# Jiangling Motors Corporation, Ltd.

# 2026 Half-year Report

**2026-08**

# Chapter I Important Notes, Contents and Abbreviations

## Important Notes

The Company's Board of Directors and its members and senior management warrant that the contents of the Half-Year Report are true, accurate and complete, free of any false records, misleading statements or material omissions, and assume individual and joint-and-several legal liabilities therefor. Chairman Qiu Tiangao, CFO Li Weihua and Chief of Finance Department, Jiang Nan, warrant that the Financial Statements in this Half-year Report are true, accurate and complete.

All the Directors were present at the Board meeting to review this Half-year Report.

Future plans, development strategies and other forward-looking statements in this Report do not constitute a substantive commitment of the Company to investors. Investors are reminded to note investment risks.

The Company's possible risks and countermeasures are set out in Section 3 of this Report, "Management's Discussion and Analysis". Please investors refer to the relevant content.

Neither cash dividend nor stock dividend is to be distributed. The Board has decided not to convert capital reserves into share capital for this period.

The Half-year Report is prepared in Chinese and English. In case of discrepancy, the Chinese version will prevail.

# Contents

# Catalogue on Documents for Reference

1. Originals of 2026 Half-year financial statements signed by Chairman, Chief Financial Officer and Chief of Finance Department.
2. Originals of all the documents and public announcements disclosed in newspapers designated by CSRC in the first half of 2026.
3. English version of the Half-year Report prepared per the China GAAP.

Abbreviations:

| | |
|---|---|
| CSRC | China Securities Regulatory Commission |
| JMCG | Jiangling Motors Group Co., Ltd. |
| Ford | Ford Motor Company |
| JIC | Nanchang Jiangling Investment Co., Ltd. |
| JMC or the Company | Jiangling Motors Corporation, Ltd. |
| EVP | Executive Vice President |
| CFO | Chief Financial Officer |
| VP | Vice President |

## Chapter II Brief Introduction and Operating Highlights

1. Company's information

| Share's name | Jiangling Motors, Jiangling B | Share's Code | 000550, 200550 |
|---|---|---|---|
| Place of listing | Shenzhen Stock Exchange | | |
| Company's Chinese name | 江铃汽车股份有限公司 | | |
| English name | Jiangling Motors Corporation, Ltd. | | |
| Abbreviation | JMC | | |
| Company legal representative | Qiu Tiangao | | |

2. Contact person and method

| | Board Secretary | Securities Affairs Representative |
|---|---|---|
| Name | Wu Jiehong | Quan Shi |
| Address | No. 2111, Yingbin Middle Avenue, Nanchang City, Jiangxi Province, P.R.C | No. 2111, Yingbin Middle Avenue, Nanchang City, Jiangxi Province, P.R.C |
| Tel | 86-791-85266178 | 86-791-85266178 |
| Fax | 86-791-85232839 | 86-791-85232839 |
| E-mail | relations@jmc.com.cn | relations@jmc.com.cn |

3. Other matters

I. Contact methods

Changes of registered address, headquarter address, postal code, website and e-mail in the reporting period

□Applicable ☑Not Applicable

The Company's registered address, headquarter address, postal code, website and e-mail remain unchanged during the reporting period.
For details, please refer to the 2025 Annual Report.

II. Changes of newspapers and website for information disclosure, and place for accessing half-year report in the reporting period

□Applicable ☑Not Applicable

There is no change of names of the media and website of Stock Exchange for publication of the Company's Half-year Report and the place for accessing the Company's Half-year Report in the reporting period. Please refer to 2025 Annual Report for details.

III. Other Relevant Information

Whether other relevant information has changed during the reporting period

□Applicable ☑Not Applicable

4. Main accounting data and financial indicators

Whether the previous accounting data should be retroactively adjusted?

□Yes ☑No

Unit: RMB

| | Reporting period (2026 first half) | Same period last year | Change (%) |
|---|---|---|---|
| Revenue | 19,361,867,251 | 18,092,386,210 | 7.02% |
| Profit Attributable to the Equity Holders of the Company | 738,802,231 | 732,728,047 | 0.83% |
| Net Profit Attributable to Shareholders of Listed Company After Deducting Non-Recurring Profit or Loss | 598,112,705 | 539,916,206 | 10.78% |
| Net Cash Generated From Operating Activities | 597,893,721 | -64,497,784 | 1,027% |
| Basic Earnings Per Share (RMB) | 0.86 | 0.85 | 1.18% |
| Diluted Earnings Per Share (RMB) | 0.86 | 0.85 | 1.18% |
| Weighted Average Return on Equity Ratio | 6.12% | 6.30% | Down 0.18 percentage points |
| | At the end of the reporting period | At the end of the previous year | Change (%) |
| Total Assets | 31,876,243,256 | 33,725,291,097 | -5.48% |
| Shareholders' Equity Attributable to the Equity Holders of the Company | 11,963,695,309 | 11,700,238,217 | 2.25% |

5. Accounting data difference between China GAAP and IFRS

I. Differences in net profit and net assets in financial statements between in accordance with international accounting standards and Chinese accounting standards

□Applicable ☑Not Applicable

II. Differences in net profit and net assets in financial statements between in accordance with overseas accounting standards and Chinese accounting standards

□Applicable ☑Not Applicable

6. Non-recurring profit and loss items and amounts

☑Applicable □Not Applicable

Unit: RMB

| | Reporting period (2026 first half) |
|---|---|
| Profit and loss of non-current assets disposal (including the charge-off part of the asset impairment provision) | 4,574,194 |
| Government subsidies included in the current profit and loss | 164,601,774 |
| In addition to the effective hedging business related to the normal operating business of the Company, holding the gains and losses of fair value changes arising from trading financial assets and trading financial liabilities, as well as the investment income obtained from the disposal of trading financial assets, trading financial liabilities and available for sale financial assets | 989,383 |
| Capital occupation fee charged for non-financial enterprises included in the current profit and loss | 1,978,923 |
| Return of the impairment provision for receivables with a separate impairment test | 1,558,669 |
| Other non-operating income and expenses except the above | -1,613,481 |
| Less: Income tax impact amount | 27,724,936 |
| Influence of minority shareholders' equity | 3,675,000 |
| Total | 140,689,526 |

Details of other profit and loss items that meet the definition of non-recurring profit and loss

□Applicable ☑Not Applicable

There is no other profit and loss items that meet the definition of non-recurring profit and loss in the Company.

