)	8,305,799,414.52

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 15. Construction in progress (continued)

##### (2) Changes in major construction in progress

									RMB
Project	Budget amount	1/1/2023 (Audited)	Additions for the period	Transferred to fixed assets	Other Deductions (note)	Proportion of investment to budget (%)	Accumulated capitalized interest amount	Sources of fund	30/06/2023 (Unaudited)
Parts and Components Department									
reconstruction project	10,740,010,134.79	3,016,359,399.02	1,284,988,520.70	(997,570,410.32)	(82,710,849.96)	62.32	—	self-owned	3,221,066,659.44
Shangrao automotive project	1,378,649,551.93	626,125,139.85	154,764.71	(34,939.82)	(31,669,303.46)	43.99	—	self-owned	594,575,661.28
Industrial Park Phase I, II and III									
expansion	2,197,896,944.29	320,012,324.29	150,619,042.34	(941,208.47)	(248,989.91)	77.98	—	self-owned	469,441,168.25
Xushui parts and components project	10,414,308,137.72	398,609,044.32	139,420,846.16	(97,447,239.08)	(7,113,328.41)	80.95	—	self-owned	433,469,322.99
Xushui automotive project	12,937,766,916.10	619,914,103.66	286,059,784.45	(124,555,622.63)	(132,389.54)	86.81	—	self-owned	781,285,875.94
Daye automotive project	681,811,069.52	605,073,062.25	62,223,632.67	(198,198,550.71)	(16,952,120.43)	95.38	—	self-owned	452,146,023.78
Tianjin automotive project	5,886,432,237.71	278,815,224.84	12,010,034.66	(124,524,458.34)	(1,025,167.71)	97.91	—	self-owned	165,275,633.45
Taizhou automotive project	465,502,910.22	45,057,021.11	4,202,439.37	(32,799,573.69)	(10,710,104.61)	94.94	—	self-owned	5,749,782.18
Russia 80000 sets of vehicle plant and									
residential area supporting project	3,715,807,900.00	128,706,138.49	71,386,742.05	(14,534,195.37)	(2,576,325.02)	97.70	—	self-owned	182,982,360.15
Chongqing Great Wall automotive									
project	3,290,177,874.00	17,596,136.50	712,009,898.11	(535,132,964.45)	(5,702,171.54)	89.76	—	self-owned	188,770,898.62
New technology center	1,648,554,374.00	13,584,074.80	—	—	—	99.83	—	self-owned	13,584,074.80
Tianjin parts and components project	5,114,414,737.00	274,925,282.04	7,595,507.93	(71,236,593.64)	(15,276.59)	82.34	—	self-owned	211,268,919.74
Jingmen automotive project	1,282,958,020.37	194,092,545.23	42,406,471.66	(1,189,734.51)	—	18.66	—	self-owned	235,309,282.38
Rizhao automotive project	556,526,789.00	5,067,842.03	1,139,898.02	—	(1,327,617.85)	92.13	—	self-owned	4,880,122.20
Overseas automotive project	1,363,178,059.84	857,199,504.49	226,284,090.87	(224,825,425.00)	(4,858.35)	80.00	—	self-owned	858,653,312.01
Other projects in automotive	4,456,802,444.80	802,999,095.67	188,015,546.61	(27,234,831.31)	(24,329,655.91)	48.92	—	self-owned	939,450,155.06
Other projects in progress	557,973,245.00	106,363,485.48	48,514,275.04	(14,172,873.62)	(43,531,625.42)	83.82	—	self-owned	97,173,261.48
Total	66,688,771,346.29	8,310,499,424.07	3,237,031,495.35	(2,464,398,620.96)	(228,049,784.71)	—	—		8,855,082,513.75

Note: The decrease of RMB110,653,271.72 in construction in progress during the period was transferred to intangible assets.

##### (3) Provision for impairment of construction in progress for the period

No impairment provision for construction in progress occurred in this period.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 16. Right-of-use asset

						RMB
Item		Land use right	Buildings	Machine equipment	Transportation vehicle	Total
I.	Original carrying amount:					
	1 January 2023 (Audited)	68,407,166.11	1,111,740,680.32	356,434,871.57	10,382,538.34	1,546,965,256.34
	Additions for the period	3,481,472.93	97,379,324.32	117,658,582.48	3,043,119.89	221,562,499.62
	Deductions for the period	(1,310,445.58)	(133,699,606.26)	(3,351,561.12)	(2,237,693.57)	(140,599,306.53)
	Foreign currency translation differences	—	13,250,870.39	786,966.81	608,655.87	14,646,493.07
	30 June 2023 (Unaudited)	<b>70,578,193.46</b>	<b>1,088,671,268.77</b>	<b>471,528,859.74</b>	<b>11,796,620.53</b>	<b>1,642,574,942.50</b>
II.	Accumulated depreciation					
	1 January 2023 (Audited)	27,001,324.13	301,440,216.64	119,499,946.50	6,082,923.54	454,024,410.81
	Additions for the period	11,964,002.20	161,003,188.58	171,583,683.61	2,784,885.87	347,335,760.26
	1. Provision	11,964,002.20	161,003,188.58	171,583,683.61	2,784,885.87	347,335,760.26
	Deductions for the period	(242,405.52)	(40,215,848.04)	(1,909,453.46)	(1,954,912.83)	(44,322,619.85)
	Foreign currency translation differences	—	1,420,453.44	392,863.74	295,280.62	2,108,597.80
	30 June 2023 (Unaudited)	<b>38,722,920.81</b>	<b>423,648,010.62</b>	<b>289,567,040.39</b>	<b>7,208,177.20</b>	<b>759,146,149.02</b>
III.	Provision for impairment					
	1 January 2023 (Audited)	—	—	—	—	—
	30 June 2023 (Unaudited)	—	—	—	—	—
IV.	Book value					
	1 January 2023 (Audited)	41,405,841.98	810,300,463.68	236,934,925.07	4,299,614.80	1,092,940,845.53
	30 June 2023 (Unaudited)	<b>31,855,272.65</b>	<b>665,023,258.15</b>	<b>181,961,819.35</b>	<b>4,588,443.33</b>	<b>883,428,793.48</b>

Other notes:

The Group has leased a number of assets, including land use rights, buildings, machinery equipment and transportation vehicles, with a lease period ranging from 2 to 10 years. The short-term lease expenses and lease of low-value asset expenses included in the simplified processing of current profit and loss for the current period are RMB399,758,973.24. The total cash outflow related to leases for the period was RMB799,725,191.28.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 17. Intangible assets

##### (1) Intangible assets

		RMB			
	Item	Land use right	Software and others	Non-patent technology	Total
I.	Original carrying amount				
	1 January 2023 (Audited)	3,743,804,719.83	1,548,909,812.09	8,598,477,305.91	13,891,191,837.83
	Additions for the period	79,124,967.17	248,709,586.10	2,766,908,761.31	3,094,743,314.58
	1. Acquisition	78,276,469.23	138,600,332.20	762,402.48	217,639,203.91
	2. Internal research and development	—	—	2,766,146,358.83	2,766,146,358.83
	3. Transferred from construction in progress	544,017.82	110,109,253.90	—	110,653,271.72
	4. Transferred from investment properties	304,480.12	—	—	304,480.12
	Deductions for the period	(187,726.45)	(3,839,513.13)	(2,499,396.18)	(6,526,635.76)
	1. Other transfer-out	—	(2,548,051.67)	(1,015,415.36)	(3,563,467.03)
	2. Disposal	—	(1,291,461.46)	(1,483,980.82)	(2,775,442.28)
	3. Transferred to investment properties	(187,726.45)	—	—	(187,726.45)
	Foreign currency translation differences	—	(1,948,138.72)	2,839,104.56	890,965.84
	30 June 2023 (Unaudited)	3,822,741,960.55	1,791,831,746.34	11,365,725,775.60	16,980,299,482.49
II.	Accumulated amortization				
	1 January 2023 (Audited)	752,754,160.12	347,626,120.22	4,593,546,289.13	5,693,926,569.47
	Additions for the period	38,591,227.45	59,235,066.80	1,257,700,260.37	1,355,526,554.62
	1. Provision	38,537,432.75	59,235,066.80	1,257,700,260.37	1,355,472,759.92
	2. Transferred from investment properties	53,794.70	—	—	53,794.70
	Deductions for the period	(18,767.67)	(956,646.85)	(611,329.81)	(1,586,744.33)
	1. Disposal	—	(956,646.85)	(611,329.81)	(1,567,976.66)
	2. Transferred to investment properties	(18,767.67)	—	—	(18,767.67)
	Foreign currency translation differences	—	(1,812,970.84)	749,281.05	(1,063,689.79)
	30 June 2023 (Unaudited)	791,326,619.90	404,091,569.33	5,851,384,500.74	7,046,802,689.97
III.	Provision for impairment				
	1 January 2023 (Audited)	—	—	—	—
	30 June 2023 (Unaudited)	—	—	—	—
IV.	Book value				
	1 January 2023 (Audited)	2,991,050,559.71	1,201,283,691.87	4,004,931,016.78	8,197,265,268.36
	30 June 2023 (Unaudited)	3,031,415,340.65	1,387,740,177.01	5,514,341,274.86	9,933,496,792.52

The proportion of intangible assets arising from internal research and development at the end of the period to balance of total intangible assets is 55.49% (31 December 2022: 48.20%).



## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 17. Intangible assets (continued)

## (2) Land use right of which certificates of title has not been obtained

As at 30 June 2023, among the intangible assets, the net book value of land use right without land use right certificates amounted to RMB1,846,190.78 (31 December 2022: RMB20,985,120.00), and the application of relevant land use right certificates is in progress.

## 18. Development expenditure

Item	1/1/2023 (Audited)	Increase for the period	Decrease for the period		30/06/2023 (Unaudited)
			Recognized as intangible assets	Transferred to profit or loss for the period	
Automobile development project	11,981,107,869.85	2,730,647,529.90	(2,766,146,358.83)	(160,598,836.56)	11,785,010,204.36

## 19. Deferred tax assets and deferred tax liabilities

## (1) Deferred tax assets before offsetting

Item	30/06/2023 (Unaudited)		31/12/2022 (Restated)	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Impairment losses on credit	553,922,290.44	93,967,447.36	539,765,043.27	92,994,668.11
Provision for decline in value of inventories	244,428,791.19	31,466,482.00	184,074,221.61	9,393,909.19
Impairment of fixed assets	473,376,129.93	72,799,484.36	489,993,913.37	75,465,995.88
Impairment of construction in progress	4,317,004.19	647,550.63	4,623,631.97	693,544.80
Temporary difference of amortization of intangible assets	3,634,408,159.85	545,146,705.66	2,893,127,605.80	433,265,667.89
Accrued expenses which are deductible upon payment	1,562,898,329.67	296,908,926.34	903,995,415.81	185,977,717.45
Contract liabilities	2,214,867,261.54	332,120,619.13	3,985,014,896.18	598,027,632.83
Deductible loss	18,004,012,591.28	3,049,634,847.89	14,543,057,000.97	2,418,501,685.24
Deferred income	1,317,219,418.03	210,871,924.54	1,110,017,570.71	200,346,293.05
Share-based payments	30,144,688.54	4,592,364.12	991,129,227.94	124,962,996.88
Lease liabilities	1,080,388,412.20	209,600,914.64	1,277,575,803.50	243,458,763.08
Unrealized profit arising from internal transactions	5,520,168,477.20	904,198,758.00	2,654,172,606.62	526,343,844.98
Others	74,381,639.90	15,025,452.96	200,069,972.81	35,012,030.99
Total	34,714,533,193.96	5,766,981,477.63	29,776,616,910.56	4,944,444,750.37

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 19. Deferred tax assets and deferred tax liabilities (continued)

##### (2) Deferred tax liabilities before offsetting

Item	30/06/2023 (Unaudited)		31/12/2022 (Restated)	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
The impact of accelerated depreciation of fixed assets under tax law	13,283,605,613.04	2,149,139,845.90	12,599,095,404.51	1,983,378,144.85
Right-of-use assets	867,172,664.15	179,643,033.12	1,018,249,798.60	205,615,239.55
Gains or losses from changes in fair value	647,381,780.01	179,244,063.29	825,225,097.76	205,920,560.94
The value added of assets appraisal of Business combination not involving enterprise under common control	127,208,770.53	31,802,192.63	130,431,560.13	32,607,890.03
Temporary difference of interest receivable	190,913,763.56	29,521,333.42	228,273,182.37	35,151,817.42
Total	15,116,282,591.29	2,569,350,468.36	14,801,275,043.37	2,462,673,652.79

##### (3) Deferred tax assets and deferred tax liabilities disclosed at net amount after offsetting

Item	30/06/2023 (Unaudited)		31/12/2022	
	Offset amount of deferred tax assets and liabilities	Deferred tax assets (liabilities) after offsetting	Offset amount of deferred tax assets and liabilities (Restated)	Deferred tax assets (liabilities) after offsetting (Audited)
Deferred tax assets	(1,706,714,523.31)	4,060,266,954.32	(1,691,794,244.45)	3,252,650,505.92
Deferred tax liabilities	1,706,714,523.31	(862,635,945.05)	1,691,794,244.45	(770,879,408.34)

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 19. Deferred tax assets and deferred tax liabilities (continued)

## (4) Details of unrecognized deferred tax assets

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Deductible loss	2,200,185,393.04	1,848,682,209.71
Total	2,200,185,393.04	1,848,682,209.71

The deductible losses of the unrecognized deferred tax assets will expire in the following years:

Years	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
2023	—	76,498,670.89
2024	15,924,366.35	15,933,754.55
2025	73,917,421.16	84,219,607.50
2026	752,082,379.24	775,726,267.58
2027	896,243,837.16	896,303,909.19
2028	462,017,389.13	—
Total	2,200,185,393.04	1,848,682,209.71

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 20. Other non-current assets

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Purchase margin	1,420,000,000.00	2,234,685,302.77
State subsidies receivable	719,152,444.00	1,289,249,601.00
Others	60,887.59	136,222.43
Total	2,139,213,331.59	3,524,071,126.20

#### 21. Short-term borrowings and long-term borrowings

##### (1) Short-term borrowings

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Credit loans	2,563,682,884.43	3,201,383,918.31
Guaranteed loans (Note 1)	1,713,660,103.81	1,755,037,445.08
Pledge loan (Note 2)	446,428,764.77	986,914,420.07
Mortgage loan (Note 3)	100,000,000.00	—
Total	4,823,771,753.01	5,943,335,783.46

Note 1: The guaranteed loan is the loan obtained by the Company's subsidiaries Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司) ("Honeycomb Intelligent Jiangsu"), Great Wall Motor Sales (Thailand Sales) Co., Ltd. (長城汽車銷售(泰國)有限公司) ("Thailand Sales"), Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司) ("Great Wall Motor Thailand"), Honeycomb Power System (Thailand) Co., Ltd. (蜂巢動力系統(泰國)有限公司) ("Honeycomb Power Thailand"), Jingcheng Engineering Automotive Parts (Thailand) Co., Ltd. (精誠工科汽車零部件(泰國)有限公司) ("Jingcong Thailand"), HWA Ding International Co., Ltd. (華鼎國際有限公司) ("HWA Ding International"), Mind Automotive Parts (Thailand) Co., Ltd. (曼德汽車零部件(泰國)有限公司) ("Mind Thailand") and Brazil Great Wall with the Company as the guarantor.

Note 2: The pledged loan is the loan obtained from the pledge of long-term receivables by the Company's subsidiary Tianjin Oula Financial Leasing Co., Ltd. (天津歐拉融資租賃有限公司) ("Tianjin Oula"), and the discount amount obtained by discounting the undue notes receivable that did not meet the termination recognition conditions at the end of the reporting period.

Note 3: The mortgage loan is the loan obtained by Hebei Changzheng Automobile Manufacturing Co., Ltd. (河北長徵汽車製造有限公司) ("Changzheng Automobile"), a subsidiary of the Company, by mortgaging the land use right.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 21. Short-term borrowings and long-term borrowings (continued)

## (2) Long-term borrowings

RMB

Item	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Credit loans	18,108,584,870.11	16,025,329,784.58
Guaranteed loans (Note 1)	3,530,909,542.09	2,811,036,173.34
Mortgage loan (Note 2)	320,131,561.93	406,731,546.41
Pledge loan (Note 3)	17,979,334.61	137,088,682.44
Less: Long-term loans due within one year	6,164,611,924.37	3,974,530,334.74
Total	15,812,993,384.37	15,405,655,852.03

Note 1: The guaranteed loan at the end of the period is the loan obtained by the Company with Baoding Great Wall Venture and Investment Co., Ltd. (保定市長城創業投資有限公司) ("Great Wall Venture and Investment"), and the loan obtained by the Company's subsidiaries Honeycomb Transmission, Jingcheng Engineering Automotive Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司) ("Jinggong Yangzhong"), Jinggong Motor and Mind Electronics with the Company as the guarantor.