The description of the non-recurring profit and loss items listed in Corporate Information Disclosure of Public Issuing Securities No.1 are defined as recurring profit and loss items

□Applicable ☑Not Applicable

The Company does not have a situation in which the non-recurring profit and loss items listed in No.1 of Corporate Information Disclosure Announcement No.1 are defined as recurring profit and loss.

# Chapter III Management Discussion and Analysis

1. Company’s Core Business During the Reporting Period

JMC is a comprehensive automotive manufacturer integrating R&D, manufacturing, sales, and service of complete vehicles and automotive components. It is a National High-Tech Enterprise, a National Innovative Pilot Enterprise, and a "National Vehicle Export Base," and has been ranked among the world's 100 most valuable automotive brands for many consecutive years. Its main products include JMC-brand light truck, Pickup, and light bus, as well as Ford-brand light bus, pickup trucks, MPV, and other commercial vehicles and passenger SUV models. The company also produces engines, frames, axles, and other components.

In terms of R&D strategy, the company is building a technological innovation system centered on new energy vehicle technologies, intelligent connected vehicle technologies, and other key areas. In the first half of 2026, the company has achieved phased breakthroughs in core technology development, including hybrid powertrain systems, NVH control, and power platforms. In the field of intelligence, it is advancing the development of a next-generation vehicle architecture platform, with a focus on centralized computing, integrated cockpit and autonomous driving, and full-scenario intelligent driving, while pursuing the goals of high scalability, high commonality, high safety, and high cost-effectiveness.

In terms of manufacturing, the company has comprehensively deployed smart manufacturing. The two major vehicle manufacturing bases at Xiaolan and Fushan have fully established a complete whole-chain vehicle manufacturing system, including stamping, welding, painting, final assembly, CKD parts warehousing, vehicle testing tracks, and intelligent logistics support. The overall automation rate reaches as high as 98%, with 100% automation in core assembly operations, forming full-industry-chain manufacturing capabilities for light commercial vehicles and their components.

In terms of sales and service, in the domestic market, it took the lead in establishing a modern marketing system, adopting an exclusive dealership model integrating sales, spare parts, service, and survey—a "four-in-one" approach—with over 1,000 dealerships in total. In overseas markets, the company continues to expand cooperative distribution channels, with its export footprint now covering more than 120 countries and regions worldwide. In the first half of 2026, cumulative exports grew by 44.8% year-on-year.

In terms of the post-sales ecosystem, the company is deeply engaged in urban delivery capacity, providing customers with cost-effective new energy commercial vehicle operation solutions. At the same time, it is deepening collaboration in the used-vehicle sector and making strategic deployments in battery-swapping services, autonomous vehicles, and other ecosystem initiatives.

Looking ahead, the company will continue to focus on core technology areas such as new energy powertrains, intelligent connected vehicles, and next-generation platforms. It will accelerate its global expansion, adhere to value-driven and lean operations, and transition from a scale-expansion development model to a lean value-growth model.

2. Core Competitiveness Analysis

The Company is a modern Sino-foreign joint venture stock-limited enterprise integrating automotive R&D, manufacturing, and sales. Leveraging its leading position in the light commercial vehicle market and advanced technologies, it stands as a pioneer in China's automotive industry, providing superior products and solutions for the smart logistics sector. The Company is recognized as a National High-tech Enterprise, a National Innovative Pilot Enterprise, a State-recognized Corporate Technology Center, a National Industrial Design Center, a National Intellectual Property Demonstration Enterprise, and a National Vehicle Export Base. It has been listed among the world's top 100 most valuable automotive brands for multiple consecutive years. Guided by its corporate vision of ‘Smart Mobility, Global Connectivity ’, We strive to evolve into a green and smart mobility technology company with cutting-edge technologies, superior quality and worldwide customer trust. In the first half of 2026, within its industry segments: JMC light buses maintained the No. 1 market share; JMC pickup trucks ranked No. 2 in market share; JMC light trucks ranked No. 7 in market share.

The Company has always remained customer-centric. As a provider of full-scenario solutions for light commercial vehicles, it offers customized and scalable integrated solutions based on customer usage scenarios, continuously covering urban delivery, passenger commuting, recreational camping, medical emergency services, and specialized modification applications. Through C2B customized product services, end-to-end logistics solutions, and mobility platform services, the Company helps customers improve operational efficiency and reduce total cost of ownership throughout the vehicle lifecycle.

The Company continues to refine its product portfolio of light bus, light truck, and Pickup. JMC light buses address the needs of freight transport, passenger transport, and specialized modifications, while strengthening the synergy between conventional powertrain and new energy products. JMC light trucks, driven by customer insights, are steadily advancing new energy models such as the E-Shunda and the next-generation Shunda series, enhancing loading efficiency, driving comfort, and energy savings. JMC pickup trucks are available in three major series—Baodian, Yuhu, and Daodao—covering a wide range of applications from workhorse tools and commercial-passenger dual-purpose vehicles to off-road leisure models. With scenario-based variants, the Company is enriching its full-price-band product matrix.

The Company adheres to a dual-brand strategy encompassing its own proprietary brand and the Ford brand, fully leveraging its own strengths while deeply integrating into Ford's global system. In terms of technological R&D, the Company draws on Ford's global platforms to continuously enhance its independent R&D system and global digital design platform, and collaborates with Ford on the development, design, and launch of specific new products.

In terms of brand ecosystem development, the Ford brand continues to build the "Ford Beyond" lifestyle system, which encompasses four major pillars: experience spaces, outdoor lifestyle communities, personalized boutique modifications, and vehicle services/support, delivering a comprehensive off-road and outdoor experience for users. The Ford Bronco Basecamp further enriches the new-energy off-road product lineup and was awarded the Red Dot Product Design Award in 2026 during the reporting period. The locally produced Ford Bronco and Ford Ranger continue to meet user demands for performance, personalization, premium features, and intelligent configurations through a diverse range of series and variants.

In terms of manufacturing management, the Company operates vehicle production bases including the Xiaolan Plant and the Fushan Plant, encompassing advanced manufacturing processes for stamping, welding, painting, final assembly, as well as diesel and gasoline engine production. It continues to build highly intelligent and highly flexible smart manufacturing centers, and enhances multi-variant production efficiency and product quality consistency through digital quality management, flexible production scheduling, and supply chain coordination.

In terms of autonomous driving, the Company continues to deepen the commercial deployment of L4 autonomous delivery vehicles, with a focus on the development and operation of autonomous driving systems for intra-city freight scenarios. It is advancing the coordinated validation of autonomous driving systems, vehicle platforms, and operational use cases, driving the transformation of its commercial vehicle products into smart mobile terminals.

In the field of new energy vehicles, the Company pursues steady yet aggressive progress, accelerating the expansion of its electric vehicle portfolio and market development. For passenger vehicles, it leverages the Ford Bronco Basecamp to broaden new-energy outdoor scenarios. For commercial vehicles, it continues to advance products such as the E-Fushun, E-Shunda, and heavy-duty wide-body high-capacity electric light trucks, refining its new-energy product lineup with a focus on greater loading space, enhanced transport capability, and lower operating costs. Through initiatives such as "JMC Fun-to Drive," the Company explores synergies across products, services, and operational ecosystems.

In terms of export operations, the Company leverages its diversified market expansion capabilities and product quality to continuously promote its light commercial vehicles, pickup trucks, and SUV in overseas markets. The all-new second-generation Ford Territory gasoline and hybrid models have been introduced to markets in the Middle East, Africa, Latin America, the Philippines, and Indochina, with the export product mix and regional footprint steadily being refined.

3. Core Business Analysis

Summary

Refer to the relevant content of “1. the Company’s Core Business During the Reporting Period”.

Year-over-Year Changes of Main Financial Data

Unit: RMB

| | 2026 1H | 2025 1H | YOY change（%） | Reason |
|---|---|---|---|---|
| Revenue | 19,361,867,251 | 18,092,386,210 | 7.02% | |
| Cost of sales | 17,006,947,505 | 15,539,656,822 | 9.44% | |
| Distribution costs | 391,175,890 | 466,792,493 | -16.20% | |
| Administrative expenses | 411,224,874 | 460,681,221 | -10.74% | |
| Finance expense | -44,583,409 | -55,376,687 | 19.49% | |
| Income tax expense | 90,395,586 | 84,084,738 | 7.51% | |
| Research and Development Expenditure | 658,610,108 | 785,291,234 | -16.13% | |
| Net cash generated from operating activities | 597,893,721 | -64,497,784 | 1,027% | Mainly due to the growth in sales and improved efficiency in collecting payments from dealers. |
| Net cash used in investing activities | -363,314,849 | -430,065,793 | 15.52% | |

| | | | | |
|---|---|---|---|---|
| Net cash used in financing activities | -1,617,489,156 | -199,608,603 | -710.33% | Mainly due to the decrease in short-term borrowings |
| Net increase/(decrease) in cash and cash equivalents | -1,382,910,284 | -694,172,180 | -99.22% | Mainly due to the decrease in short-term borrowings |

Significant changes in the composition or source of profits during the reporting period

□Applicable ☑Not Applicable

There was no significant change in the composition or source of profits in the period.

Composition of Core Business

Unit: RMB

| | 2026 First Half | | 2025 First Half | | YOY change（%） |
|---|---|---|---|---|---|
| | Amount | Proportion (%) | Amount | Proportion (%) | |
| Revenue | 19,361,867,251 | 100% | 18,092,386,210 | 100% | 7.02% |
| By Industry | | | | | |
| Automobile Industry | 19,361,867,251 | 100% | 18,092,386,210 | 100% | 7.02% |
| By Products | | | | | |
| Vehicle | 17,693,463,556 | 91.38% | 16,700,185,890 | 92.30% | 5.95% |
| Material and Components | 1,002,068,386 | 5.18% | 1,099,382,084 | 6.08% | -8.85% |
| Maintenance, technical services and other | 666,335,309 | 3.44% | 292,818,236 | 1.62% | 127.56% |
| By region | | | | | |
| China | 19,361,867,251 | 100% | 18,092,386,210 | 100% | 7.02% |

Reach 10% of Revenue or Profit by Industry, Product or Region

☑Applicable □Not Applicable

Unit: RMB

| | Turnover | Cost | Gross Margin | Y-O-Y turnover change (%) | Y-O-Y Cost Change (%) | Y-O-Y gross margin change (points) |
|---|---|---|---|---|---|---|
| By Industry | | | | | | |
| Automobile Industry | 19,361,867,251 | 17,006,947,505 | 12.16% | 7.02% | 9.44% | -1.95% |
| By Products | | | | | | |
| Vehicle | 17,693,463,556 | 15,957,405,543 | 9.81% | 5.95% | 9.58% | -2.99% |
| By Region | | | | | | |
| China | 19,361,867,251 | 17,006,947,505 | 12.16% | 7.02% | 9.44% | -1.95% |

If the Company's core business scope is adjusted during the reporting period, the Company's core business data of last year need to be adjusted per the scope in this year

□Applicable ☑Not Applicable

4. Non-core business analysis

□Applicable ☑Not Applicable

5. Analysis of Assets and Liabilities

I. Major changes

Unit: RMB

| Asset item | June 30, 2026 | | December 31, 2025 | | YOY |
|---|---|---|---|---|---|
| | | | | | Proportion change |
| | Amount | Proportion | Amount | Proportion | (Points) |
| Cash and cash equivalents | 12,171,980,445 | 38.19% | 13,582,540,346 | 40.27% | -2.08% |
| Accounts receivable | 6,318,608,512 | 19.82% | 6,141,405,767 | 18.21% | 1.61% |
| Inventories | 2,115,057,030 | 6.64% | 2,011,925,708 | 5.97% | 0.67% |
| Long-term equity investments | 175,003,168 | 0.55% | 203,641,921 | 0.60% | -0.05% |
| Fixed assets | 5,486,106,001 | 17.21% | 5,789,423,822 | 17.17% | 0.04% |
| Construction in progress | 549,633,231 | 1.72% | 507,614,873 | 1.51% | 0.21% |
| Right-of-use asset | 80,664,967 | 0.25% | 120,243,307 | 0.36% | -0.11% |
| Short-term borrowings | 350,000,000 | 1.10% | 1,950,000,000 | 5.78% | -4.68% |
| Contract liabilities | 510,991,920 | 1.60% | 545,864,754 | 1.62% | -0.02% |
| Long-term borrowings | 223,004 | 0% | 460,276 | 0% | 0% |
| Lease liabilities | 33,555,476 | 0.11% | 44,860,116 | 0.13% | -0.02% |