Note 2: The mortgage loan at the end of the period is the loan obtained by the Company's subsidiaries Honeycomb Transmission by mortgaging the land use right of Yangzhong Guanjie Kechuang Co., Ltd.

Note 3: The pledged loan at the end of the period is the loan obtained from the pledge of long-term receivables by the Company's subsidiary Tianjin Oula.

## 22. Derivative financial liabilities

RMB

Category	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Forward exchange contracts	189,129,479.92	28,800,759.63
Total	189,129,479.92	28,800,759.63

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 23. Notes payable

RMB

Category	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Bank acceptances	24,789,875,461.00	30,019,571,587.28
Commercial acceptances	68,901,539.29	41,909,734.96
Total	24,858,777,000.29	30,061,481,322.24

#### 24. Accounts payable

##### (1) Accounts payable disclosed as follows:

RMB

Item	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Within 1 year	32,837,833,347.76	29,124,286,756.41
1 to 2 years	201,364,338.05	128,218,625.38
2 to 3 years	36,094,560.82	16,369,488.04
Over 3 years	27,474,645.77	36,982,671.15
Total	33,102,766,892.40	29,305,857,540.98

The aging analysis of accounts payable is based on the time of purchasing materials, goods or receiving services.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 24. Accounts payable (continued)

## (2) Accounts payable aged over one year with significant amount:

RMB

Name	30/06/2023 (Unaudited)	Reason for outstanding or transfer
Supplier 1	43,429,418.93	Payment terms have not been reached
Supplier 2	15,128,500.00	Payment terms have not been reached
Supplier 3	10,134,670.50	Payment terms have not been reached
Supplier 4	7,699,950.00	Payment terms have not been reached
Supplier 5	7,232,000.00	Payment terms have not been reached
Total	83,624,539.43	

## 25. Contract liabilities

RMB

Item	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Receipts in advance	6,870,323,653.99	5,855,526,465.30
Warranty service	1,418,503,509.24	1,389,778,369.56
Maintenance service	537,931,565.41	472,118,075.29
Transportation service	26,297,296.16	35,413,206.55
Total	8,853,056,024.80	7,752,836,116.70

## (1) Revenue included in the opening book value of contract liabilities recognized in the current period.

The opening book value of contract liabilities amounting to RMB6,099,792,962.08 has been recognized as revenue during the period. The book value of contract liabilities at the end of the period is expected to be recognized as income within one year.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 26. Employee benefits payable

##### (1) Employee benefits payable disclosed as follows:

RMB

Item	1/1/2023 (Audited)	Increase	Decrease	30/06/2023 (Unaudited)
1. Short-term employee benefits	4,147,324,810.83	6,611,960,598.42	(9,665,637,392.10)	1,093,648,017.15
2. Post-employment benefits-defined contribution plan	61,248,195.89	581,682,734.11	(576,976,124.41)	65,954,805.59
Total	4,208,573,006.72	7,193,643,332.53	(10,242,613,516.51)	1,159,602,822.74

##### (2) Short-term employee benefits payable disclosed as follows:

RMB

Item	1/1/2023 (Audited)	Increase	Decrease	30/06/2023 (Unaudited)
I. Salaries, bonuses, allowances and subsidies	3,753,876,104.18	5,191,530,590.44	(7,991,710,594.28)	953,696,100.34
II. Staff welfare	198,476,985.12	342,555,092.26	(532,663,922.02)	8,368,155.36
III. Staff bonuses and welfare fund	280,505.14	—	—	280,505.14
IV. Social insurance premiums	31,367,752.82	322,098,313.77	(334,557,860.71)	18,908,205.88
Including: Medical insurance	28,341,741.38	295,948,490.29	(307,590,238.79)	16,699,992.88
Work-related injury insurance	1,940,774.71	21,988,339.99	(22,022,866.98)	1,906,247.72
Maternity insurance	1,085,236.73	4,161,483.49	(4,944,754.94)	301,965.28
V. Housing provident funds	2,586,287.15	194,406,694.64	(194,543,471.11)	2,449,510.68
VI. Labor union expenditures	18,640,294.60	11,958,356.27	(20,196,366.42)	10,402,284.45
VII. Employees' education expenses	1,701,551.68	3,370,217.64	(3,451,604.17)	1,620,165.15
VIII. Service charge	140,395,330.14	546,041,333.40	(588,513,573.39)	97,923,090.15
Total	4,147,324,810.83	6,611,960,598.42	(9,665,637,392.10)	1,093,648,017.15



## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 26. Employee benefits payable (continued)

## (3) Defined contribution plan

RMB

Item	1/1/2023 (Audited)	Increase	Decrease	30/06/2023 (Unaudited)
1. Basic endowment insurance	60,262,495.92	560,727,110.26	(555,587,143.05)	65,402,463.13
2. Unemployment insurance	985,699.97	20,955,623.85	(21,388,981.36)	552,342.46
Total	61,248,195.89	581,682,734.11	(576,976,124.41)	65,954,805.59

Employees of the Group are required to join a pension plan implemented by the local government. Under such plan, the Group is required to make contribution at a fixed percentage of the salaries of its employees. Except for the monthly payment and deposit fees, the Group no longer undertakes further payment obligations. The corresponding expenditure is included in the relevant asset cost or current profit and loss when incurred.

For the period from 1 January to 30 June 2023, basic endowment insurance payable of the Group amounted to RMB560,727,110.26 (for the period from 1 January to 30 June 2022: RMB498,406,827.94); the unemployment insurance payable amounted to RMB20,955,623.85 (for the period from 1 January to 30 June 2022: RMB21,453,414.30). As at 30 June 2023, basic endowment insurance payable of RMB65,402,463.13 (31 December 2022: RMB60,262,495.92) and unemployment insurance payable of RMB552,342.46 (31 December 2022: RMB985,699.97) of the Group have not yet been paid and have been paid after the period.

## 27. Taxes payable

RMB

Item	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Value added tax	598,398,984.71	703,813,916.85
Vehicle scrappage tax	716,250,564.80	171,830,050.01
Consumption tax	397,570,506.08	445,333,865.01
Enterprise income tax	282,047,825.60	297,836,607.59
City maintenance and construction tax	51,487,338.77	67,011,061.88
Individual income tax	27,108,394.84	43,391,335.06
Others	183,604,657.52	168,912,442.46
Total	2,256,468,272.32	1,898,129,278.86

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 28. Other payables

##### 28.1 Summary of other payables

RMB

Category	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Dividend payable	2,536,469,692.20	—
Other payable	6,560,204,441.15	6,163,920,243.68
Total	9,096,674,133.35	6,163,920,243.68

##### 28.2 Other payables disclosed by nature are as follows:

RMB

Item	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Equipment payment	2,447,486,814.89	2,403,985,085.97
Project payment	1,038,418,909.88	1,038,351,074.41
Deposits	602,582,871.12	764,453,971.64
Output tax related to advance payments	883,341,761.69	751,881,655.47
Restricted stock repurchase obligation	174,539,520.60	452,327,687.45
Sales with buyback agreements	524,570,175.00	—
Others	889,264,387.97	752,920,768.74
Total	6,560,204,441.15	6,163,920,243.68

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 28. Taxes payable (continued)

## 28.3 Dividend payable

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Dividends from ordinary shares	2,536,469,692.20	—
Total	2,536,469,692.20	—

## 29. Non-current liabilities due within one year

Item	Notes	RMB	
		30/06/2023 (Unaudited)	31/12/2022 (Audited)
Long-term loans due within one year	(VI)21	6,164,611,924.37	3,974,530,334.74
Bonds payable due within one year	(VI)31	223,429,617.01	506,774,014.14
Lease liabilities due within one year	(VI)32	320,922,524.90	402,225,179.19
Others		9,996,483.31	—
Total		6,718,960,549.59	4,883,529,528.07

## 30. Other current liabilities

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Accrued advertising and media service expenses	1,795,239,271.37	1,827,021,110.54
Accrued after-sales service expenses	1,323,959,132.46	1,107,052,302.40
Accrued technology development expenditure	262,389,659.02	234,060,682.06
Accrued transportation costs	1,267,972,679.53	693,259,700.38
Accrued Consulting service expenses	88,822,301.97	103,525,023.25
Accrued utilities fees	99,115,981.09	50,341,529.45
Accrued expenses for Internet of vehicles	230,740,911.14	385,812,185.29
Others	1,045,386,466.69	1,154,512,791.69
Total	6,113,626,403.27	5,555,585,325.06

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 31. Bonds payable

##### (1) Bonds payable

Item	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Asset backed securities	7,492,746.80	222,003,877.15
Asset backed notes	305,705,270.21	479,316,136.99
Convertible bond	3,359,324,722.34	3,316,660,000.48
Less: bonds payable due within one year	223,429,617.01	506,774,014.14
Total	3,449,093,122.34	3,511,206,000.48

##### (2) Increase and decrease of bonds payable

Bond name	face value	Issue date	Bond term	Issue amount	2023.1.1 (Including expiration within one year) (Audited)	Issued this period	Accrued interest at par value	Premium amortization and others	Repayment/ conversion of shares this period	Less: bonds payable due within one period	2023.06.30 (Unaudited)
21 Euler 2A (Note 1)	100.00	13/04/2021	743 days	930,000,000.00	122,865,299.15	—	815,400.85	(1,664,700.00)	(122,016,000.00)	—	—
21 Euler 3A (Note 1)	100.00	21/10/2021	643 days	462,000,000.00	99,138,578.00	—	726,448.80	(1,404,480.00)	(90,967,800.00)	7,492,746.80	—
22 Oula Leasing ABN001 priority (Note 2)	100.00	02/12/2022	786 days	478,000,000.00	479,316,136.99	—	6,056,695.69	(5,532,162.47)	(174,135,400.00)	215,936,870.21	89,768,400.00
Great Wall Convertible Bond (Note 3)	100.00	17/06/2021	2190 days	3,500,000,000.00	3,316,660,000.48	—	7,335,506.78	49,462,627.08	(14,133,412.00)	—	3,359,324,722.34
Total	—	—	—	5,370,000,000.00	4,017,980,014.62	—	14,934,052.12	40,861,284.61	(401,252,612.00)	223,429,617.01	3,449,093,122.34

Note 1: Tianjin Oula, a subsidiary of the Company, issued RMB930 million of fixed rate priority asset-backed securities as the initiator on April 13, 2021. The Group holds all subordinated asset-backed securities, and the priority asset-backed securities will be repaid before April 2023; Tianjin Oula issued RMB462 million of fixed rate priority asset-backed securities as the initiator on October 21, 2021. The Group holds all subordinated asset-backed securities, and the priority asset-backed securities will be repaid in July 2023. The Group has not terminated the recognition of financial assets related to asset securitization, and accounts the financing from the issuance of priority asset-backed securities as bonds payable.

Note 2: Tianjin Oula issued RMB478 million of fixed rate priority asset-backed notes as the initiator on 2 December 2022. The Group holds all subordinated asset-backed notes, and the priority asset-backed notes will be repaid by January 2025. The Group has not derecognised financial assets related to assets securitization and accounts the financing from the issuance of priority asset-backed notes as bonds payable.

Note 3: With the approval of ZJXK [2021] No. 1353, the Company issued A-share convertible corporate bonds with a face value of RMB100 and a total face value of RMB3.500 billion in June 2021, with a term of 6 years. The annual coupon rate of convertible corporate bonds is 0.2% in the first year, 0.4% in the second year, 0.6% in the third year, 0.8% in the fourth year, 1.5% in the fifth year and 2.0% in the sixth year. The interest shall be paid once a year, the principal shall be returned when due and the interest of the last year shall be paid. The conversion period of A-share convertible corporate bonds issued this time starts from the first trading day six months after the end of the issuance of convertible bonds (June 17, 2021) to the maturity date of convertible bonds, that is, December 17, 2021 to June 9, 2027. On the issue date, the liability component of convertible corporate bonds is initially recognized at fair value, and the part where the issue price exceeds the initially recognized liability component is recognized as equity component.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 32. Lease liabilities

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Lease liabilities	1,094,253,482.25	1,380,933,595.85
Sub-total	1,094,253,482.25	1,380,933,595.85
Less: Leased liabilities recognized in non-current liabilities due within one year (Note VI.29)	320,922,524.90	402,225,179.19
Total	773,330,957.35	978,708,416.66

## 33. Deferred income

Item	RMB		
	1/1/2023 (Audited)	Increase	Decrease
Government grants	3,584,723,726.03	547,089,294.12	(590,253,137.05)
Total	3,584,723,726.03	547,089,294.12	(590,253,137.05)

Projects related to government grants:

Type	RMB				
	1/1/2023 (Audited)	Increase in grants for the period	Amount recognized in other income for the period	Other transfer-out	30/06/2023 (Unaudited)
Government industrial policy supporting fund	2,148,976,585.75	135,500,000.00	(71,056,005.00)	(171,731,274.15)	2,041,689,306.60
Infrastructure supporting fund	683,644,525.11	63,000,000.00	(12,070,087.94)	—	734,574,437.17
Soft soil foundation subsidy	236,596,922.58	—	(3,156,767.08)	—	233,440,155.50
Urban construction fund	54,270,057.65	112,000,000.00	(1,259,499.28)	—	165,010,558.37
New technical center infrastructure construction project	92,203,270.28	28,600,000.00	(8,063,230.18)	—	112,740,040.10
Special funds for the development of new industries	500,000.00	71,108,223.52	—	(13,021,044.89)	58,587,178.63
Intelligent manufacturing project	5,441,471.27	79,001,200.00	(313,756.58)	(36,608,000.00)	47,520,914.69
Energy-saving gasoline direct injection engine project	30,833,333.33	—	(5,000,000.00)	—	25,833,333.33
110KV transformer substation project	22,161,504.41	—	(588,358.56)	—	21,573,145.85
Others	310,096,055.65	57,879,870.60	(4,173,792.14)	(263,211,321.25)	100,590,812.86
Total	3,584,723,726.03	547,089,294.12	(105,681,496.76)	(484,571,640.29)	3,541,559,883.10

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 34. Share capital

RMB

Item	1 January 2023 (Audited)	New issue (Note (I))	Changes for the period			30 June 2023 (Unaudited)
			Shares transfer from convertible bond	Others (Note (I))	Sub-total	
Share capital	8,764,512,467.00	23,448,888.00	3,802.00	(293,066,140.00)	(269,613,450.00)	8,494,899,017.00

Note 1: As stated in Note (XII), in accordance with the Group's Equity Incentive Plan, for the six months ended 30 June 2023, the Group cancelled 15,935,640 restricted shares repurchased due to expiration and issued 23,448,888 shares due to exercise of share options.

The Company repurchased 84,707,500 H shares from 15 December 2022 to 31 December 2022 and completed the cancellation on 9 January 2023.

In February 2023, the Company repurchased 192,423,000 H shares on the Stock Exchange of Hong Kong Limited at a total amount of HKD2,197,847,281 (excluding transaction costs). On 9 March 2023, the above repurchased shares had been canceled.

#### 35. Other equity instruments

RMB

Outstanding financial instruments	1 January 2023 (Audited)	Increase	Decrease	30 June 2023 (Unaudited)
Equity Instrument portion of Convertible Corporate Bonds (Note(VI)31)	335,579,596.45	—	(14,592.54)	335,565,003.91
Total	335,579,596.45	—	(14,592.54)	335,565,003.91

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 36. Capital reserve

RMB				
Item	1 January 2023 (Audited)	Increase	Decrease	30 June 2023 (Unaudited)
<b>For the period from 1 January to 30 June 2023 (Unaudited):</b>				
Capital premiums (Note 1)	3,849,702.97	231,304,347.93	(222,229,090.40)	12,924,960.50
Other capital reserves (Note 2)	2,122,472,870.75	408,063,999.06	(71,095,167.24)	2,459,441,702.57
Total	2,126,322,573.72	639,368,346.99	(293,324,257.64)	2,472,366,663.07
<b>For the period from 1 January to 30 June 2022 (Unaudited):</b>				
Capital premiums	2,467,152,413.48	344,963,433.17	(668,506.90)	2,811,447,339.75
Other capital reserves	2,404,756,860.15	1,948,438,383.13	(173,186,124.55)	4,180,009,118.73
Total	4,871,909,273.63	2,293,401,816.30	(173,854,631.45)	6,991,456,458.48

Note 1: The increase in capital premium in the current period is an increase of RMB231,251,071.28 in the exercise of stock options of incentive objects and the unlocking of restricted shares of the Group in the current period, and an increase of RMB53,276.65 in the conversion of part of the "Changqi convertible bonds" into the Company's shares. The decrease in the current period is a decrease of RMB222,229,090.40 arising from the Company's repurchase and cancellation of expired restricted shares and H shares.