II. Main Overseas Assets

□Applicable ☑Not Applicable

III. The fair value of the assets and liabilities.

☑Applicable □Not Applicable

Unit: RMB

| Item | financial assets | 1.Trading financial assets (excluding derivative financial assets) | financial assets Subtotal | Financing receivables | Subtotal | Financial liabilities |
|---|---|---|---|---|---|---|
| Beginning of the period | | 801,902,466 | 801,902,466 | 205,851,591 | 1,007,754,057 | 0 |
| Loss/profit in fair value in the period | | -164,274 | -164,274 | | -164,274 | |
| Cumulative changes in fair value recorded into equity | | | | | | |
| Impairment in the period | | | | | | |
| Purchase in the period | | 1,600,000,000 | 1,600,000,000 | 4,753,827,271 | 6,353,827,271 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Sell in the period | | 1,600,000,000 | 1,600,000,000 | 4,911,183,521 | 6,511,183,521 | |
| Other changes | | | | | | |
| End of the period | | 801,738,192 | 801,738,192 | 48,495,341 | 850,233,533 | 0 |

Other change

None.

Whether there is a significant change in the measurement attributes of the Company's main assets during the reporting period

□Applicable ☑Not Applicable

IV. Restriction on Assets Rights as of the End of the Reporting Period

Unit: RMB

| Items | Book value at the end of the period | Cause for restriction |
|---|---|---|
| Cash and cash equivalents | 26,196,044 | Frozen funds for litigation. |

6. Investment Analysis

I. Summary

□Applicable ☑Not Applicable

II. Obtained Major Equity Investment during the Reporting Period

□Applicable ☑Not Applicable

III. Ongoing Major Non-Equity Investment during the Reporting Period

□Applicable ☑Not Applicable

IV. Financial Assets Investment

(a) Stock Investment

□Applicable ☑Not Applicable

There was no stock investment during the reporting period.

(b)Derivative Investment

☑Applicable □Not Applicable

(1) Derivative investments for hedging purposes during the reporting period

☑Applicable □Not Applicable

Units: RMB’000

| Types of Derivatives Investments | Foreign Exchange - Forward Purchase | Total |
|---|---|---|
| Initial investment amount | 115,850 | 115,850 |

| | | |
|---|---|---|
| Amount at the beginning of the year | 115,850 | 115,850 |
| Gains and losses on fair value changes during the period | -3,900 | -3,900 |
| Cumulative fair value changes recognized in equity | -4,060 | -4,060 |
| Amount acquired during the reporting period | 42,830 | 42,830 |
| Amount sold during the reporting period | 66,600 | 66,600 |
| Amount at the end of the year | 92,080 | 92,080 |
| Proportion of the investment amount at the end of the period to the Company's net assets at the end of the reporting period | 0.77% | 0.77% |

| | |
|---|---|
| Statement on whether there were significant changes of the accounting policies and specific principles of accounting applied to hedging activities during the reporting period as well as compared with the previous reporting period | No. |
| Explanation of actual gains and losses during the reporting period | The actual trading loss amounted to RMB 160,000. |
| Description of hedging effects | JMC forward business adheres to the principle of risk neutrality and is based on normal production and operation, with the main purpose of maintaining financial stability and avoiding the risk of exchange rate fluctuations. |
| Sources of funds for derivatives investments | Self-owned funds. |
| Risk analysis and description of control measures for derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.) | Risk analysis:<br>1. Market risk: In the case of large exchange rate fluctuations, losses may arise from the deviation of the exchange rate of the forward contract from the market spot rate on the maturity date of the contract;<br>2. Liquidity risk: it may be due to inaccurate forecasts that the delivery date signed by the forward is inconsistent with the actual delivery date, resulting in insufficient funds available for use at the time of delivery, which triggers the risk of fund liquidity and leads to failure to deliver as scheduled;<br>3. Credit risk: It may be due to inaccurate forecast, the delivery date signed by the forward is not consistent with the actual delivery period, resulting in the risk of delayed delivery caused by the forward foreign exchange transactions cannot be delivered according to the agreed time;<br>4. Operational risk: the risk may be caused by imperfect internal control mechanism and improper operation mode of operators;<br>5. Legal risk: may face legal risks due to insufficient completeness of contract terms or disputes over jurisdictional terms. |

| | |
|---|---|
| | Risk control measures:<br>1. The Company conducts forward foreign exchange transactions based on scientific forecasts of forward foreign exchange demand in accordance with its business plan to meet operational needs, to avoid and prevent the impact of exchange rate fluctuations on the Company, and does not engage in speculative transactions;<br>2. With regard to the possible performance guarantee issues arising from foreign exchange derivative transactions, the business execution department of the Company will establish a tracking mechanism to implement tracking management of the progress of business receipts and payments to effectively prevent the risk of default on delivery and ensure that potential losses are controlled within the minimum scope;<br>3. Through strengthening the training of business knowledge, the Company will enhance the comprehensive business quality of relevant personnel and improve the ability to identify and prevent risks;<br>4. The Company has formulated the Foreign Exchange Risk Control Process, and the operators strictly follow the requirements of the system;<br>5. The Company chooses financial institutions with legitimate qualifications, good credit and long-term business relations with the Company as counterparties for forward foreign exchange transactions, with low risk of default. |
| Disclosure of changes in the market prices or fair value of derivative instruments held during the reporting period. The analysis of the fair value of derivatives shall disclose the specific valuation methods applied, as well as the underlying assumptions and parameters used. | The Company recognizes and measures the fair value in accordance with Chapter 7 “Measurement of Financial Instruments” of “Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”, and the fair value is basically determined by reference to the bank's pricing for the purpose of fair value measurement and recognition. During the reporting period, the gain or loss on fair value changes of foreign exchange forward contracts amounted to RMB -3.9 million. |
| Litigation status | No. |
| Derivatives Investment Approval Board Announcement Disclosure Date | 2025.12.23 |

(2) Derivative investments for speculative purposes during the reporting period

□Applicable ☑Not Applicable

During the reporting period, the Company did not engage in any derivative investments for speculative purposes.

V. Usage of Raised Fund

□Applicable ☑Not Applicable
There was no usage of raised fund on the reporting period.

7. Sales of Major Assets and Equity
I. Sales of Major Assets
□Applicable ☑Not Applicable
No Major Assets were sold during the reporting period.

II. Sales of Major Equity
□Applicable ☑Not Applicable

8. Analysis of major shareholding companies
☑Applicable □Not Applicable
Operating Results of Main Subsidiaries and Joint-Stock Companies whose impact on JMC's net profit more than 10%

Unit: RMB'000

| Name of companies | Jiangling Motors Sales Corporation, Ltd | JMC Heavy Duty Vehicle Co., Ltd. | Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. | Shenzhen Fujiang New Energy Automobile Sales Co., Ltd. |
|---|---|---|---|---|
| Type of companies | Whole-owned subsidiary | Whole-owned subsidiary | Holding subsidiary | Whole-owned subsidiary |
| Main business | Sales of vehicles and service parts. | Production and sales of automobiles, engines and other automotive parts | Engineering and technology research and experimental development, sales of vehicles, new energy vehicles, auto parts, etc. | Automotive sales, car rental, and other related services. |
| Registered capital | 50,000.00 | 1,323,793.20 | 2,678,000.00 | 10,000.00 |
| Assets | 5,052,667.10 | 324,645.40 | 247,532.50 | 1,194,772.20 |
| Net assets | 112,822.50 | 300,135.80 | -623,881.10 | -266,376.30 |
| Turnover | 9,726,766.70 | 2,088.30 | 12,057.30 | 119,016.60 |
| Operating profit | -85,519.60 | -6,666.60 | 5,098.10 | -4,078.30 |
| Net profit | -64,067.20 | -6,381.00 | 5,098.10 | -3,651.70 |

Acquisition and disposal of the subsidiaries
□Applicable ☑Not Applicable

Description of the main holding and participating companies
None.

9. Structured Entities Controlled by JMC
□Applicable ☑Not Applicable

10. Potential Challenges and Solutions

In 2026, ongoing geopolitical conflicts continued to impact the global economy, with slowing economic growth, rising inflationary pressures, and heightened global economic uncertainty. China's domestic economy remained generally stable, with GDP growing by 4.7% year-on-year in the first half of the year, demonstrating a trajectory of "stability, resilience, novelty, and optimization," achieving both effective qualitative improvement and reasonable quantitative growth. At the same time, however, China's automotive market has entered a phase of inventory-based attrition, marked by weak domestic consumer demand, steadily rising new energy vehicle penetration, and intensifying industry competition, all of which pose considerable challenges to the Company's operations. To maintain steady and robust growth, the Company will focus on the following key areas:

(1) Market competition and demand shifts.
Challenges and risks: In 2026, due to weak big-ticket consumer spending and the phase-out of policy support, the domestic market continued to contract. Although export growth in the international market exceeded expectations, the external environment has become more complex, severe, and uncertain. At the same time, the fuel-powered vehicle market continued to shrink significantly, while new energy products grew steadily. Market concentration further increased, and industry competition grew even more intense, posing considerable challenges to the Company's operations.

Response measures: The Company will remain customer-centric, grounded in customer needs and new changes in the market environment, while continuously exploring new business growth drivers to seize early opportunities in rapidly evolving industry segments. It will firmly accelerate the strategic pace of new energy transformation, stabilize its core light commercial vehicle business, and capture structural opportunities in the new energy sector. At the same time, the Company will strengthen marketing model innovation, accelerate channel transformation, continue to explore overseas market opportunities, and enhance overseas capability building. By continuously monitoring market and customer insights, it will further improve the competitiveness of its products and services.

(2) Industry Transformation and Technological Revolution.
Challenges and Risks: The automotive industry is experiencing rapid technological iteration, with intensive implementation of new safety regulations, energy consumption constraints, and intelligent connected vehicle compliance rules. These further raise the bar for new vehicle market access, imposing

higher requirements on enterprises' R&D capabilities and management standards.

Countermeasures: The company is focusing on the "New Four Modernizations" of the automotive industry—electrification, intelligence, connectivity, and sharing—by concentrating efforts on core key technologies such as new energy powertrains, intelligent connected systems, and next-generation vehicle architecture platforms. On one hand, we are strengthening our R&D foundation by upgrading supporting hardware for product and technology development, expanding and cultivating specialized teams capable of independently developing core technologies, and continuously increasing R&D investment with a strategic emphasis on core technology areas. On the other hand, we are advancing internal digital transformation in depth, proactively collaborating with leading domestic AI model enterprises, universities, and research institutes to establish collaborative R&D channels, thereby accelerating the deployment of artificial intelligence technologies across various business scenarios. Through a synergistic approach that combines independent technology R&D, talent development, digital upgrading, and industry-university-research collaboration, we are comprehensively propelling the company toward high-quality development in electrification, intelligence, connectivity, and sharing.

(3) Cost Competitiveness and Profitability.
Challenges and Risks: As industry competition intensifies, end-user marketing expenditures continue to rise. At the same time, adverse factors on the supply side have become increasingly prominent—prices of raw materials such as precious metals and lithium carbonate are experiencing high-level volatility, automotive chip supply remains tight with procurement costs rising sharply, and the international trade environment is complex and ever-changing. With these multiple pressures converging, the profit margins of the vehicle manufacturing industry have been continuously squeezed, placing sustained strain on the company's cost competitiveness and profitability.

Countermeasures: The company remains firmly committed to prioritizing quality and will continue to provide customers with stable product quality and superior product services. We will vigorously drive marketing innovation and transformation to enhance product competitiveness and further expand sales scale and market share. We will deepen cost reduction and efficiency improvement efforts by continuously carrying out company-wide cost-saving initiatives across all domains—covering manufacturing, product R&D, procurement costs, sales, logistics, and management—to promote optimal resource allocation, improve the effectiveness of resource investment, and enhance operational management efficiency. Through these concrete actions, we aim to improve the company's overall cost competitiveness and profitability, to support the company's high-quality development.