Note 2: The increase in other capital reserves in the current period is mainly due to the recognition of share-based payment expenses by the Group based on the expected number of exercisable equity instruments, other changes in the owner's equity of the invested entity accounted for using the equity method, and the impact of income tax related to equity incentive plans that should be recorded in owner's equity. The decrease in other capital reserves in the current period is due to the unlocking of restricted stocks by incentive targets and the reduction in other capital reserves by RMB 71,095,166.24 due to the exercise of stock options.

## 37. Treasury stock

RMB				
Item	1 January 2023 (Audited)	Increase	Decrease	30 June 2023 (Unaudited)
Treasury shares related to restricted stock repurchase obligations (Note 1)	457,769,892.15	—	(283,120,421.55)	174,649,470.60
Repurchased stock (Note 2)	2,002,196,093.41	—	(787,559,535.02)	1,214,636,558.39
Total	2,459,965,985.56	—	(1,070,679,956.57)	1,389,286,028.99

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 37. Treasury stock (continued)

Item				RMB
	1 January 2022 (Audited)	Increase	Decrease	30 June 2022 (Unaudited)
Treasury shares related to restricted stock repurchase obligations	642,035,492.50	100,720,428.00	(61,818,313.40)	680,937,607.10
Repurchased stock	—	846,990,131.37	—	846,990,131.37
Total	642,035,492.50	947,710,559.37	(61,818,313.40)	1,527,927,738.47

Note1: The annual decrease in stock capital associated with restrictive stock repurchase obligations is due to the Group's distribution of cash dividends to the holders of restricted shares, the repurchase and cancellation of expired restricted shares, and the unlocking of restricted shares in the current period, as detailed in Note (XII).

Note2: The decrease in this period is due to the impact of the company's cancellation of repurchased H-shares in this period.

#### 38. Surplus reserve

Item				RMB
	1 January 2023 (Unaudited)	Increase	Decrease (Note)	30 June 2023 (Unaudited)
<b>For the period from 1 January to 30 June 2023 (Unaudited):</b>				
Statutory surplus reserve	6,645,632,569.24	—	(2,436,880,832.68)	4,208,751,736.56
Discretionary surplus reserve	2,855,650.48	—	—	2,855,650.48
Reserve fund	117,551,617.43	—	—	117,551,617.43
Tax credit for social welfare enterprises	251,838,024.75	—	—	251,838,024.75
Total	7,017,877,861.90	—	(2,436,880,832.68)	4,580,997,029.22
<b>For the period from 1 January to 30 June 2022 (Unaudited):</b>				
Statutory surplus reserve	6,317,883,154.33	—	(14,346.81)	6,317,868,807.52
Discretionary surplus reserve	2,855,650.48	—	—	2,855,650.48
Enterprise expansion fund	104,928,700.30	—	—	104,928,700.30
Tax credit for social welfare enterprises	251,838,024.75	—	—	251,838,024.75
Total	6,677,505,529.86	—	(14,346.81)	6,677,491,183.05

Note: During the period, H shares were repurchase. The surplus reserve was reduced by RMB2,436,880,319.81 after offsetting, given that capital reserve was not enough for offsetting.



## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 39. Undistributed profits

Item	Amount	RMB Proportion of appropriation or allocation
<b>For the period from 1 January to 30 June 2023 (Unaudited):</b>		
Undistributed profits at the end of last period	49,176,813,140.82	
Add: Net profit attributable to the shareholders of the parent company for the period	1,361,287,795.74	
Transferred from surplus reserve	512.87	
Less: Distribution of cash dividends	2,535,597,469.70	(1)
Others	1,982,423.00	
Undistributed profits at the end of the period	48,000,521,556.73	
<b>For the period from 1 January to 30 June 2022 (Unaudited):</b>		
Undistributed profits at the end of last period	41,892,707,709.74	
Add: Net profit attributable to the shareholders of the parent company for the period	5,600,501,901.48	
Transferred from surplus reserve	14,346.81	
Less: Distribution of cash dividends	647,043,053.10	
Undistributed profits at the end of the period	46,846,180,904.93	

## (1) Cash dividends approved by the shareholders' meeting in this period

On June 16, 2023, the 2022 annual shareholders' meeting of the company reviewed and approved the "Proposal on the 2022 Profit Distribution Plan", proposing to distribute cash dividends of RMB 0.3 per share (including tax) to all shareholders on the basis of deducting the total number of shares in the company's repurchase special securities account from the total share capital on the equity registration date when the company implements profit distribution. The total amount is RMB2,536,469,692.20.

In the current period, the Group's cash dividends recorded for profit distribution have been excluded from the impact on expected future cash dividends and dividends on cancelled restricted shares distributed by holders of unlockable restricted shares.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 40. Operating income and operating costs

##### (1) Operating income and operating costs

Item	For the period from 1 January to 30 June 2023 (Unaudited)		For the period from 1 January to 30 June 2022 (Unaudited)	
	Income	Costs	Income	Costs
Principal operating activities	68,968,456,281.54	57,320,318,485.59	61,178,980,357.98	49,846,369,007.61
Other operating activities	1,002,660,881.24	860,039,265.99	955,135,649.87	867,501,185.10
Total	69,971,117,162.78	58,180,357,751.58	62,134,116,007.85	50,713,870,192.71

##### (2) Revenue arising from contracts with customers

Categories of contracts	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Income from the sales of automobiles	60,663,081,099.38	55,568,165,545.31
Income from the sales of automotive parts and components	5,817,102,017.66	3,206,902,098.19
Income from rendering of services	1,332,459,093.19	1,415,850,327.47
Income from the sales of moulds and others	1,155,814,071.31	988,062,387.01
Other operating income	945,637,699.37	890,883,770.23
Subtotal of income from contracts with customers	69,914,093,980.91	62,069,864,128.21
Rental income	57,023,181.87	64,251,879.64
Total	69,971,117,162.78	62,134,116,007.85

##### (3) Description of allocation to remaining performance obligations

At the end of the reporting period, the revenue corresponding to the performance obligations for which a contract has been signed but has not yet been performed or has not been performed completely amounted to RMB9,528,031,777.01 which is expected to be recognized in one year.

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 41. Taxes and levies

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Consumption tax	1,765,029,852.09	1,537,155,449.02
City maintenances and construction tax	234,207,500.30	174,416,127.80
Educational surcharges	167,984,728.62	125,053,896.43
Stamp duty	113,456,579.40	102,023,109.85
Real estate tax	74,655,950.39	75,147,259.89
Land use tax	34,610,462.87	35,374,804.92
Others	8,420,984.13	3,973,643.35
Total	2,398,366,057.80	2,053,144,291.26

## 42. Selling expenses

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Advertising and media services fees	1,715,042,794.14	1,048,715,888.72
Wages and salaries	524,498,483.66	307,749,828.59
After-sale services expenses	491,309,451.21	368,472,200.80
Consulting service fee	107,734,519.50	62,495,303.92
Port charges	80,200,555.31	38,768,942.44
Travelling expenses	50,754,487.57	18,401,414.34
Share-based payments	19,834,789.48	97,210,449.18
Others	263,927,589.52	274,329,931.75
Total	3,253,302,670.39	2,216,143,959.74

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 43. Administrative expenses

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Wages and salaries	1,052,949,685.63	992,988,329.19
Depreciation and Amortization	227,252,838.10	165,537,612.41
Repair and maintenance fees	207,271,225.08	194,202,376.56
Office expenses	153,461,394.87	129,045,399.44
Consulting service fee	114,307,758.94	157,227,237.31
Share-based payments	86,363,894.99	451,320,026.26
Business reception fees	10,628,415.37	7,720,136.00
Auditors' remuneration	1,450,429.17	1,959,566.09
Others	217,360,172.80	113,420,741.86
Total	2,071,045,814.95	2,213,421,425.12

#### 44. Research and development expenses

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Depreciation and Amortization	1,408,150,976.60	1,041,987,636.30
Wages and salaries	1,186,004,467.50	868,563,690.11
Design and development expenses	231,971,258.06	422,597,538.57
Material test and detection fee	292,403,248.97	189,027,019.22
Share-based payments	96,839,524.77	337,705,991.24
Consulting service fee	81,488,482.63	125,246,375.78
Office expenses	78,766,592.21	74,495,431.56
Others	133,790,902.09	116,995,848.34
Total	3,509,415,452.83	3,176,619,531.12

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 45. Financial expenses

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Interest expenses	447,821,889.59	302,707,514.44
Including: Interest expenses on lease liabilities	21,644,480.24	22,218,204.09
Interest income	(553,402,713.04)	(565,918,318.48)
Foreign currency translation differences	(130,203,051.29)	(2,684,734,670.75)
Others	12,217,035.56	15,286,482.75
Total	(223,566,839.18)	(2,932,658,992.04)

## 46. Other income

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Government grants	416,646,190.56	450,745,145.77
Individual income tax rebate	13,217,487.46	9,104,979.49
Weighted deduction of input tax	2,814,900.54	10,382,359.91
Total	432,678,578.56	470,232,485.17

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 46. Other income (continued)

Government grants recognized in other income:

Items	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)	RMB
			Related to an asset/income/ Related to income
Automobile retirement subsidy	242,608,180.83	240,968,001.36	Related to income
Amortization of deferred income	105,681,496.76	154,935,298.00	Related to an asset/ income
Immediate refund of VAT of welfare enterprises	10,656,767.37	1,027,503.63	Related to income
Special funds for technological upgrading	8,475,705.00	—	Related to income
Employment subsidy	4,159,467.95	—	Related to income
Industrial support subsidy	3,816,000.00	23,166,000.00	Related to income
Subsidies for job stabilization rebate in unemployment insurance institute	369,359.48	3,078,240.77	Related to income
Foreign trade economic development subsidies	—	6,618,398.15	Related to income
Export subsidy	—	5,534,871.68	Related to income
Subsidies for industrial digitalization and smart factories	—	2,000,000.00	Related to income
Research and development subsidy for talent technology	—	44,000.00	Related to income
Others	40,879,213.17	13,372,832.18	Related to income
Total	416,646,190.56	450,745,145.77	

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 47. Investment income

Breakdown:

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Income from long-term equity investments under equity method	440,933,916.15	421,584,127.05
Investment gains from the disposal of trading financial assets	32,701,981.08	62,749,973.77
Losses on derecognition of discounted bills	(23,004,930.68)	(113,023,707.30)
Investment (losses) gains from the disposal of derivative financial instruments	(620,700.00)	5,728,377.00
Net gain from the disposal of subsidiaries and long-term equity investments	13,647,160.13	47,302.87
Total	463,657,426.68	377,086,073.39

There are no significant restrictions on remittance of investment income of the Group.

The Group has no gains on investments from listed companies.

## 48. Gains (losses) from changes in fair values

Source of gains (losses) from changes in fair values	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Held-for-trading financial assets		
Including: Equity instruments	2,432,096.19	(118,249,460.00)
Wealth management products	(4,992,359.79)	(5,887,334.68)
Derivative financial assets (liabilities)	(132,460,387.06)	3,949,819.96
Other non-current financial assets	2,600,000.00	(1,718,348.87)
Total	(132,420,650.66)	(121,905,323.59)

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 49. Impairment losses on assets

		RMB
Item	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Losses on decline in value of inventories	(304,198,289.15)	(77,959,864.18)

#### 50. Non-operating income

##### (1) Breakdown of non-operating income is as follows:

			RMB
Item	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)	Amount included in non-recurring gains and losses for the period
Government grants	109,569,956.06	518,233,296.74	109,569,956.06
Gains from compensation	28,959,979.22	33,052,594.13	28,959,979.22
Unpayable amounts	24,475,114.32	3,831,071.80	24,475,114.32
Others	41,882,597.26	29,518,385.67	41,882,597.26
Total	204,887,646.86	584,635,348.34	204,887,646.86

##### (2) Government grants recognized in non-operating income:

			RMB
Item	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)	Related to an asset/Related to income
Industrial development funds	100,000,000.00	462,980,046.23	Related to income
Financial subsidy funds	—	18,038,636.85	Related to income
Subsidy income	599,135.30	—	Related to income
Others	8,970,820.76	37,214,613.66	Related to income
Total	109,569,956.06	518,233,296.74	



## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 51. Income tax expenses

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Current tax expenses	757,773,599.71	624,388,589.40
Deferred tax expenses	(728,173,051.09)	(350,191,079.53)
Total	29,600,548.62	274,197,509.87

Reconciliation of income tax expenses to the accounting profit is as follows:

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Total profit	1,392,268,446.51	5,866,079,410.20
Income tax expenses calculated at 25%	348,067,111.63	1,466,519,852.55
Changes in opening balances of deferred tax assets/liabilities due to the change in tax rate	—	54,588.31
Effect of special tax exemption	176,777,273.05	(258,512,264.21)
Effect of additional deduction for research and development expenses	(382,995,258.37)	(321,636,160.42)
Tax effect of non-taxable income	(459,185,984.20)	(390,492,987.96)
Effect of weighted deduction for the disabled	(2,196,787.08)	(2,280,316.66)
Tax effect of non-deductible expenses	73,347,195.06	25,263,432.89
Annual filing differences for previous years	109,826,322.50	39,097,402.30
Effect of deductible loss not recognized for deferred tax assets for last period	(3,889,920.35)	(399,402,140.05)
The effect of deductible temporary differences and deductible losses on deferred tax assets was not recognized in the current period	169,850,596.38	115,586,103.12
Total	29,600,548.62	274,197,509.87

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 52. Net profit

Net profit of the Group has been arrived at after charging (crediting):

Item	Note	For the period from 1 January to 30 June 2023 (Unaudited)	RMB
			For the period from 1 January to 30 June 2022 (Unaudited)
Depreciation for fixed assets		2,010,830,955.55	2,026,094,488.82
Depreciation and amortization for investment properties	(VI)13	11,021,067.71	10,105,840.74
Amortization of intangible assets		1,355,171,475.81	1,005,269,352.28
Depreciation for right-of-use assets	(VI)16	347,335,760.26	199,748,003.79
Total amount of depreciation and amortization		3,724,359,259.33	3,241,217,685.63
Losses from disposal of assets		2,154,500.24	31,476,693.82
Rental income from investment properties		(25,503,859.32)	(20,030,551.02)
Employee benefits expenses		5,550,121,028.85	5,286,646,796.21
Research and development expenses	(VI)44	3,509,415,452.83	3,176,619,531.12
Losses on decline in value of inventories	(VI)7	304,198,289.15	77,959,864.18

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 53. Calculation of basic and diluted earnings per share

## (1) Calculation of basic earnings per share

The basic earnings per share is calculated based on the current net profit attributable to ordinary shareholders of the Company, deducting the cash dividends distributed to holders of restricted shares that are expected to be unlocked in the future, divided by the weighted average number of outstanding ordinary shares (excluding the number of restricted shares).

Item	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Basic earnings per share (RMB/share)	0.16	0.61

## (2) Calculation of diluted earnings per share

Diluted earnings per share is calculated by dividing the adjusted current net profit attributable to the owners of the parent company by the adjusted weighted average number of outstanding ordinary shares in the current period under the assumption that all dilutive potential ordinary shares have been converted.