11. Development and implementation of the market value management system and valuation enhancement plan
Whether the Company has a market value management system in place.
□Yes ☑No

Whether the Company has disclosed plans for valuation enhancement.
□Yes ☑No

12. Implementation of the action plan of "Double Enhancement of Quality and Return"
Whether the Company has disclosed the action plan of "Double Enhancement of Quality and Return".
□Yes ☑No

## Chapter IV Corporate Governance Structure, Environment and Social

1. Changes of Directors and senior management

☑Applicable □Not Applicable

| Name | Position | Status | Date | Reason |
|---|---|---|---|---|
| Yong Wang | Independent Director | Elected | 2026.06.25 | Re-election |
| Xue Linnan | Independent Director | Elected | 2026.06.25 | Re-election |
| Luo Wenhua | Employee Representative Director | Elected | 2026.06.25 | Re-election |
| Chen Jiangfeng | Independent Director | End of term of office | 2026.06.25 | End of term of office |
| Wang Yue | Independent Director | End of term of office | 2026.06.25 | End of term of office |
| Liu Niansheng | Employee Representative Director | End of term of office | 2026.06.25 | End of term of office |
| Liu Senhai | VP | Employment | 2026.04.01 | Appointment due to work need |
| Wu Jiehong | Board Secretary | Employment | 2026.04.01 | Appointment due to work need |
| Xu Lanfeng | VP & Board Secretary | Dismissal | 2026.03.31 | Work rotation |

2. Proposal on profit distribution and converting capital reserve to share capital for the reporting period

□Applicable ☑Not Applicable

The Company has decided that neither cash dividend nor stock dividend is to be distributed, and not to convert capital reserve to share capital for the first half of 2026.

3. Implementation of Equity Incentive Plan, Employee Stock Ownership Plan and Other Employee Incentive Method

□Applicable ☑Not Applicable

There was neither equity incentive plan or ESOP, nor other employee incentive method during the reporting period.

4. Environmental Information Disclosure Status

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

☑Applicable □Not Applicable

| Number of enterprises included in the accordance with the law environmental information disclosure list (units) | | 1 |
|---|---|---|
| Serial Number | Company name | Environmental Information Disclosure Report Index |
| 1 | Jiangling Motors Corporation, Ltd. | 1. National Pollutant Discharge Permit Management Information Platform |

| | | |
|---|---|---|
| | | https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action;<br>2. Nanchang Industrial Solid Waste Regulatory Platform<br>http://117.40.240.237:10086/index.jsp. |

5. Social responsibility

In the first half of 2026, JMC continued to empower rural revitalization, deepening its "JMC Xiqiao Bridge Project" public welfare brand by donating RMB 2 million to the China Foundation for Rural Development, specifically designated for the construction of convenience bridges. This project was jointly initiated by JMC and the China Foundation for Rural Development in 2007, adhering to the mission of "Building Rural Bridges, Connecting the Path to Revitalization" for nearly two decades. As of the end of June 2026, the company has cumulatively invested over RMB 45.9 million, built 465 convenience bridges, covering 25 provinces (autonomous regions and municipalities directly under the central government) and 132 counties, benefiting more than 700,000 people in underdeveloped areas. These efforts have effectively addressed local transportation difficulties and contributed JMC's strength to the comprehensive revitalization of rural areas.

## Chapter V Major Events

1. Commitments by actual controlling parties, shareholders, related parties, acquirers and the Company finished in the reporting period or overdue yet unfinished by the end of the reporting period

□Applicable ☑Not Applicable

There is no commitment by actual controlling parties, shareholders, related parties, acquirers and the Company finished in the reporting period or overdue yet unfinished by the end of the reporting period.

2. Non-operating funding in the Company occupied by controlling shareholder and its affiliates

□Applicable ☑Not Applicable

There was no non-operating funding in the Company occupied by controlling shareholder and its affiliates.

3. Illegal external guarantee

□Applicable ☑Not Applicable

The Company had no illegal external guarantee during the reporting period.

4. Appointment or Dismissal of Accounting Firm

Whether the 2026 half-year report is audited?

□Yes ☑No

JMC 2026 half-year report is not audited.

5. Explanation of the Board of Directors to abnormal opinions from accounting firm for the reporting period

□Applicable ☑Not Applicable

6. Explanation of the Board of Directors to abnormal opinions from accounting firm in 2025 report

□Applicable ☑Not Applicable

7. Related Matters regarding Bankruptcy

□Applicable ☑Not Applicable

There was no matter involving bankruptcy during the reporting period.

8. Litigation or arbitration

Major Litigation or Arbitration

□Applicable ☑Not Applicable

There was no major litigation or arbitration during the reporting period.

Other litigation

□Applicable ☑Not Applicable

9. Punishment
□Applicable ☑Not Applicable

10. Good-faith status of JMC and its controlling shareholder or actual controlling party
□Applicable ☑Not Applicable

11. Major related transactions
I. Routine related party transactions
☑Applicable □Not Applicable
Please refer to the note 8 "Related party Transactions" to the financial statements in the Chapter VIII Financial Statements for details.

Index of the announcement on forecast of the routine related party Transactions:

| Name | Disclosure Date | Website for Disclosure |
|---|---|---|
| Public Announcement on Forecast of the Routine Related Party Transactions in 2026 | 2025.12.23 | www.cninfo.com.cn. |

II. Major related party transaction concerning transfer of assets or equity
□Applicable ☑Not Applicable
There was no major related party transaction concerning transfer of assets or equity in the reporting period.

III. Related party transaction concerning joint external investment
□Applicable ☑Not Applicable
There was no joint external investment during the reporting period.

IV. Related credit and debt
☑Applicable □Not Applicable
Is there non-operating related credit and debt?
□Yes ☑No
The Company had no non-operating related credit and debt in the reporting period.

V. Transaction with related financial companies or financial companies that the company holds
☑Applicable □Not Applicable
Deposit business

| Related party | The related relationship | Maximum daily deposit limit | Deposit rate | Balance at the beginning of the period(RMB thousands) | Current amount | | Balance at the end of the period (RMB thousands) |
|---|---|---|---|---|---|---|---|
| | | | | | Deposit amount (RMB thousands) | Take out the amount (RMB thousands) | |
| JMCG Finance Company | Wholly-owned Subsidiary of JMCG | * | 0.85%-1.4% | 1,592,490 | 6,302,540 | 6,542,550 | 1,352,480 |

* Note: JMC applies the consolidated deposit limit in JMCG Finance Company at the end of each month to the lower of the following: 1) 25% of JMCG Finance

Company absorbed deposit in prior year end; or 2) 12% of JMC's consolidated total cash reserve.

Loan business

| Related party | The related relationship | loan limit (RMB thousands) | Loan rate range | Balance at the beginning of the period (RMB thousands) | Current amount | | Balance at the end of the period (RMB thousands) |
|---|---|---|---|---|---|---|---|
| | | | | | Loan amount (RMB thousands) | Repayment amount (RMB thousands) | |
| JMCG Finance Company | Wholly-owned Subsidiary of JMCG | 1,300,000 | 0% | 0 | 0 | 0 | 0 |

Granting credit or other financial business

| Related party | The related relationship | Type of business | Total (RMB thousands) | Actual amount (RMB thousands) |
|---|---|---|---|---|
| JMCG Finance Company | Wholly-owned Subsidiary of JMCG | Granting credit | 1,300,000 | 0 |

VI. The transactions between the financial company controlled by the company and its related parties
□Applicable ☑Not Applicable
The Company has no controlling financial company.

VII. Other major related party transactions
□Applicable ☑Not Applicable
The Company has no other major related party transaction in the reporting period.

12. Major Contracts and Execution
(1) Entrustment, contract or lease
a. Entrustment
□Applicable ☑Not Applicable
There was no entrustment in the reporting period.

b. Contract
□Applicable ☑Not Applicable
There was no contract in the reporting period.

c. Lease
☑Applicable □Not Applicable
Please refer to the Note 5 (12), note 5 (14), note 5 (31), note 5 (62) and note 8 (5) (b) of the financial statements in the Chapter VIII Financial Statements for details.

Project of which the profit and loss brought for the company reaches more than 10% of the total profit of the company during the reporting period
□Applicable ☑Not Applicable

There was no leasing project of which the profit and loss brought for the Company reached more than 10% of the total profit of the Company during the reporting period.

II. Major guarantee
□Applicable ☑Not Applicable
The Company had no external guarantee in the reporting period.

III. Entrusted financial management
□Applicable ☑Not Applicable
There was no entrusted financial management in the reporting period.

IV. Other Major Contracts
□Applicable ☑Not Applicable
There was no other major contract in the reporting period.

13. External Research, Communication, and Media Interview to the Company
☑Applicable □Not Applicable

| Date | Communication Method | Type of Object | Information Discussed and Materials offered |
|---|---|---|---|
| April 16, 2026 | Online communication on the internet platform | Individual investor | JMC Operating highlights |
| May 15, 2026 | Online communication on the internet platform | Individual investor | JMC Operating highlights |

14. Other major events
□Applicable ☑Not Applicable
There was no other major event in the reporting period.

15. Major event of JMC subsidiary
□Applicable ☑Not Applicable

# Chapter VI Share Capital Changes & Shareholders

1. Changes of shareholding structure

I. Table of the changes of shareholding structure

| | Before the change | | Change (+, -) | | | | | After the change | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Proportion of total shares (%) | New shares | Bonus Shares | Reserve-converted shares | Others | Sub-total | Shares | Proportion of total shares (%) |
| I. Limited tradable A shares | 750,840 | 0.09% | | | | | | 750,840 | 0.09% |
| 1. Other domestic shares | 750,840 | 0.09% | | | | | | 750,840 | 0.09% |
| Including: | | | | | | | | | |
| Domestic legal person shares | 745,140 | 0.09% | | | | | | 745,140 | 0.09% |
| Domestic natural person shares | 5,700 | 0.00% | | | | | | 5,700 | 0.00% |
| II. Unlimited tradable shares | 862,463,160 | 99.91% | | | | | | 862,463,160 | 99.91% |
| 1. A shares | 518,463,160 | 60.06% | | | | | | 518,463,160 | 60.06% |
| 2. B shares | 344,000,000 | 39.85% | | | | | | 344,000,000 | 39.85% |
| III. Total | 863,214,000 | 100.00% | | | | | | 863,214,000 | 100.00% |

Causes of shareholding changes

□Applicable ☑Not Applicable

Approval of changes of shareholding structure

□Applicable ☑Not Applicable

Shares Transfer

□Applicable ☑Not Applicable

Progress in the implementation of share repurchase

□Applicable ☑Not Applicable

The implementation progress of reducing the buyback shares by means of centralized bidding

□Applicable ☑Not Applicable

Impact on accounting data, such as the latest EPS, diluted EPS, shareholders’ equity attributable to the equity holders of the Company, generated from shares transfer

□Applicable ☑Not Applicable

Others to be disclosed necessarily or per the requirements of securities regulator