Item	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Diluted earnings per share (RMB/share)	0.16	0.60

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 54. Other comprehensive income

RMB

Item	1/1/2023 (Audited)	Amount incurred for current period before tax	Amount recognized in the current period Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expenses	Attributable to owners of the parent company after tax	Attributable to minority interests after tax	30/06/2023 (Unaudited)
Other comprehensive income that will not be reclassified to profit or loss							
Including: Changes in recalculation the net liabilities of the benefit plan	(5,496,728.08)	8,245,682.06	—	—	8,245,682.06	—	2,748,953.98
Changes in the fair value of investments in other equity instruments	616,025,972.11	—	—	—	—	—	616,025,972.11
Other comprehensive income that will be reclassified to profit or loss							
Including: Changes in fair value of financial assets classified as at FVTOCI	(78,269,669.85)	(4,772,054.18)	—	715,808.13	(4,056,246.05)	—	(82,325,915.90)
Translation difference of financial statements denominated in foreign currency	(297,815,729.23)	(471,637,934.45)	—	—	(471,637,934.45)	—	(769,453,663.68)
Total other comprehensive income	234,443,844.95	(468,164,306.57)	—	715,808.13	(467,448,498.44)	—	(233,004,653.49)

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 55. Notes to the items in the cash flow statement

## (1) Other cash receipts relating to operating activities

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Finance lease expenses	1,204,338,480.87	1,350,679,606.97
Government grants	948,491,471.62	1,940,826,264.96
Interest income	461,265,425.08	362,065,650.38
Reparations (penalty) income	28,959,979.22	33,052,594.13
Others	54,987,637.10	38,623,365.16
Total	2,698,042,993.89	3,725,247,481.60

## (2) Other cash payments relating to operating activities

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Borrowings relating to finance lease	1,385,347,897.82	828,577,393.51
Capacity deposit paid	—	2,143,700,000.00
Advertising and media services fee	1,865,970,817.93	1,469,732,357.91
Transportation costs and port charges	271,718,035.26	541,398,876.50
Technology development expenditures	860,194,268.58	898,824,553.91
After-sale services expenses and repair costs	498,030,653.82	458,911,320.65
Business reception fees and office expenses	223,038,842.72	137,293,017.35
Travelling expenses	102,842,640.72	70,728,253.73
Consultation fees	236,744,999.73	239,949,444.68
Finance leases	—	213,248,498.96
Others	316,733,589.44	68,289,290.05
Total	5,760,621,746.02	7,070,653,007.25

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 55. Notes to the items in the cash flow statement (continued)

##### (3) Other cash receipts relating to investing activities

Item	For the period from 1 January to 30 June 2023 (Unaudited)	RMB
		For the period from 1 January to 30 June 2022 (Unaudited)
Collection of performance bond	—	100,000,000.00
Total	—	100,000,000.00

##### (4) Other cash payments relating to investing activities

	For the period from 1 January to 30 June 2023 (Unaudited)	RMB
		For the period from 1 January to 30 June 2022 (Unaudited)
Net cash payments for disposals of subsidiaries and other business units (VI)56(2))	26,022,380.97	—
Total	26,022,380.97	—

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 55. Notes to the items in the cash flow statement (continued)

## (5) Other cash receipts relating to financing activities

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Receipts from sales with buyback agreements	367,504,000.00	—
Decrease in restricted bank deposits	6,759,660,013.58	—
Others	38,562,619.26	—
Total	7,165,726,632.84	—

## (6) Other cash payments relating to financing activities

	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Increase in restricted bank deposits	—	9,744,832,055.13
Repurchase of shares and expired restricted shares	2,160,393,960.99	446,623,534.77
Decrease in lease liabilities	284,984,762.81	400,330,514.08
Total	2,445,378,723.80	10,591,786,103.98

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 56. Supplementary information to the cash flow statement

##### (1) Supplementary information to the cash flow statement

		RMB
Supplementary information	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	1,362,667,897.89	5,591,881,900.33
Add: Provision for impairment of assets	304,198,289.15	77,959,864.18
Impairment losses on credit	14,389,467.74	6,519,733.31
Depreciation of fixed assets	2,010,830,955.55	2,026,094,488.82
Depreciation of right-of-use assets	347,335,760.26	199,748,003.79
Amortization of intangible assets	1,355,171,475.81	1,005,269,352.28
Amortization of long-term prepaid expenses	101,629,964.42	27,690,594.85
Depreciation and amortization of investment properties	11,021,067.71	10,105,840.74
Losses from changes in fair values	132,420,650.66	121,905,323.59
Losses from disposal of assets	2,154,500.24	31,476,693.82
Amortization of deferred income	(105,681,496.76)	(154,935,298.00)
Financial expenses	193,121,973.31	143,603,651.17
Investment income	(486,662,357.36)	(490,109,780.69)
Increase in deferred tax assets	(819,929,587.80)	(333,290,197.02)
Increase in deferred tax liabilities (Less: decrease)	91,756,536.71	(16,900,882.51)
Increase in inventories	(1,604,828,760.29)	(6,400,432,455.51)
Decrease in operating receivables (Less: increase)	(3,953,963,941.51)	10,421,680,167.55
Increase in operating payables (Less: decrease)	(1,637,006,107.77)	(5,198,614,612.97)
Others	245,183,875.09	1,094,566,284.66
Net cash flows from operating activities	(2,436,189,836.95)	8,164,218,672.39
<b>2. Significant investing and financing activities which do not involve cash receipts and payments:</b>		
Leased fixed assets recognized as right-of-use assets	221,562,499.62	891,206,789.58
Reduction of notes receivable discounted and not yet mature at the balance sheet date	669,732,060.00	650,099,600.00
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash and cash equivalents	25,713,425,521.37	28,170,111,907.66
Less: Opening balance of cash and cash equivalents	26,898,656,878.98	27,907,854,151.86
Net (decrease) increase in cash and cash equivalents	(1,185,231,357.61)	262,257,755.80



## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 56. Supplementary information to the cash flow statement (continued)

## (2) Net cash receipt from disposal of subsidiaries for the current year

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Cash or cash equivalents received in current period for disposal of subsidiaries Including:	33,300,000.00	—
Guangzhou Zhixing Automobile Sales Co. Ltd. (廣州智行汽車銷售有限公司) ("Guangzhou Zhixing Sales")	—	—
Chengdu Zhixing Sanhe Auto Sales and Service Co., LTD. (成都智行三和汽車銷售服務有限公司) ("Chengdu Zhixing")	12,000,000.00	—
Shijiazhuang Zhixiang Xiangyu Auto Sales and Service Co., LTD. (石家莊智享翔裕汽車銷售服務 有限公司) ("Shijiazhuang Zhixiang")	3,900,000.00	—
Chongqing Zhixing Xintian Auto Sales and Service Co., LTD. (重慶市智行新田汽車銷售服務 有限公司) ("Chongqing Zhixing Xintian")	3,900,000.00	—
Hangzhou Zhixing Baipeng Auto Sales and Service Co., LTD. (杭州智行佰鵬汽車銷售服務有限公司) ("Hangzhou Zhixing Baipeng")	1,100,000.00	—
Jiaxing Zhiling Yuanxin Auto Sales and Service Co., LTD. (嘉興智領元信汽車銷售服務有限公司) ("Jiaxing Zhiling Yuanxin")	3,600,000.00	—
Shenzhen Weipai Zhixing Automobile Sales Service Co., Ltd. (深圳魏牌智行汽車銷售服務有限公司) ("Shenzhen Weipai Zhixing")	7,000,000.00	—
Suzhou Zhiling Xinzhiheng Auto Sales and Service Co., LTD. (蘇州智領心之城汽車銷售服務 有限公司) ("Suzhou Zhiling Xinzhiheng")	1,800,000.00	—
Less: Cash and cash equivalents held by subsidiaries at the date of losing control Including:	59,322,380.97	—
Guangzhou Zhixing	26,915,583.03	—
Chengdu Zhixing	1,238,966.09	—
Shijiazhuang Zhixiang	3,678,803.61	—
Chongqing Zhixing Xintian	21,107,580.33	—
Hangzhou Zhixing Baipeng	221,032.41	—
Jiaxing Zhiling Yuanxin	3,015,341.22	—
Shenzhen Weipai Zhixing	139,398.99	—
Suzhou Zhiling Xinzhiheng	3,005,675.29	—
Net cash payment from disposal of subsidiaries	26,022,380.97	—

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 56. Supplementary information to the cash flow statement (continued)

##### (3) Components of cash and cash equivalents

Item	RMB	
	30/06/2023 (Unaudited)	31/12/2022 (Audited)
I. Cash	25,713,425,521.37	26,898,656,878.98
Including: Cash on hand	231,285.62	295,012.45
Bank deposits ready to be withdrawn on demand	25,713,194,235.75	26,898,361,866.53
II. Closing balance of cash and cash equivalents	25,713,425,521.37	26,898,656,878.98

#### 57. Assets with limited ownership or use right

Item	RMB	
	Carrying amount at the end of the period	Reasons for the restrictions
Cash and bank balances	2,115,150,937.72	Security and margin deposits for bank acceptances, L/C, letter of guarantee others
Notes receivable	1,364,094,479.24	Used for issuance of notes payable and short- term borrowings, endorsement or discounting of notes
Financing with receivables	18,775,795,781.99	Used for issuance of notes payable
Intangible assets	195,251,361.75	Used for short-term borrowings
Long-term receivables	1,050,436,385.10	Used for short-term borrowings, long-term borrowings and asset-backed securities
Total	23,500,728,945.80	

## VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 58. Monetary items denominated in foreign currencies

RMB

Item	Closing balance of foreign currencies	Exchange rate	Closing balance of RMB
<b>Cash and bank balances</b>			2,554,432,389.90
Including: USD	123,184,375.57	7.2258	890,105,661.00
HKD	14,951,821.59	0.9220	13,785,280.47
RMB	139,581,059.84	1.0000	139,581,059.84
EUR	107,044,410.04	7.8771	843,199,522.30
AUD	128,614,141.66	4.7992	617,244,988.64
JPY	127,834,942.71	0.0501	6,403,754.62
other	10,027,983.33	4.3989	44,112,123.03
<b>Accounts receivable</b>			1,602,742,539.13
Including: USD	205,717,352.71	7.2258	1,486,472,447.21
EUR	14,760,519.98	7.8771	116,270,091.92
<b>Other receivable</b>			175,324,068.18
Including: USD	41,037.55	7.2258	296,529.13
RMB	173,359,106.25	1.0000	173,359,106.25
EUR	211,808.00	7.8771	1,668,432.80
<b>Accounts payable</b>			103,069,787.00
Including: EUR	8,712,282.68	7.8771	68,627,521.88
JPY	20,738,033.01	0.0501	1,038,849.57
RMB	7,866,050.05	1.0000	7,866,050.05
USD	3,498,638.60	7.2258	25,280,462.79
HKD	278,642.39	0.9220	256,902.71
<b>Other payables</b>			263,354,391.21
Including: USD	1,110,939.21	7.2258	8,027,424.53
RMB	42,221,259.52	1.0000	42,221,259.52
EUR	26,510,025.70	7.8771	208,822,123.42
JPY	25,293,026.72	0.0501	1,267,027.10
CHF	366,190.31	8.0614	2,952,006.56
GBP	7,059.90	9.1432	64,550.08

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VII. CHANGES IN CONSOLIDATION SCOPE

#### 1. Single disposal of investments in subsidiaries, i.e. the loss of control

Name of subsidiary	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal approach	Time point of losing control	Determination basis for time point of losing control	Difference amount of disposal consideration and shares of corresponding net assets of the subsidiary at consolidated level
Guangzhou Zhixing	4,500,000.00	67.06	Sold in cash	May 2023	Note	2,626,321.92
Chengdu Zhixing	12,000,000.00	100.00	Sold in cash	February 2023	Note	5,155,983.74
Shijiazhuang Zhixiang	3,900,000.00	100.00	Sold in cash	March 2023	Note	1,806,515.60
Chongqing Zhixing Xintian	3,900,000.00	67.01	Sold in cash	April 2023	Note	3,090.89
Hangzhou Zhixing Baipeng	4,200,000.00	67.09	Sold in cash	January 2023	Note	543,881.07
Jiaxing Zhiling Yuanxin	3,600,000.00	100.00	Sold in cash	February 2023	Note	1,539,530.48
Shenzhen Weipai Zhixing	7,000,000.00	100.00	Sold in cash	June 2023	Note	4,978,619.02
Suzhou Zhiling Xinzhiheng	1,800,000.00	100.00	Sold in cash	March 2023	Note	2,061,431.16

Note: The time point of losing control is the time point at which the Group loses the ability to dominate the financial and operational policies and other relevant activities of the investee and is no longer able to obtain benefits from its operations.

#### 2. Changes in consolidation scope for other reasons

Newly established subsidiaries during the current period:

Name	Date of establishment
Ruibo Ganzhi Technology (Hebei) Co., Ltd.	January 2023
Zhengtu Online Supply Chain (Hebei) Co., Ltd	January 2023
Russian Tank Automobile Trading Co., Ltd	February 2023
Changyou (Tianjin) Information Technology Co., Ltd	February 2023
Chongqing Yongbao International Logistics Co., Ltd	April 2023
Yixintong Energy (Jiangsu) Co., Ltd	April 2023
Great Wall Motors Mexico Co., LTD	April 2023

## VII. CHANGES IN CONSOLIDATION SCOPE (continued)

## 2. Changes in consolidation scope for other reasons (continued)

Cancellation of subsidiaries in current year:

Name	Date of 註銷
Shaanxi Zhixing Qinyue Automobile Sales and Service Co., Ltd.	February 2023
Shenyang Zhixing Xingkailai Automobile Sales and Service Co., Ltd.	March 2023
Qingdao Zhixing Shuncheng Automobile Sales and Service Co., Ltd.	March 2023
Kunming Mibang Automobile Sales Service Co., Ltd.	April 2023
Sanya Jiashang Management Service Co., Ltd.	January 2023
Lanzhou Zhixing Jindao Auto Sales and Service Co., Ltd.	May 2023
Chengdu Zhixing Jianguo Automobile Sales and Service Co., Ltd.	May 2023

## VIII. INTERESTS IN OTHER ENTITIES

## I. Interests in subsidiaries

## (1) Structure of the Group

Significant subsidiaries invested by the Group:

Full name of subsidiary	Legal form	Main place of business	registration place	Nature of the business	Shareholding Ratio (%)	
					Percentage of voting rights (%)	Direct
Great Wall Baoding Huabei Automotive Company Limited (保定長城華北汽車有限責任公司) ("Great Wall Huabei")	Limited liability company	Gaobeidian	Gaobeidian	Manufacture of automotive parts and components	100.00	—
Baoding Great	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Baoding Nobo Rubber Production Co., Ltd (保定市諾博橡膠製品有限公司) ("Baoding Nobo")	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Beijing Great Automotive Components Co., Ltd. (北京格瑞特汽車零部件有限公司) ("Beijing Great")	Limited liability company	Beijing	Beijing	Manufacture of automotive parts and components	100.00	—
Baoding Great Wall Auto Sales Co., Ltd. (保定長城汽車銷售有限公司) ("Great Wall Sales")	Limited liability company	Baoding	Baoding	Marketing and sale of automobiles	20.18	79.82
Tide Technology and Trade Company Limited (泰德科貿有限公司) ("Tide Technology and Trade")	Limited liability company	Hong Kong	Hong Kong	Investment and financing services	100.00	—
Mind Electronics	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Tianjin Lean	Limited liability company	Tianjin	Tianjin	Manufacture of automotive parts and components	100.00	—
Baoding Great Wall Ants Logistics Co., Ltd. (保定市長城螞蟻物流有限公司) ("Great Wall Ants")	Limited liability company	Baoding	Baoding	Logistics and ordinary goods transportation	100.00	—

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VIII. INTERESTS IN OTHER ENTITIES (continued)

#### 1. Interests in subsidiaries (continued)

##### (1) Structure of the Group (continued)

Significant subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	registration place	Nature of the business	Shareholding Ratio (%)	
					Percentage of voting rights (%)	Direct
Ningxia Great Wall Automobile Rental Co., Ltd. (寧夏長城汽車租賃有限公司) ("Ningxia Rental")	Limited liability company	Yinchuan Economic and Technological Development Zone	Yinchuan Economic and Technological Development Zone	Buildings rental	100.00	—
Baoding Great Wall Resource Recycling Co., Ltd. (保定長城再生資源利用有限公司) ("Great Wall Resource Recycling")	Limited liability company	Baoding	Baoding	Processing, recycling and sale of waste and used material	100.00	—
Baoding Exquisite Automotive Mould Technology Co., Ltd. (保定市精工汽車模具技術有限公司) ("Exquisite Mould")	Limited liability company	Baoding	Baoding	Research, development and manufacture of auto moulds	100.00	—
Rizhao Weipai	Limited liability company	Rizhao	Rizhao	Manufacture of automotive parts and components	100.00	—
Haval Motors Australia Pty Ltd (哈弗汽車澳大利亞有限公司) ("Haval Australia")	Limited liability company	Australia	Australia	Auto selling	38.50	61.50
Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司) ("Russia Manufacturing")	Limited liability company	Russia	Russia	Auto manufacture	72.27	27.73
Haval Motors South Africa Limited (哈弗汽車南非有限公司) ("Haval South Africa")	Limited liability company	South Africa	South Africa	Auto selling	100.00	—
Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd. (保定長城報廢汽車回收拆解有限公司) ("Scrap Car Recycling & Dismantling")	Limited liability company	Baoding	Baoding	Scrap car recycling and dismantling	100.00	—
Great Wall Motor Europe Technical Center GmbH (長城汽車歐洲技術中心有限公司) ("Europe Technical Center")	Limited liability company	Germany	Germany	Research and design of automobile and auto parts	100.00	—
Great Wall India Research and Development Private Limited (長城印度研發私人有限公司) ("India R&D")	Limited liability company	India	India	Research and design of automobile and auto parts	99.90	0.10
Zaoqi Financial Leasing Company Limited (萊啟融資租賃有限公司) ("Zaoqi Financial Leasing")	Limited liability company	Baoding	Baoding	Finance lease business	75.00	25.00
American HAVAL Motor Company (美國哈弗汽車有限公司) ("American HAVAL")	Limited liability company	U.S.A.	U.S.A.	Investment platform	100.00	—
Guangzhou Great Wall Auto Sales Company Limited (廣州長城汽車銷售有限公司) ("Guangzhou Great Wall Sales")	Limited liability company	Guangzhou	Guangzhou	Auto selling	100.00	—
Xiamen Great Wall Auto Sales Co., Ltd. (廈門長城汽車銷售有限公司) ("Xiamen Great Wall Sales")	Limited liability company	Xiamen	Xiamen	Auto selling	100.00	—

## VIII. INTERESTS IN OTHER ENTITIES (continued)

## I. Interests in subsidiaries (continued)

## (1) Structure of the Group (continued)

Significant subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	registration place	Nature of the business	Shareholding Ratio (%)	
					Percentage of voting rights (%)	
					Direct	Indirect
Chongqing Auto Parts	Limited liability company	Chongqing	Chongqing	Sales of automotive parts	100.00	—
Chongqing Haval	Limited liability company	Chongqing	Chongqing	Auto selling	100.00	—
Tianjin Oula	Limited liability company	Tianjin	Tianjin	Finance leasing	75.00	25.00
Honeycomb Yichuang Technology Co., Ltd. (蜂巢易創科技有限公司) ("Honeycomb Yichuang")	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Jinggong Motor	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Nuobo Automotive	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Hebei Xiong'an Great Wall Motor Technology Co., Ltd. (河北雄安長城汽車科技有限公司) ("Xiong'an Great Wall")	Limited liability company	Baoding	Baoding	Automobile and R&D of unmanned vehicles	100.00	—
Chongqing Great Wall After-sales	Limited liability company	Chongqing	Chongqing	Customer Service Sales of automobile and auto parts	100.00	—
Chongqing Weipai	Limited liability company	Chongqing	Chongqing	Sales of automobile and auto parts	100.00	—
Baoding Yijian Start Automobile Sales Service Co., Ltd. (保定一見啟動汽車銷售服務有限公司) ("Baoding Yijian Start")	Limited liability company	Baoding	Baoding	Auto-selling; Wholesale and retail of car accessories	100.00	—
India Haval Automobile Private Co., Ltd. (印度哈弗汽車私人有限公司) ("India Haval")	—	India	India	Auto selling	99.90	0.10
HWA Ding International	—	Hong Kong	Hong Kong	International trading & investment and financing	100.00	—
Shanghai Yuefan Information Technology Co., Ltd. (上海玥泛信息科技有限公司) ("Shanghai Yuefan")	Limited liability company	Shanghai	Shanghai	Investment platform	100.00	—
Shanghai Great Wall Motor Technology Co., Ltd. (上海長城汽車科技有限公司) ("Shanghai Motor Technology")	Limited liability company	Shanghai	Shanghai	Technical development and consulting services	100.00	—
Tianjin Zhixin Financing Guarantee Co. Ltd. (天津智信融資擔保有限公司) ("Tianjin Zhixin")	Limited liability company	Tianjin	Tianjin	Financing guarantee business	100.00	—
Tianjin Great Wall Investment Co., Ltd. (天津長城投資有限公司) ("Tianjin Great Wall Investment")	Limited liability company	Tianjin	Tianjin	Investment platform	100.00	—

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VIII. INTERESTS IN OTHER ENTITIES (continued)

#### 1. Interests in subsidiaries (continued)

##### (1) Structure of the Group (continued)

Significant subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	registration place	Nature of the business	Shareholding Ratio (%)	
					Percentage of voting rights (%)	Direct
Zhangjiagang Automobile Research and Development Co., Ltd. (張家港長城汽車研發有限公司) ("Zhangjiagang Research and Development")	Limited liability company	Suzhou	Suzhou	Research and development of automobile and auto parts	100.00	—
Salon Mecha Technology Co., LTD. (沙龍機甲科技有限公司) ("Salon Mecha Technology")	Limited liability company	Beijing	Beijing	Consulting services on automotive R&D	100.00	—
Great Wall Soul Technology Co., Ltd. (長城靈魂科技有限公司) ("Soul Technology")	Limited liability company	Baoding	Baoding	Research and manufacture of motorcycle and their parts	100.00	—
Confident Zhixing Technology Co., Ltd. (自信智行科技有限公司) ("Confident Zhixing")	Limited liability company	Baoding	Baoding	Consulting services on automotive R&D	100.00	—
Great Wall Zhixing (Chongqing) Technology Co., Ltd. (長城智行(重慶)科技有限公司) ("Great Wall Zhixing")	Limited liability company	Chongqing	Chongqing	Auto sales; Wholesale and retail of auto supplies and accessories	100.00	—

Significant subsidiaries acquired through business combination not involving enterprises under common control and assets acquired in the form of subsidiaries:

Full name of subsidiaries	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Proportion of voting rights (%)	Direct
Laoyou Insurance Brokerage Co., Ltd. (老友保險經紀有限公司) ("Laoyou Insurance")	Limited liability company	Baoding	Baoding	Insurance brokers	100.00	—



## VIII. INTERESTS IN OTHER ENTITIES (continued)

## 1. Interests in subsidiaries (continued)

## (1) Structure of the Group (continued)

Significant subsidiaries acquired through business combination involving enterprises under common control:

Full name of subsidiaries	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Proportion of voting rights (%)	
					Direct	Indirect
Baoding Yixin	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Changyou Haoche (Tianjin) Automobile Import and Export Co., Ltd. (常有好車(天津)汽車進出口有限公司) ("Changyou Haoche")	Limited liability company	Tianjin	Tianjin	Sales of automotive parts and components	100.00	—
Ruguo Technology Co., Ltd. (如果科技有限公司) ("Ruguo Technology")	Limited liability company	Baoding	Baoding	Research and test development of engineering technology	100.00	—
Tianjin Jolion Suju Information Technology Co., LTD. (天津初戀數聚信息科技有限公司) ("Tianjin Jolion Suju ")	Limited liability company	Tianjin	Tianjin	Network and information security software development	100.00	—

## 2. There is no transaction incurred which gives rise to changes in proportion of equity in subsidiaries while the subsidiaries are still held by the Company in this period.

## 3. Interests in joint ventures or associates

## (1) Important joint ventures or associates

Full name of joint venture or associate	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)		Accounting procedures for investment in joint ventures
				Direct	Indirect	
Automotive Finance	Tianjin	Tianjin	Automotive Finance	98.18	—	Equity Method

Description on that the shareholding proportion of the joint venture is different from the proportion of voting right:

According to the Articles of Association, the activities relating to financial and operational decisions of Auto Finance shall be decided upon unanimous approval by the board of shareholders. Therefore, the Company implements joint control over Auto Finance.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### VIII. INTERESTS IN OTHER ENTITIES (continued)

#### 3. Interests in joint ventures or associates (continued)

##### (2) Important financial information of significant joint ventures

	30 June 2023/ For the period from 1 January to 30 June 2023	RMB 31 December 2022/ For the period from 1 January to 30 June 2022
Cash and deposits with the central bank	216,478,833.33	340,738,497.99
Deposits with other banks	5,061,077,748.68	3,519,597,067.53
Total assets	51,293,317,018.80	50,945,316,382.92
Total liabilities	40,402,549,756.41	40,213,638,691.36
Minority interests	—	—
Equity attributable to the shareholders of the Company	10,890,767,262.39	10,731,677,691.56
Share of net assets calculated based on the proportion of ownership interest	10,692,555,298.21	10,536,361,157.57
Adjustments		
– Others	(337,051,693.64)	(324,033,197.55)
Carrying amount of investments in equity of joint ventures	10,355,503,604.57	10,212,327,960.02
Operating income	1,030,738,965.90	1,288,016,328.76
Income tax expenses	172,169,049.05	164,292,659.32
Net profit	516,507,147.14	492,877,977.95
Other comprehensive income	—	—
Total comprehensive income	516,507,147.14	492,877,977.95

## IX FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments of the Group mainly include cash and bank balances, held-trading financial assets, derivative financial assets/liabilities, accounts receivable, notes receivable, financing with receivables, other receivables, other current assets – deposits with non-bank financial institutions, long-term receivables, other equity instrument investments, other non-current financial assets, borrowings, accounts payable, notes payable, other payables, other current liabilities short-term bonds payable etc. Detailed descriptions of these financial instruments are set out in Note VI. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate such risks are set out below. The management of the Group manages and monitors such risk exposures to ensure such risks are limited to a prescribed level.

	30/06/2023 (Unaudited) RMB	31/12/2022 (Audited) RMB
<b>Financial assets</b>		
At FVTPL		
Held-trading financial assets	2,193,612,447.65	2,053,553,807.44
Derivative financial assets	41,324,428.62	13,170,797.64
Other non-current financial assets	135,928,692.28	133,328,692.28
<b>At FVTOCI</b>		
Financing with receivables	25,535,535,808.81	22,152,492,848.09
Other equity instrument investments	1,493,572,395.54	1,481,976,762.81
At amortized cost		
Cash and bank balances	27,828,576,459.09	35,773,467,830.28
Notes receivable	2,532,270,411.91	2,735,886,300.00
Accounts receivable	6,307,353,706.03	6,611,191,147.15
Other receivables	1,271,005,104.10	1,486,583,318.41
Other current assets – Deposits with non-bank financial institutions	4,341,562,197.94	6,908,799,698.05
Long-term receivables (less finance lease receivables)	771,057,639.48	759,033,224.94
Other non-current assets – Purchase margin	—	1,499,685,302.77
<b>Financial liabilities</b>		
At FVTPL		
Derivative financial liabilities	189,129,479.92	28,800,759.63
At amortized cost		
Short-term borrowings	4,823,771,753.01	5,943,335,783.46
Notes payable	24,858,777,000.29	30,061,481,322.24
Accounts payable	33,102,766,892.40	29,305,857,540.98
Other payables	5,676,862,679.46	5,412,038,588.21
Other current liabilities	6,113,626,403.27	5,555,585,325.06
Non-current liabilities due within 1 year less lease liabilities and other due within 1 year	6,388,041,541.38	4,481,304,348.88
Long-term borrowings	15,812,993,384.37	15,405,655,852.03
Bonds payable	3,449,093,122.34	3,511,206,000.48
Other non-current liabilities	169,094,497.08	39,789,867.25

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### IX FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Group applied sensitive analysis technic to analyze the reasonableness of risk variables, possible changes that may affect profit and loss or shareholders' equity. Risk variables are less likely to change isolated, whereas the correlation between variables have major effect on the changes of single risk. Thus, contents below are under the assumption that the changes of single variable are isolated.

#### I. Objective and policies of risk management

The objective of the risk management of the Group is to maintain an appropriate balance between risks and return so to minimize the negative effects of risks against the Group's operating results in order to maximize the benefits of shareholders. Based on such objective, the principal strategy of the Group's risk management is to identify and analyze all types of risks of the Group, establish appropriate risk tolerance thresholds, carry out risk management procedures and perform risk monitoring on all kinds of risks in a timely and reliable manner, thus controlling the risk exposures within a prescribed level.

##### 1.1 Market risk

###### 1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The assets and liabilities (Including internal current account denominated in foreign currency)denominated in foreign currencies which may have impact on the Group's performance as a result of currency risk are as follows:

Item	RMB	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Cash and bank balances	2,554,432,389.90	2,219,296,294.13
Accounts receivable	4,333,558,134.92	2,614,085,412.12
Other receivables	3,327,038,542.04	5,059,674,680.89
Accounts payable	(1,707,905,184.03)	(3,219,437,693.00)
Other payables	(331,255,351.45)	(148,055,491.69)

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk. Except for the above items, currency risk is not involved in the Group's other financial instruments.

## IX FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

## I. Objective and policies of risk management (continued)

## 1.1 Market risk (continued)

## 1.1.1 Currency risk (continued)

Sensitivity analysis on currency risk

Where all other variables are held constant, the effects of potential reasonable changes in exchange rates on the profit and loss and equity interests before tax for the period are set out below:

		For the period from 1 January to 30 June 2023 (Unaudited)	
Item	Change in exchange rate	Effect on total profit	Effect on shareholders' equity
USD	5% increase against RMB	156,271,562.91	156,271,562.91
USD	5% decrease against RMB	(156,271,562.91)	(156,271,562.91)
HKD	5% increase against RMB	676,418.89	676,418.89
HKD	5% decrease against RMB	(676,418.89)	(676,418.89)
EUR	5% increase against RMB	76,269,995.96	76,269,995.96
EUR	5% decrease against RMB	(76,269,995.96)	(76,269,995.96)
JPY	5% increase against RMB	4,274,934.21	4,274,934.21
JPY	5% decrease against RMB	(4,274,934.21)	(4,274,934.21)
AUD	5% increase against RMB	(30,031,103.17)	(30,031,103.17)
AUD	5% decrease against RMB	30,031,103.17	30,031,103.17

Note: The potential reasonable changes in other exchange rates have limited effect on the profit and loss and equity interests before tax for the period.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### IX FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### I. Objective and policies of risk management (continued)

##### 1.1 Market risk (continued)

##### 1.1.1 Currency risk (continued)

Sensitivity analysis on currency risk (continued)

		RMB	
		For the period from 1 January to 30 June 2022 (Unaudited)	
Item	Change in exchange rate	Effect on total profit	Effect on shareholders' equity
USD	5% increase against RMB	75,100,366.50	75,100,366.50
USD	5% decrease against RMB	(75,100,366.50)	(75,100,366.50)
HKD	5% increase against RMB	22,604,017.70	22,604,017.70
HKD	5% decrease against RMB	(22,604,017.70)	(22,604,017.70)
EUR	5% increase against RMB	(10,516,362.90)	(10,516,362.90)
EUR	5% decrease against RMB	10,516,362.90	10,516,362.90
JPY	5% increase against RMB	3,065,688.50	3,065,688.50
JPY	5% decrease against RMB	(3,065,688.50)	(3,065,688.50)
RUB	5% increase against RMB	37,559,294.40	37,559,294.40
RUB	5% decrease against RMB	(37,559,294.40)	(37,559,294.40)
AUD	5% increase against RMB	26,764,059.40	26,764,059.40
AUD	5% decrease against RMB	(26,764,059.40)	(26,764,059.40)

Note: The potential reasonable changes in other exchange rates have limited effect on the profit and loss and equity interests before tax for the period.

##### 1.1.2 Interest rate risk

The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interests and constantly pay close attention to the effect of interest rate changes on the interest rate risk exposed to the Group.

## IX FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

## I. Objective and policies of risk management (continued)

## 1.1 Market risk (continued)

## 1.1.2 Interest rate risk (continued)

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumption: the changes in market interest rate may have impact on the interest or expenses of variable rate financial liabilities. On the basis of the above assumption, where all other variables are held constant, the effects of potential reasonable changes in interest rates on the profit and loss and shareholders' interests before tax for the period are set out below:

RMB

Item	Interest rate changes	For the period from 1 January to 30 June 2023 (Unaudited)	
		Effect on total profit	Effect on shareholders' equity
Long-term borrowings	Increase of 100 basis points	(95,342,426.48)	(95,342,426.48)
Long-term borrowings	Decrease of 100 basis points	95,342,426.48	95,342,426.48
Short-term borrowings	Increase of 100 basis points	(9,857,462.78)	(9,857,462.78)
Short-term borrowings	Decrease of 100 basis points	9,857,462.78	9,857,462.78

RMB

Item	Interest rate changes	For the period from 1 January to 30 June 2022 (Unaudited)	
		Effect on total profit	Effect on shareholders' equity
Long-term borrowings	Increase of 100 basis points	(93,126,998.04)	(93,126,998.04)
Long-term borrowings	Decrease of 100 basis points	93,126,998.04	93,126,998.04

### IX FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### I. Objective and policies of risk management (continued)

##### 1.1 Market risk (continued)

###### 1.1.3. Other price risks

The Group's price risks mainly arise from investments in other equity instruments and other non-current financial assets. The Group has invested in certain unlisted interests and industry funds for long-term strategic use. The Group closely monitors market changes in order to reduce the price risks of equity security investments.

##### 1.2 Credit risk

As at 30 June 2023, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, including the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheets. For debt instruments measured at fair value, book value reflects its risk exposure but not the maximum risk exposure, and the maximum risk exposure will change with future changes in fair value.

The Group only transacts with the third parties having good credit records, and most of the sales transactions are settled by receipts in advance or bank acceptances. In order to minimize the credit risk, the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of the financial assets and contract assets at each balance sheet date to ensure that adequate expected credit loss is made for related assets.

The Group's cash and bank balances are deposited in banks with high credit ratings and the acceptance bank in which bank acceptances receivable are deposited with bank of relatively high credit ratings, thus cash and bank balances and bank acceptances receivable have limited credit risk.

The group's receivables from joint ventures are mainly deposits with non bank financial institutions. The group regularly monitors the operating performance of joint ventures. The group controls credit risk through the value of assets held by these entities and the power to jointly control the relevant activities of these entities. For other receivables, the management regularly evaluates the recoverability of other receivables based on historical settlement records, past experience and reasonable supporting and farsightedness information.



## IX FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

## I. Objective and policies of risk management (continued)

## 1.2 Credit risk (continued)

As at 30 June 2023, please refer to Note VI 3 and 6 for details of the top five units of accounts receivable and other receivables of the Group. In addition, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

As at 30 June 2023, details of credit risk on the Group's accounts receivable, other receivables and long-term receivable and their expected credit losses are set out in Note VI 3, 6 and 10.

## 1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

At the end of each period, the maturity analysis for non-derivative financial liabilities and lease liabilities held by the Group which is based on undiscounted remaining contractual obligations is as follows:

RMB

	30 June 2023 (Unaudited)			Total
	Within 1 year	1 to 5 years	Over 5 years	
Short-term borrowings	(4,877,800,385.40)	—	—	(4,877,800,385.40)
Notes payable	(24,858,777,000.29)	—	—	(24,858,777,000.29)
Accounts payable	(33,102,766,892.40)	—	—	(33,102,766,892.40)
Other payables	(5,676,862,679.46)	—	—	(5,676,862,679.46)
Other current liabilities	(6,113,626,403.27)	—	—	(6,113,626,403.27)
Long-term borrowings (due within 1 year inclusive)	(6,334,410,886.93)	(16,240,970,480.89)	(3,240,413.97)	(22,578,621,781.79)
Lease liabilities (due within 1 year inclusive)	(329,233,222.79)	(779,764,491.29)	—	(1,108,997,714.08)
Bonds payable (due within 1 year inclusive)	(239,647,229.31)	(3,771,588,295.68)	—	(4,011,235,524.99)
Other non-current liabilities	—	(127,667,000.00)	(41,427,497.08)	(169,094,497.08)

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### IX FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### 1. Objective and policies of risk management (continued)

##### 1.3 Liquidity risk (continued)

	Within 1 year	31 December 2022 (Audited)		RMB
		1 to 5 years	Over 5 years	Total
Short-term borrowings	(5,969,009,132.84)	—	—	(5,969,009,132.84)
Notes payable	(30,061,481,322.24)	—	—	(30,061,481,322.24)
Accounts payable	(29,305,857,540.98)	—	—	(29,305,857,540.98)
Other payables	(5,412,038,588.21)	—	—	(5,412,038,588.21)
Other current liabilities	(5,555,585,325.06)	—	—	(5,555,585,325.06)
Long-term borrowings (due within 1 year inclusive)	(4,088,553,399.25)	(15,888,148,298.17)	(4,233,275.26)	(19,980,934,972.68)
Lease liabilities (due within 1 year inclusive)	(447,808,423.48)	(979,454,938.60)	—	(1,427,263,362.08)
Bonds payable (due within 1 year inclusive)	(537,552,086.59)	(4,036,091,708.00)	—	(4,573,643,794.59)

#### 2. Capital management

The Group manages capital by optimizing the structure of liabilities and shareholders' equity to ensure that the entities within the Group can continue to operate and maximize shareholders' returns at the same time.

The Group's capital structure consists of the Group's net debt (the net amount of borrowings and bonds payable after deducting cash and bank balances as disclosed in Note (VI) 1, 21 and 31) and the shareholders' equity.

The Group is not subject to external mandatory capital management requirements. The management of the Group reviews the capital structure of the Group on a regular basis.

## X DISCLOSURE OF FAIR VALUE

### I. Fair value at the end of the period of financial assets and financial liabilities measured at fair value

Some of the Group's financial instrument are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial instrument are determined.

*RMB*

Item	Fair value at the end of the period			Total
	Level 1	Level 2	Level 3	
<b>I. Continuous fair value measurement</b>				
(I) Financial assets at fair value through profit or loss				
1. Held-for-trading financial assets	—	2,193,612,447.65	—	2,193,612,447.65
(1) Financial Products	—	2,193,612,447.65	—	2,193,612,447.65
2. Derivative financial assets	—	41,324,428.62	—	41,324,428.62
3. Other non-current financial assets	—	—	135,928,692.28	135,928,692.28
(II) Financial assets at fair value through other comprehensive income				
1. Financing with receivables	—	25,535,535,808.81	—	25,535,535,808.81
(III) Designated as financial assets at fair value through other comprehensive income				
1. Other Equity instrument investment	—	—	1,493,572,395.54	1,493,572,395.54
<b>Total assets continuously measured at fair value</b>	—	27,770,472,685.08	1,629,501,087.82	29,399,973,772.90
(I) Financial liabilities at fair value through profit or loss				
1. Derivative financial liabilities	—	(189,129,479.92)	—	(189,129,479.92)
<b>Total liabilities continuously measured at fair value</b>	—	(189,129,479.92)	—	(189,129,479.92)

### 2. Information of valuation techniques and key inputs on level 2 of the fair value hierarchy

Items at level 2 of the fair value hierarchy mainly refer to held-for trading financial assets – wealth management products, future foreign exchange settlement contracts and financing with receivables – notes receivable. Cash flow discount method is adopted for valuation techniques of fair values, and the inputs are contract-linked observable inputs, forward exchange rate, observable interest rate, etc.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### X DISCLOSURE OF FAIR VALUE (continued)

#### 3. Information of valuation techniques and key inputs on level 3 of the fair value hierarchy

Items at level 3 of the fair value hierarchy mainly refer to other equity instrument investments, other non-current financial assets. Market approach are adopted for valuation techniques of fair value of other equity instrument investments and other non-current financial assets.

#### 4. Fair value of financial assets and financial liabilities which are not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized costs in the financial statements as at 30 June 2023 approximate their fair values.

Item	RMB'000	
	Book value 30 June 2023	Fair value 30 June 2023
Bonds payable		
– Convertible Corporate bonds (Note)	3,694,890	3,978,932
– Asset-backed securities and notes (including within 1 year)	313,198	358,434

Note: the book value of convertible bonds includes the book value of liabilities and equity components.

The fair value of convertible bonds is the unadjusted quotation in the active market, which is the first level of fair value measurement item.

The fair value of asset-backed securities and notes is determined by the discount method of future cash flows, and the market return rate of other financial instruments with similar contract terms, credit risks and remaining maturities is taken as the discount rate, which is the second-level fair value measurement item.

### XI RELATED PARTIES AND TRANSACTIONS

#### 1. Parent company of the Company

Name of company	Place of registration	Nature of business	Registered capital	RMB	
				Shareholding ratio of the company as at 30 June 2023, (%)	Percentage of voting rights of the company as at 30 June 2023, (%)
Innovation Great Wall	Baoding	Investment	5,000,000,000.00	60.27	60.27

The ultimate controlling shareholder of the Company is Wei Jian Jun.

**XI RELATED PARTIES AND TRANSACTIONS (continued)****2. Subsidiaries of the Company**

Details of the subsidiaries of the Company are set out in Note (VIII).

**3. Joint ventures of the Company**

Details of the joint ventures of the Company are set out in Note (VIII).

**4. Other related parties of the Company**

Name	Relationship with the Group
Baoding Great Wall Holding Group Co., Ltd. and its subsidiaries ("Great Wall Holding and its subsidiaries") (note)	Entity controlled by the ultimate holding shareholder
Spotlight Automotive Limited (光束汽車有限公司) ("Spotlight Automotive")	Joint party of the Company's joint venture
Automotive Finance (VIII)3	In the last 12 months, entity (other than companies immediately or intermediately controlled by the ultimate controlling shareholder) whose directors and executives serve as directors or executives of enterprises other than listed companies (the Company) and subsidiaries under their control
Baoding Taihang Plastic Steel Door And Window Co., Ltd. (保定市太行塑鋼門窗有限公司) ("Taihang Plastic Steel")	Other related party (Company directly controlled by family members closely related with ultimate controlling shareholder)
Baoding Aihecheng School in Lianchi District (保定市蓮池區愛和城學校) ("Aihecheng School")	Other related party (Private non enterprise units indirectly controlled by the ultimate controlling shareholder in the past 12 months)
Baoding Kelkang Medical Management Co., Ltd. (保定市凱爾康醫療管理有限公司) ("Kelkang Medical")	Other related party (Company over 30% indirectly controlled by ultimate controlling shareholder)
Hebei Baocang Expressway Co. Ltd. (河北保滄高速公路有限公司) ("Baocang Expressway")	Other related party (Ultimate controlling shareholder serving as director of the company)
Great Wall Venture and Investment	Other related party (Company in which the ultimate controlling shareholder serves as a director and the ultimate controlling shareholder indirectly controls more than 30%)
Jiangsu Longcheng	Associate
Jiangsu Baojie	Associate
Wuxi Xindong	Associate
Baoding Aihecheng Senior High School Co., Ltd. (保定市愛和城高級中學有限公司) ("Aihecheng Senior High School")	Other related party (Company in family members closely related with ultimate controlling shareholder serves as a director and the ultimate controlling shareholder indirectly controls more than 30%)

Note: Haomo Zhixing is not only an associate of the Group, but also an enterprise controlled by the ultimate controlling shareholder of the Group. The related party transactions, receivables and payables between the Group and Haomo Zhixing, are included in the related party transactions, receivables and payables between the Group and Great Wall Holdings and its subsidiaries.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XI RELATED PARTIES AND TRANSACTIONS (continued)

#### 5. Related party transactions

##### (1) Related party transactions in the purchase and sale of goods, provision and acceptance of services

###### Purchase of goods/acceptance of services

		RMB	
Related parties	Related party transaction	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Great Wall Holding and its subsidiaries	Purchase of goods	2,032,171,540.31	2,018,830,530.63
	Accepting services,	110,721,241.68	136,459,995.78
	Rental expenses and others	304,814,009.90	211,255,503.65
Spotlight Automotive	Purchase of goods	1,201,256.97	—
	Accepting services	47,512,914.57	38,973,330.44
	Lease and others	441,772.57	—
Automotive Finance	Purchase of goods	213,498.38	4,693.54
	Accepting services,	—	162,638,037.81
Associate – Jiangsu Longcheng	Purchase of goods	107,806,860.30	—
Associate – Jiangsu Baojie	Purchase of goods	29,560,055.78	—
Other related parties	Purchase of goods	121,583.75	19,015.50
	Accepting services	1,330,482.70	224,436.35
	Rental expenses	3,795,225.75	931,030.76

###### Sales of goods/rendering of services

		RMB	
Related parties	Related party transaction	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Great Wall Holding and its subsidiaries	Sale of goods	85,957,414.07	125,043,408.90
	Provide labor services	10,463,382.04	32,257,331.24
	Rental income and others	5,907,839.12	6,774,715.18
Spotlight Automotive Limited	Sale of goods	84,231,843.03	20,670,663.64
	Rendering of services	41,679,848.75	—
Associate – Jiangsu Longcheng	Sale of goods	619,765.13	—
Associate – Jiangsu Baojie	Rendering of services	2,138,355.30	—
	Rental income and others	840,161.83	—
Associate – Wuxi Xindong	Sale of goods	115,264.54	—
	Rendering of services	2,764,813.71	—
Automotive Finance	Sale of goods	5,703.27	18,592.59
	Rendering of services	17,422,275.92	14,639,945.23
	Rental income and others	154,335.34	—
Other related parties	Interest income	101,110,854.06	147,941,062.54
	Sale of goods	504,636.06	99,763,723.41
	Rendering of services	671,641.74	210,309.49
	Rental income	2,191,237.60	694,885.38

## XI RELATED PARTIES AND TRANSACTIONS (continued)

## 5. Related party transactions (continued)

## (2) Emolument for key management

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Salary for key management	3,136,825.68	4,771,082.17
Share based payment for key management	177,403.33	6,197,441.80

Key management are the individuals who are authorized and responsible for planning, supervision and control of corporate activities, including directors, general manager, chief accounting officer, deputy general managers, and other administration officers.

## (3) Other related party transactions

## (a) Deposits with related parties

Changes in deposits with related parties:

Related party	RMB			
	31 December 2022 (Audited)	Recovery for the period	Deposits for the period	30 June 2023 (Unaudited)
Automotive Finance	6,762,000,000.00	(2,500,000,000.00)	—	4,262,000,000.00

## (b) Guarantees provided by related parties

Guarantee company	RMB				
	Currency	Guaranteed amount	Guaranteed start date	Guaranteed end date	Whether the guarantee has been fulfilled
Baoding Great Wall Venture and Investment Co., Ltd.	RMB	600,000,000.00	28 September 2022	28 September 2024	No
Baoding Great Wall Venture and Investment Co., Ltd.	RMB	500,000,000.00	4 January 2022	4 January 2024	No
Great Wall Holding	RMB	500,000,000.00	Unspecified	Unspecified	No

## (c) Right-of-use assets and lease liabilities

During the current period, the Group signed several new lease agreements with related parties. Except for short-term leases and low-value assets, the Group's recognized right-of-use assets are RMB27,916,025.29.

At the end of the period, the balance of lease liabilities between the Group and related parties is RMB707,172,499.02. The interest expense of lease liabilities incurred in this period is RMB14,041,971.06.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XI RELATED PARTIES AND TRANSACTIONS (continued)

#### 6. Amounts due from/due to related parties

		RMB	
Item	Related party	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Accounts receivable	Great Wall Holding and its subsidiaries	153,335,607.44	200,891,925.14
Accounts receivable	Automotive Finance	559,765.23	16,135,882.72
Accounts receivable	Spotlight Automotive Limited	119,642,189.32	350,242,677.58
Accounts receivable	Other related parties	231,708.62	6,280.96
Accounts receivable	Jiangsu Longcheng	430,173.53	211,811.52
Accounts receivable	Wuxi Xindong	121,030.60	—
Subtotal of accounts receivable:		274,320,474.74	567,488,577.92
Other receivables	Great Wall Holding and its subsidiaries	5,132,602.06	9,947,796.57
Other receivables	Spotlight Automotive Limited	250,000.00	1,230,739.50
Other receivables	Other related parties	39,342.08	7,660.00
Other receivables	Jiangsu Baojie	—	1,757.55
Subtotal of Other receivables		5,421,944.14	11,187,953.62
Prepayments	Great Wall Holding and its subsidiaries	364,697,807.40	340,857,653.75
Prepayments	Automotive Finance	35,422.20	427,388.54
Prepayments	Spotlight Automotive	—	301,753.20
Prepayments	Jiangsu Baojie	—	193,670.08
Subtotal of Prepayments		364,733,229.60	341,780,465.57
Dividend receivable	Automotive Finance	321,680,787.88	—
Subtotal of dividend receivable		321,680,787.88	—
Notes receivable	Great Wall Holding and its subsidiaries	168,383.80	31,923.09
Subtotal of notes receivable		168,383.80	31,923.09
Financing with receivables	Great Wall Holding and its subsidiaries	60,650,387.81	47,659,659.34
Subtotal of Financing with receivables		60,650,387.81	47,659,659.34
Other current assets	Automotive Finance	4,341,562,197.94	6,908,799,698.05
Subtotal of Other current assets		4,341,562,197.94	6,908,799,698.05



## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XI RELATED PARTIES AND TRANSACTIONS (continued)

#### 6. Amounts due from/due to related parties (continued)

		RMB	
Item	Related party transactions	30/06/2023 (Unaudited)	31/12/2022 (Audited)
Other non-current assets	Great Wall Holding and its subsidiaries	420,000,000.00	735,000,000.00
Subtotal of non-current assets		420,000,000.00	735,000,000.00
Accounts payable	Great Wall Holding and its subsidiaries	990,597,782.62	608,119,889.01
Accounts payable	Automotive Finance	11,571.33	30,370.79
Accounts payable	Spotlight Automotive Limited	70,087,746.07	477,193,197.66
Accounts payable	Other related parties	364,053.13	163,655.83
Accounts payable	Jiangsu Longcheng	—	12,402,877.29
Accounts payable	Jiangsu Baojie	12,247,460.88	24,201,568.86
Accounts payable	Wuxi Xindong	167,250.00	—
Subtotal of Accounts payable		1,073,475,864.03	1,122,111,559.44
Other payables	Great Wall Holding and its subsidiaries	44,768,122.67	51,031,683.09
Other payables	Automotive Finance	203,677.02	212,746.23
Other payables	Jiangsu Longcheng	56,200,000.00	—
Other payables	Other related parties	163,478.47	45,429.02
Other payables	Jiangsu Baojie	684,940.20	—
Subtotal of Other payables:		102,020,218.36	51,289,858.34
Dividend Payable	Great Wall Holding	1,534,500,000.00	—
Subtotal of dividend Payable		1,534,500,000.00	—
Contract liabilities	Great Wall Holding and its subsidiaries	44,519,027.10	31,532,275.42
Contract liabilities	Automotive Finance	1,335,977.05	1,405,740.25
Contract liabilities	Jiangsu Longcheng	—	65,871.29
Contract liabilities	Jiangsu Baojie	—	4,830,000.00
Contract liabilities	Other related parties	223,660.51	—
Contract liabilities	Wuxi Xindong	515,181.57	—
Subtotal of Contract liabilities		46,593,846.23	37,833,886.96
Notes payable	Great Wall Holding and its subsidiaries	976,357.29	1,028,837.17
Notes payable	Other related parties	—	—
Notes payable	Jiangsu Longcheng	32,760,593.76	6,499,161.03
Notes payable	Jiangsu Baojie	62,460,866.02	9,767,966.81
Subtotal of notes payable:		96,197,817.07	17,295,965.01
Lease liability	Great Wall Holding and its subsidiaries	707,172,499.02	921,355,091.09
Subtotal of lease liabilities:		707,172,499.02	921,355,091.09

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XII SHARE-BASED PAYMENTS

#### I. General information of share-based payments

	<i>Unit: Shares</i>	
	Restricted Share	Share Option
31 December 2022	35,282,005	380,704,680
Total equity instruments granted by the Company in the current period	8,935,595	23,448,888
Total equity instruments unlocked/exercised by the Company in the current period	14,907,450	149,154,428
The total amount of the Company's expired equity instruments in the current period	11,438,960	208,101,364
<b>30 June 2023</b>		
The range of exercise price of share options issued by the Company at the end of the period and the remaining contract period	<a href="#">See other explanations</a>	<a href="#">See other explanations</a>
The range of exercise price of other equity instruments issued by the Company at the end of the period and the remaining contract period	<a href="#">See other explanations</a>	<a href="#">See other explanations</a>

#### **Other explanations:**

On 27 April 2020, the Company granted 52,678,200 restricted shares for the first time to the incentive objects at a price of RMB4.37 per share, while incentive objects actually subscribed 49,303,500 restricted shares according to "Proposal on the 2020 Restricted Shares and Share Options Incentive Plan of Great Wall Motor Co., Ltd. (the First Revised Draft) and Its Summary", "Proposal on Assessment Measures for the Implementation of the 2020 Restricted Shares and Share Options Incentive Plan of Great Wall Motor Co., Ltd. (Revised)" and "Proposal to the General Meeting on Fully Authorizing the Board of Directors and Its Authorized Persons to Handle Matters Related to the Company's 2020 Restricted Shares and Share Options Incentive Plan" adopted by the Company on the 1st extraordinary general meeting in 2020, 1st H-share class shareholders' meeting in 2020 and 1st A-share class shareholders' meeting 2020 in resolutions, as well as the "Proposal on Adjusting the List of Incentive Objects and the Number of Grants Under the 2020 Restricted Shares and Share Options Incentive Plan" and "Proposal of Great Wall Motors Co., Ltd. on Granting Restricted Shares or Share Options to Incentive Objects of the 2020 Restricted Shares and Share Options Incentive Plan" (hereinafter referred to as the "2020 Equity Incentive Plan") adopted by the Company at the 34th session of the 6th Board of Directors on 27 April 2020 in its resolution.

At the 13th session of the 7th Board of Directors on 28 January 2021, the Company adopted the "Proposal of Great Wall Motor Co., Ltd. on Granting Reserved Restricted Shares or Share Options to Incentive Objects" in its resolution. On 28 January 2021, the Company granted 8.748 million restricted shares to incentive objects at a price of RMB20.80 per share, and incentive objects actually subscribed 1,149,200 restricted shares.

## XII SHARE-BASED PAYMENTS (continued)

### I. General information of share-based payments (continued)

#### **Other explanations:** (continued)

On 22 July 2021, the Company granted 34,057,000 restricted shares to incentive objects for the first time at a price of RMB16.78 per share, and incentive objects actually subscribed 32,653,200 restricted shares according to the "Proposal on the 2021 Restricted Shares Incentive Plan of Great Wall Motor Co., Ltd. (Draft) and Its Summary", the "Proposal on the 2021 Share Options Incentive Plan of Great Wall Motor Co., Ltd. (Draft) and Its Summary", the "Proposal on the Implementation of Assessment Management Measures for the 2021 Restricted Shares Incentive Plan of Great Wall Motor Co., Ltd.", the "Proposal on the Implementation of Assessment Measures for the 2021 Share Options Incentive Plan of Great Wall Motor Co., Ltd.", the "Proposal to the General Meeting on Fully Authorizing the Board of Directors and Its Authorized Persons to Handle Matters Relating to the 2021 Restricted Shares Incentive Plan of the Company" and the "Proposal to the General Meeting on Fully Authorizing the Board of Directors and Its Authorized Persons to Handle Matters Relating to the 2021 Share Options Incentive Plan of the Company", deliberated and approved on the Company's 4th extraordinary general meeting in 2021, the 2nd H-share class shareholders' meeting in 2021 and the 2nd A-share class shareholders' meeting in 2021, as well as the "Proposal of Great Wall Motor Co., Ltd. on Granting Restricted Shares to Incentive Objects of the 2021 Restricted Shares Incentive Plan and Granting Share Options to Incentive Objects of the 2021 Share Options Incentive Plan" and the "Proposal of Great Wall Motor Co., Ltd. on Adjusting the List of Incentive Objects and the Number of Grants Under the 2021 Restricted Shares Incentive Plan and the 2021 Share Options Incentive Plan" (hereinafter referred as the "2021 Equity Incentive Plan"), deliberated and approved at the 23rd session of the 7th Board of Directors and the 21st session of the 7th Board of Supervisors on 22 July 2021.

At the 38th session of the 7th Board of Directors on 29 April, 2022, the Company adopted the "Proposal on Granting Reserved Restricted Shares in 2021 to Incentive Objects" and the "Proposal on Granting Reserved Stock Options in 2021 to Incentive Objects" in its resolution. On 29 April, 2022, the Company reserved 8,600,000 restricted shares for grant to incentive objects at the price of RMB12.73 per share, and incentive objects actually subscribed 7,955,800 restricted shares.

Conditions on unlocking restricted shares granted to incentive objects need to meet certain performance conditions and personal performance evaluation conditions. The vesting periods for restricted shares granted for the first time are 1, 2, and 3 years from the first grant date, respectively, and those for restricted shares granted via reservation are 1 and 2 years from the grant date, respectively. During the vesting periods, cash dividends distributed by the Company to restricted share holders are revocable.

According to the 2020 Equity Incentive Plan, on 27 April 2020, the Company granted 87,065,300 share options to incentive objects for the first time at an exercise price of RMB8.73 per share; on 28 January 2021, the Company granted 15,721,000 reserved share options to incentive objects at an exercise price of RMB42.15 per share. According to the 2021 Equity Incentive Plan, on 22 July 2021, the Company granted 300,594,000 share options to incentive objects for the first time at an exercise price of RMB33.56 per share; on 29 April 2022, the Company granted 75,497,100 reserved share options to incentive objects for the first time at an exercise price of RMB25.45 per share. The exercise of the above share options shall meet certain performance conditions and personal performance evaluation conditions. Different vesting periods apply to share options granted to incentive objects, ranging from 1, 2 and 3 years from the first grant date for share options granted for the first time, respectively, and 1 and 2 years from the grant date for share options reserved for grant, respectively.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XII SHARE-BASED PAYMENTS (continued)

#### 2. Equity-settled share-based payment

RMB

Method for determining the fair value of equity instruments on the grant date	See other explanations
The basis for determining the number of exercisable equity instruments	Based on the number of restricted shares/options granted, the Company makes the best estimate of the number of restricted shares/options that are expected to be exercised in each period in the unlock/exercise arrangement
Reasons for the significant difference between the current estimate and the previous estimate	N/A
The cumulative amount of equity-settled share-based payments included in the capital reserve	3,760,449,803.65
The total amount of expenses recognized for equity-settled share-based payments in the current period	245,183,875.09

#### Other explanations:

For the aforementioned Restricted Shares Incentive Plan, the fair value of restricted shares granted by the Company on the grant date is measured based on the market price of the Company's ordinary shares on the grant date.

For the stock options granted, the Company calculates the fair value of the stock options on the grant date according to the "Binary Tree Option Pricing Model", and the main parameters selected in the model are underlying stock price, exercise price, option validity, stock price volatility, risk-free interest rate and the average dividend yield of the Company in the last 12 months.

### XIII COMMITMENTS

#### 1. Significant commitments

##### Capital commitments

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Contracted for but not provided	5,629,903	5,342,558
– Purchase of long-term asset commitment	5,629,903	5,342,558
Total	5,629,903	5,342,558

## XIV EVENTS AFTER THE BALANCE SHEET DATE

Nil.

## XV OTHER SIGNIFICANT EVENTS

## I. Segment reporting

The Group is mainly engaged in the manufacture and sales of automobiles and automotive parts and components in the PRC, and the majority of its assets are located in the PRC. The management determined the reporting segments according to the organization structure, management requirements and internal reporting system of the Group for the purposes of resource allocation and performance evaluation. As the resource allocation and performance evaluation of the Group are carried out based on the overall operation of the production and sales of automobiles and automotive parts and components, the Group has only one business segment for internal reporting purpose.

Revenue from external customers by location of revenue sources and non-current assets classified by location of assets:

Item	For the period from 1 January to 30 June 2023 (Unaudited)	RMB For the period from 1 January to 30 June 2022 (Unaudited)
Revenue from external customers in China	49,303,858,928.18	52,833,568,320.09
Revenue from external customers in other countries	20,667,258,234.60	9,300,547,687.76
Total	69,971,117,162.78	62,134,116,007.85

Item	30/06/2023 (Unaudited)	RMB 31/12/2022 (Audited)
Non-current assets located in China	66,223,644,786.91	63,768,462,054.50
Non-current assets located in other countries	4,415,553,232.18	4,495,812,774.06
Total	70,639,198,019.09	68,264,274,828.56

Non current assets do not include financial instruments and deferred income tax assets.

The Group is not dependent on one or more important clients.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY

#### I. Cash and bank balances

Item	RMB	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b>Cash:</b>		
RMB	107,831.97	179,967.15
GBP	14,749.99	13,541.53
Other	14,260.66	13,924.70
<b>Bank balances:</b>		
RMB	10,488,914,882.98	12,191,133,624.36
EUR	773,260,796.72	4,050,437.66
USD	625,413,917.87	110,624,192.08
AUD	446,585,429.41	364,269,348.65
Other	13,801,931.09	140,435,657.40
<b>Other cash and bank balances:</b>		
RMB	156,958,679.64	4,018,974,907.69
<b>Total</b>	<b>12,505,072,480.33</b>	<b>16,829,695,601.22</b>
Including: overseas cash and bank balances	—	—

At 30 June 2023, the Company had restricted cash and bank balances of RMB156,958,679.64, of which the deposit for bank acceptances amounts to RMB156,951,616.91, and the guarantee deposit amounts to RMB7,062.73.

As at 31 December 2022, the Company had restricted cash and bank balances of RMB4,018,974,907.69, of which the deposit for bank acceptances amounts to RMB4,016,360,407.69, and other deposits amount to RMB2,614,500.00.

## XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 2. Accounts receivable

## (1) Disclosed by aging:

RMB

Aging	30 June 2023 (Unaudited)			31 December 2022 (Audited)		
	Amount	Credit loss provision	Proportion (%)	Amount	Credit loss provision	Proportion (%)
Within 1 year	26,695,515,802.15	(1,188,818.76)	—	25,045,600,665.56	(4,539,483.57)	0.02
1 to 2 years	1,157,631,754.76	(1,724,999.73)	0.15	403,455,758.90	(1,449,482.82)	0.36
2 to 3 years	264,126,738.52	—	—	237,687,974.44	—	—
Over 3 years	379,912,260.27	(353,432,373.97)	93.03	364,581,868.20	(339,103,501.03)	93.01
Total	28,497,186,555.70	(356,346,192.46)	1.25	26,051,326,267.10	(345,092,467.42)	1.32

The aging analysis of the above accounts receivable is based on the time of revenue recognition.

## (2) Disclosed by classification of credit loss provision method

RMB

Category	30 June 2023 (Unaudited)					31 December 2022 (Audited)				
	Carrying amount		Credit loss provision		Book value	Carrying amount		Credit loss provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Credit loss provision by individuals	351,821,221.29	1.23	(351,821,221.29)	100.00	—	339,103,501.03	1.30	(339,103,501.03)	100.00	—
Credit loss provision assessed by portfolios	28,145,365,334.41	98.77	(4,524,971.17)	0.02	28,140,840,363.24	25,712,222,766.07	98.70	(5,988,966.39)	0.02	25,706,233,799.68
Total	28,497,186,555.70	100.00	(356,346,192.46)	1.25	28,140,840,363.24	26,051,326,267.10	100.00	(345,092,467.42)	1.32	25,706,233,799.68

Description of the accounts receivable for which credit loss provision has been assessed by portfolios:

As part of the Company's credit risk management, the Company assesses the expected credit losses for various categories of accounts receivable based on their credit periods and overdue aging.

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 2. Accounts receivable (continued)

##### (2) Disclosed by classification of credit loss provision method (continued)

Accounts receivable whose credit loss provision are assessed by portfolio and their expected credit losses are as follows:

RMB

Aging	30 June 2023 (Unaudited)				31 December 2022 (Audited)			
	Expected loss rate	Carrying amount	Credit loss provision	Book value	Expected loss rate	Carrying amount	Credit loss provision	Book value
Within the credit period	0.00%-4.00%	28,139,792,889.97	(924,419.05)	28,138,868,470.92	0.00%-4.00%	25,703,943,405.55	(1,750,926.74)	25,702,192,478.81
Overdue for 1-180 days	5.78%-50.00%	2,092,826.23	(120,933.91)	1,971,892.32	11.78%-50.00%	4,580,788.31	(539,467.44)	4,041,320.87
Overdue for over 180 days	100.00%	3,479,618.21	(3,479,618.21)	—	100.00%	3,698,572.21	(3,698,572.21)	—
Total		28,145,365,334.41	(4,524,971.17)	28,140,840,363.24		25,712,222,766.07	(5,988,966.39)	25,706,233,799.68

##### (3) Provision, recovery or reversal of credit loss provision during the current period:

RMB

Credit loss provision	30 June 2023 (Unaudited)		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2023	2,290,394.18	342,802,073.24	345,092,467.42
— Transfer to credit impairment occurred	(171,900.00)	171,900.00	—
Provision	188,123.17	171,900.00	360,023.17
Reversals	(1,261,264.39)	(562,754.00)	(1,824,018.39)
Written-off	—	—	—
Exchange difference	—	12,717,720.26	12,717,720.26
Balance at 30 June 2023	1,045,352.96	355,300,839.50	356,346,192.46



## XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 2. Accounts receivable (continued)

## (4) Top five entities with the largest balances of accounts receivable:

RMB

Name of entity	Closing balance	Proportion of the amount to the total accounts receivable (%)	Closing balance of credit loss provision
Subsidiary 1	13,407,484,989.09	47.05	—
Subsidiary 2	2,262,419,813.51	7.94	—
Subsidiary 3	1,801,432,020.39	6.32	—
Subsidiary 4	1,693,319,947.01	5.94	—
Subsidiary 5	1,447,195,358.40	5.08	—
Total	20,611,852,128.40	72.33	—

## 3. Other receivables

## 3.1 Summary of other receivables

RMB

Category	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Interest receivable	395,851.72	8,883,412.13
Dividends receivable	1,539,328,653.96	300,049,810.21
Other receivables	11,274,862,335.28	9,869,156,893.60
Total	12,814,586,840.96	10,178,090,115.94

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 3. Other receivables (continued)

##### 3.2 Other receivables

(1) Disclosed by aging:

RMB

Aging	30 June 2023 (Unaudited)			31 December 2022 (Audited)		
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)
Within 1 year	6,534,392,861.78	—	—	6,232,523,132.44	—	—
1 to 2 years	2,808,264,355.31	—	—	1,495,786,077.02	—	—
2 to 3 years	218,376,828.63	—	—	454,471,285.89	—	—
Over 3 years	1,713,998,127.56	(169,838.00)	0.01	1,686,546,236.25	(169,838.00)	0.01
Total	11,275,032,173.28	(169,838.00)	—	9,869,326,731.60	(169,838.00)	—

(2) Disclosed by nature are as follows:

RMB

Nature of other receivables	Carrying amount at 30 June 2023 (Unaudited)	Carrying amount at 31 December 2022 (Audited)
Receivables	3,982,546,105.05	4,218,031,111.26
Security and margin deposits	65,018,931.55	28,671,815.47
Tax refunds	558,661,209.66	443,983,091.04
Proceeds from land transfer	270,758,568.00	270,758,568.00
Deposits	20,125,785.63	20,124,479.59
Others	6,377,921,573.39	4,887,757,666.24
Total	11,275,032,173.28	9,869,326,731.60

## XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 3. Other receivables (continued)

## 3.2 Other receivables (continued)

## (3) Assessment of credit loss provision:

RMB

Aging	30 June 2023 (Unaudited)				31 December 2022 (Audited)			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Indefinite/within contractual repayment period	—	11,274,862,335.28	—	11,274,862,335.28	—	9,869,156,893.60	—	9,869,156,893.60
Overdue for 1-180 days	—	—	—	—	—	—	—	—
Overdue for over 180 days	100.00%	169,838.00	(169,838.00)	—	100.00%	169,838.00	(169,838.00)	—
Total		11,275,032,173.28	(169,838.00)	11,274,862,335.28		9,869,326,731.60	(169,838.00)	9,869,156,893.60

The Company determines the expected credit losses of the other receivables based on the historical experience data and forward-looking information. For the six months ended 30 June 2023 and in 2022, the Company's assessment method and significant assumptions have remained unchanged.

## (4) Credit loss provision:

RMB

Credit loss provision	Phase 1 Future 12-month ECL	Phase 2 Lifetime ECL (not credit-impaired)	Phase 3 Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2023	—	—	169,838.00	169,838.00
Provision	—	—	—	—
Reversals	—	—	—	—
Written-off	—	—	—	—
Balance At 30 June 2023	—	—	169,838.00	169,838.00

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 3. Other receivables (continued)

##### 3.2 Other receivables (continued)

(5) Top five entities with the largest balances of other receivables:

Name of entity	Nature of amounts	Amount	Aging	RMB	
				Proportion of the amount to the total other receivables (%)	Closing balance of credit loss provision
Entity 1	other	2,043,563,186.88	Within 1 year;	18.12	—
Entity 2	Receivables	2,043,177,285.78	Within 1 year, 1 to 2 years;	18.12	—
Entity 3	other	1,735,456,168.41	Within 1 year, 1 to 2 years, over 3 years;	15.39	—
Entity 4	Tax refunds	547,833,791.63	Within 1 year;	4.86	—
Entity 5	Receivables	476,062,947.30	Within 1 year;	4.22	—
Total		6,846,093,380.00		60.71	—

The Company has no other receivables related to government grants.

#### 4. Long-term equity investments

Breakdown of long-term equity investments:

Item	30 June 2023 (Unaudited)			31 December 2022 (Audited)		
	Carrying amount	Impairment provision	Book value	Carrying amount	Impairment provision	Book value
Investments in subsidiaries	18,542,290,454.70	—	18,542,290,454.70	17,503,413,059.66	—	17,503,413,059.66
Investments in joint ventures	10,355,503,604.57	—	10,355,503,604.57	10,212,327,960.02	—	10,212,327,960.02
Investments in associates	7,989,286.89	—	7,989,286.89	9,986,742.43	—	9,986,742.43
Total	28,905,783,346.16	—	28,905,783,346.16	27,725,727,762.11	—	27,725,727,762.11

## XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 4. Long-term equity investments (continued)

Breakdown of investments in subsidiaries is as follows:

Investee	1 January 2023 (Audited)	Increase for the period	Decrease for the period	Others (Note (XII))	30 June 2023 (Unaudited)	RMB	
						Provision for impairment	Closing balance of impairment provision
Honeycomb Yichuang	3,642,274,998.61	761,667,630.00	—	40,068,496.06	4,444,011,124.67	—	—
Nuobo Automotive	2,556,341,360.04	—	—	47,980,005.25	2,604,321,365.29	—	—
Tide Technology and Trade	1,843,275,742.46	28,446,000.00	—	—	1,871,721,742.46	—	—
Jinggong Motor	1,320,959,936.09	—	—	44,269,826.17	1,365,229,762.26	—	—
Mind Electronics	1,827,581,177.36	—	—	25,566,187.68	1,853,147,365.04	—	—
Russia Manufacturing	1,588,584,098.98	—	—	—	1,588,584,098.98	—	—
Tianjin Oula	565,571,693.50	—	—	495,520.48	566,067,213.98	—	—
Rizhao Weipai	381,359,385.47	—	—	63,048.56	381,422,434.03	—	—
Shanghai Yuefan	290,901,538.25	—	—	—	290,901,538.25	—	—
Great Wall Huabei	270,473,689.55	—	—	257,771.32	270,731,460.87	—	—
Baoding Yijian Start	200,322,453.52	—	—	—	200,322,453.52	—	—
Tianjin Lean	186,363,431.80	—	—	—	186,363,431.80	—	—
American HAVAL	169,620,600.00	—	—	—	169,620,600.00	—	—
Ruguo Technology	454,856,064.28	—	—	1,598,152.73	456,454,217.01	—	—
Zaoqi Financial Leasing	129,149,455.87	—	—	146,179.60	129,295,635.47	—	—
Great Wall Ants	119,229,914.07	—	—	2,157,298.38	121,387,212.45	—	—
Confident Zhixing	110,000,000.00	—	—	—	110,000,000.00	—	—
Tianjin Zhixin	100,000,000.00	—	—	—	100,000,000.00	—	—
HWA Ding International	92,942,500.23	—	—	—	92,942,500.23	—	—
Baoding Nobo	72,240,000.00	—	—	—	72,240,000.00	—	—
Laoyou Insurance	70,486,408.94	—	—	1,729.98	70,488,138.92	—	—
Salon Mecha Technology	434,251,062.48	67,880,000.00	—	101,321.10	502,232,383.58	—	—
Zhangjiagang Research and Development	45,000,000.00	—	—	—	45,000,000.00	—	—
Haval Australia	43,773,250.00	—	—	—	43,773,250.00	—	—
Xiong'an Great Wall	41,000,000.00	—	—	—	41,000,000.00	—	—
Baoding Great	44,057,105.39	—	—	2,528,114.57	46,585,219.96	—	—
Baoding Yixin	37,538,660.60	—	—	1,213,311.47	38,751,972.07	—	—
Europe Technical Center	33,428,802.00	—	—	—	33,428,802.00	—	—
India R&D	28,082,810.70	—	—	—	28,082,810.70	—	—
Haval South Africa	25,912,080.00	—	—	—	25,912,080.00	—	—
India Haval	20,731,008.88	—	—	—	20,731,008.88	—	—
Changyou Haoche	20,037,183.97	—	—	3,145.41	20,040,329.38	—	—
Ningxia Rental	20,000,000.00	—	—	—	20,000,000.00	—	—

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 4. Long-term equity investments (continued)

Breakdown of investments in subsidiaries is as follows: (continued)

RMB

Investee	1 January 2023 (Audited)	Increase for the period	Decrease for the period	Others (Note (XII))	30 June 2023 (Unaudited)	Provision for impairment	Closing balance of impairment provision
Shanghai Motor Technology	49,419,351.21	—	—	10,217,884.15	59,637,235.36	—	—
Great Wall Sales	58,155,537.38	—	—	2,432,725.41	60,588,262.79	—	—
Beijing Great	22,539,100.00	—	—	—	22,539,100.00	—	—
Soul Technology	53,884,956.52	—	—	661,589.30	54,546,545.82	—	—
Great Wall Resource Recycling	10,204,681.55	—	—	(117,877.59)	10,086,803.96	—	—
Chongqing Auto Parts	10,974,179.17	—	—	219,714.50	11,193,893.67	—	—
Exquisite Mould	11,783,156.08	—	—	860,987.48	12,644,143.56	—	—
Tianjin Jolion Shuju	10,252,532.05	—	—	—	10,252,532.05	—	—
Scrap Car Recycling & Dismantling	5,786,271.81	—	—	120,088.29	5,906,360.10	—	—
Chongqing Great Wall Customer Service	356,005.87	—	—	38,544.74	394,550.61	—	—
Chongqing Weipai	270,000.00	—	—	—	270,000.00	—	—
Chongqing Haval	93,374.98	—	—	—	93,374.98	—	—
Tianjin Great Wall Investment	350,550,000.00	—	—	—	350,550,000.00	—	—
Guangzhou Great Wall Sales	34,500.00	—	—	—	34,500.00	—	—
Xiamen Great Wall Sales	33,000.00	—	—	—	33,000.00	—	—
Great Wall Wisdom (Chongqing)	132,730,000.00	—	—	—	132,730,000.00	—	—
Total	17,503,413,059.66	857,993,630.00	—	180,883,765.04	18,542,290,454.70	—	—

Note: Others mainly represent the Company's granting of restricted shares to employees of its subsidiaries and share-based payment expenses recognized on shares options.

## XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 4. Long-term equity investments (continued)

Breakdown of investments in joint ventures is as follows:

RMB

Investee	1 January 2023 (Audited)	Increase	Reduced investment	Changes for the period Recognition of investment profit or loss under equity method	Adjustment in other comprehensive income	Movement in other equity	Declaration of cash dividends or profits	Provision for impairment	Others	30 June 2023 (Unaudited)	Closing balance of impairment provision
<b>Joint ventures</b>											
Automotive Finance	10,212,327,960.02	—	—	464,856,432.43	—	—	(321,680,787.88)	—	—	10,355,503,604.57	—
Sub-total	10,212,327,960.02	—	—	464,856,432.43	—	—	(321,680,787.88)	—	—	10,355,503,604.57	—
<b>Associates</b>											
Wuxi Xindong	9,986,742.43	—	—	(1,997,455.54)	—	—	—	—	—	7,989,286.89	—
Sub-total	9,986,742.43	—	—	(1,997,455.54)	—	—	—	—	—	7,989,286.89	—
<b>Total</b>	<b>10,222,314,702.45</b>	<b>—</b>	<b>—</b>	<b>462,858,976.89</b>	<b>—</b>	<b>—</b>	<b>(321,680,787.88)</b>	<b>—</b>	<b>—</b>	<b>10,363,492,891.46</b>	<b>—</b>

## 5. Operating income and operating costs

## (1) Operating income and operating costs

RMB

Item	For the period from 1 January to 30 June 2023 (Unaudited)		For the period from 1 January to 30 June 2022 (Unaudited)	
	Income	Costs	Income	Costs
Principal operating activities	62,238,163,863.39	56,587,395,787.44	56,316,269,315.71	51,387,641,681.99
Other operating activities	1,432,416,283.83	1,246,013,050.74	1,600,673,210.34	1,392,669,364.69
<b>Total</b>	<b>63,670,580,147.22</b>	<b>57,833,408,838.18</b>	<b>57,916,942,526.05</b>	<b>52,780,311,046.68</b>

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 5. Operating income and operating costs (continued)

##### (2) Revenue from contracts

Category of contracts	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Income from the sales of automobiles	59,363,334,559.47	53,293,169,826.50
Income from the sales of automotive parts and components	2,635,496,239.16	2,771,402,342.40
Income from the rendering of services	235,122,783.36	251,697,146.81
Income from the sales of moulds and others	4,210,281.40	—
Other operating income	1,258,720,304.46	1,428,911,431.13
Subtotal of Income from contracts with customers	63,496,884,167.85	57,745,180,746.84
Rental income	173,695,979.37	171,761,779.21
Total	63,670,580,147.22	57,916,942,526.05

#### 6. Investment income

Breakdown:

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Income from long-term equity investments under cost method	2,118,303,250.84	5,413,694,662.03
Income from long-term equity investments under equity method	462,858,976.89	443,590,180.16
Investment income from disposal of held-for-trading financial assets	12,115,377.04	57,616,801.16
Net loss on disposal of long-term equity investments	—	(213,940.13)
Losses on deregistration of discounted bills	(21,607,075.43)	(96,593,501.65)
Investment losses from the disposal of derivative financial instruments	(620,700.00)	(2,736,234.96)
Total	2,571,049,829.34	5,815,357,966.61

There are no significant restrictions on remittance of investment income of the Company.



## XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

## 7. Supplementary information to the cash flow statement

## (1) Supplementary information to the cash flow statement

		RMB
Supplementary information	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
<b>1. Reconciliation of net profit to cash flow from operating activities:</b>		
Net profit	1,096,255,523.80	5,742,590,878.02
Add: Impairment losses on assets	666,947,561.51	106,701,697.23
Gain on credit impairment	(1,463,995.22)	(26,923,230.97)
Depreciation of fixed assets	890,831,404.55	965,069,239.63
Depreciation of right-of-use assets	206,906,634.17	121,823,310.71
Amortization of intangible assets	992,815,144.19	716,770,460.83
Amortization of long-term prepaid expenses	7,114,418.47	5,227,379.00
Depreciation and amortization of investment properties	72,344,811.96	64,433,386.88
Losses on disposals of assets	838,522.46	26,784,037.10
Amortization of deferred income	(49,839,922.11)	(108,974,577.28)
Financial expense	221,040,699.86	44,724,082.13
Losses from changes in fair value	178,635,050.31	22,602,351.79
Investment income	(2,592,656,904.77)	(5,911,951,468.26)
Decrease in deferred tax assets (Less: increase)	(376,247,441.53)	(100,047,732.52)
Decrease in inventories (Less: increase)	325,199,075.10	(2,721,256,087.10)
Decrease in operating receivables (Less: increase)	(7,580,397,335.86)	1,796,131,235.75
Increase in operating payables (Less: decrease)	1,914,342,473.37	(6,969,515,628.90)
Others	211,513,036.83	454,646,381.19
Net cash flows from operating activities	(3,815,821,242.91)	(5,771,164,284.77)
<b>2. Significant investing and financing activities which do not involve cash receipts and payments:</b>		
Right-of-use assets recognized by leased fixed assets	124,607,261.48	443,470,680.48
Repayment of dividends with notes receivable by subsidiaries	162,047,934.05	108,355,408.35
Reduction of notes receivable discounted and not yet mature at the balance sheet date	586,109,700.00	543,365,600.00
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash and cash equivalents	12,348,113,800.69	13,698,384,872.37
Less: Opening balance of cash and cash equivalents	12,810,720,693.53	20,288,128,849.56
Net decrease in cash and cash equivalents	(462,606,892.84)	(6,589,743,977.19)

## Notes to the Financial Statements

For the period from 1 January to 30 June 2023

### XVI NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

#### 7. Supplementary information to the cash flow statement (continued)

##### (2) Components of cash and cash equivalents

Item	RMB	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b>I. Cash</b>	<b>12,348,113,800.69</b>	12,810,720,693.53
Including: Cash on hand	<b>136,842.62</b>	207,433.38
Bank deposits ready to be withdrawn on demand	<b>12,347,976,958.07</b>	12,810,513,260.15
<b>II. Closing balance of cash and cash equivalents</b>	<b>12,348,113,800.69</b>	12,810,720,693.53

# SUPPLEMENTARY INFORMATION

For the period from 1 January to 30 June 2023

## I. BREAKDOWN OF NON-RECURRING GAINS AND LOSSES

Item	RMB	
	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2022 (Unaudited)
Loss from disposal of non-current assets	(2,154,500.24)	(31,476,693.82)
Government grants accounted for profit and loss of the current period (except for government grants closely related to the corporate business that were given under at a fixed standard amount or quantity as stipulated by the State)	669,173,198.55	1,072,361,026.66
Investment income obtained from the disposal of subsidies, held-fortrading financial assets, derivative financial instruments and dividend income of other equity instruments during the holding period	45,728,441.21	68,525,653.64
Losses from changes in fair values	(132,420,650.66)	(121,905,323.59)
Other non-operating income or expenses other than the above	57,329,138.59	44,813,569.86
Other profit and loss items that meet the definition of non-recurring profit and loss	16,032,388.00	2,674,668,296.53
Effect of income tax	(41,847,235.50)	(165,223,898.57)
Impact of minority shareholders' equity (after tax)	(29,902.62)	(1,199.00)
Total	611,810,877.33	3,541,761,431.71

The non-recurring gains and losses of the Group was recognized in accordance with the relevant requirements of the *Explanatory Notice for Information Disclosures by Companies that Offer Securities to the Public (No. 01) – Non-recurring Gains and Losses*.

Note: Other profit and loss items that meet the definition of non-recurring profit and loss for the six months ended 30 June 2022 were mainly the exchange rate gains and losses incurred by the Group's subsidiaries located in Russia due to abnormal fluctuations in the Russian ruble exchange rate.

## Supplementary information

For the period from 1 January to 30 June 2023

### 2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

This calculation of return on net assets and earnings per share was prepared by the Group in accordance with the relevant requirements of the *Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 09) – Calculations and Disclosures for the Return on Net Assets and Earnings per Share* (as amended in 2010) issued by the China Securities Regulatory Commission.

For the period from 1 January to 30 June 2023 (Unaudited)	Weighted average return on net assets (%)	Earnings per share Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	2.10	0.16	0.16
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	1.15	0.09	0.09
For the period from 1 January to 30 June 2022 (Unaudited)	Weighted average return on net assets (%)	Earnings per share Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	8.43	0.61	0.60
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	3.09	0.22	0.22

The supplementary information provided by the management of Great Wall Motor Company Limited was endorsed by the followings:

Legal Representative: Wei Jianjun

Chief Financial Officer: Li Hongshuan

Head of the Finance Section: Wang Haiping

30 August 2023



長城汽車股份有限公司  
GREAT WALL MOTOR COMPANY LIMITED\*