□Applicable ☑Not Applicable

II. Changes of limited A shares

□Applicable ☑Not Applicable

2. Securities issuance and listing

□Applicable ☑Not Applicable

## 3. Shareholders and shareholding status

<table>
<tr><td>Total shareholders (as of June 30, 2026)</td><td colspan="6">JMC had 34,931 shareholders, including 29,239 A-shareholders, and 5,692 B-shareholders.</td></tr>
<tr><td colspan="7">Shareholding status of shareholders holding more than 5% of shares or the top 10 shareholders (excluding shares lent through securities lending)</td></tr>
<tr><td>Shareholder Name</td><td>Shareholder Type</td><td>Shareholding Percentage (%)</td><td>Shares at the End of Year</td><td>Change (+,-)</td><td>Shares with Trading Restriction</td><td>Shares due to mortgage or mark or frozen</td></tr>
<tr><td>Nanchang Jiangling Investment Co., Ltd.</td><td>State-owned legal person</td><td>41.03%</td><td>354,176,000</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Ford Motor Company</td><td>Foreign legal person</td><td>32.00%</td><td>276,228,394</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Hong Kong Securities Clearing Company Ltd. (HKSCC)</td><td>Foreign legal person</td><td>1.15%</td><td>9,934,770</td><td>414,101</td><td>0</td><td>0</td></tr>
<tr><td>Industrial and Commercial Bank of China Limited - Guolian Superior Industry Mixed Securities Investment Fund</td><td>Domestic non-State-owned legal persons</td><td>0.73%</td><td>6,288,001</td><td>1,259,900</td><td>0</td><td>0</td></tr>
<tr><td>Jin Xin</td><td>Domestic natural person</td><td>0.59%</td><td>5,121,500</td><td>-206,400</td><td>0</td><td>0</td></tr>
<tr><td>China Merchants Fund Management Co., Ltd. - Social Security Fund Portfolio 1903</td><td>Domestic non-State-owned legal persons</td><td>0.33%</td><td>2,839,600</td><td>2,839,600</td><td>0</td><td>0</td></tr>
<tr><td>CITIC Securities Co., Ltd. – Invesco Great Wall CSI Shanghai-Hong Kong-Shenzhen Dividend Growth Low Volatility Index Securities Investment Fund</td><td>Domestic non-State-owned legal persons</td><td>0.30%</td><td>2,632,600</td><td>2,632,600</td><td>0</td><td>0</td></tr>
<tr><td>Li Yifeng</td><td>Domestic natural person</td><td>0.21%</td><td>1,850,000</td><td>343,500</td><td>0</td><td>0</td></tr>
<tr><td>Xingyin Wealth Management Co., Ltd. - Xingyin Wealth Management Fuli Xingcheng Alpha 3-Month Holding Period No. 3 Mixed Wealth Management Product</td><td>Domestic non-State-owned legal persons</td><td>0.18%</td><td>1,550,548</td><td>1,272,906</td><td>0</td><td>0</td></tr>
<tr><td>Li Guilin</td><td>Domestic natural person</td><td>0.16%</td><td>1,400,545</td><td>20,200</td><td>0</td><td>0</td></tr>
<tr><td colspan="2">Notes on association among above-mentioned shareholders</td><td colspan="5">Shareholders holding more than 5% are not related.</td></tr>
<tr><td colspan="2">Description of the above shareholders' entrusted / entrusted voting rights and waived voting rights</td><td colspan="5">None.</td></tr>
<tr><td colspan="2">A special description of the special repurchase account among the top 10 shareholders</td><td colspan="5">JMC Share Repurchase Special Securities Account holds 8,632,078 A shares of the Company, representing 1% of the total outstanding shares of the Company.</td></tr>
<tr><td colspan="7">Top ten shareholders holding unlimited tradable shares</td></tr>
<tr><td colspan="4">Shareholder Name</td><td colspan="2">Shares without Trading Restriction</td><td>Share Type</td></tr>
<tr><td colspan="4">Nanchang Jiangling Investment Co., Ltd.</td><td colspan="2">354,176,000</td><td>A share</td></tr>
</table>

| | | |
|---|---|---|
| Ford Motor Company | 276,228,394 | B share |
| Hong Kong Securities Clearing Company Ltd. (HKSCC) | 9,934,770 | A share |
| Industrial and Commercial Bank of China Limited - Guolian Superior Industry Mixed Securities Investment Fund | 6,288,001 | A share |
| Jin Xin | 5,121,500 | B share |
| China Merchants Fund Management Co., Ltd. - Social Security Fund Portfolio 1903 | 2,839,600 | A share |
| CITIC Securities Co., Ltd. – Invesco Great Wall CSI Shanghai-Hong Kong-Shenzhen Dividend Growth Low Volatility Index Securities Investment Fund | 2,632,600 | A share |
| Li Yifeng | 1,850,000 | B share |
| Xingyin Wealth Management Co., Ltd. - Xingyin Wealth Management Fuli Xingcheng Alpha 3-Month Holding Period No. 3 Mixed Wealth Management Product | 1,550,548 | A share |
| Li Guilin | 1,400,545 | A share |
| Explanation of the association or concerted action between the top 10 unlimited tradable shareholders, and between the top 10 unlimited tradable shareholders and the top 10 shareholders | Shareholders holding more than 5% are not related. | |

Participation of Shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders with unlimited shares in the lending of shares in the refinancing business

□Applicable ☑Not Applicable

Change in the top 10 shareholders of the Company and the top 10 shareholders with unlimited shares from the previous period due to lending/repatriation of refinancing business

□Applicable ☑Not Applicable

Stock buy-back by top ten shareholders or top ten shareholders holding unlimited tradable shares in the reporting period

□Applicable ☑Not Applicable

The top 10 common shareholders of the Company and the top 10 common shareholders with unlimited conditions of sale did not conduct agreed repurchase transactions during the reporting period.

4. Changes of shares held by Directors, Supervisors and senior management

□Applicable ☑Not Applicable

There was no change of shares held by Directors and senior management in the reporting period. Please refer to 2025 annual report for details.

5. Change of controlling shareholders or actual controlling parties

The company has previously disclosed that the actual controller is planning a change in control that has not yet been completed please explain the current progress of the change in control.

□Applicable ☑Not Applicable

Change of controlling shareholders

□Applicable ☑Not Applicable

There was no change of controlling shareholders during the reporting period.

Change of actual controlling parties

□Applicable ☑Not Applicable

There was no change of actual controlling parties during the reporting period.

6. Preferred Shares
□Applicable ☑Not Applicable
JMC had no preferred shares in the reporting period.

# Chapter VII Bond related Information

□Applicable ☑Not Applicable

**JIANGLING MOTORS CORPORATION, LTD.**

**FINANCIAL STATEMENTS**
**FOR THE SIX MONTHS ENDED 30 JUNE 2026**

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

**JIANGLING MOTORS CORPORATION, LTD.**

**CONSOLIDATED AND COMPANY BALANCE SHEETS**

**AS AT 30 June 2026**

(All amounts in RMB Yuan unless otherwise stated)

| ASSETS | Notes | 30 June 2026 Consolidated* | 31 December 2025 Consolidated | 30 June 2026 Company* | 31 December 2025 Company |
|---|---|---|---|---|---|
| | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5(1) | 12,171,980,445 | 13,582,540,346 | 10,884,645,288 | 10,966,453,363 |
| Financial assets held for trading | 5(2) | 801,738,192 | 801,902,466 | - | - |
| Notes receivable | | - | - | - | 1,500,000,000 |
| Accounts receivable | 5(3)、14(1) | 6,318,608,512 | 6,141,405,767 | 6,584,740,492 | 6,264,582,609 |
| Financing receivables | 5(4) | 48,495,341 | 205,851,591 | 14,248,635 | 150,902,273 |
| Advances to suppliers | 5(5) | 143,467,706 | 98,624,060 | 143,467,706 | 98,624,060 |
| Other receivables | 5(6)、14(2) | 28,374,836 | 134,768,377 | 26,873,762 | 134,906,584 |
| Inventories | 5(7) | 2,115,057,030 | 2,011,925,708 | 2,111,610,476 | 2,008,282,424 |
| Current portion of non-current assets | 5(9) | 30,563,429 | 27,153,632 | - | 1,631,907 |
| Other current assets | 5(8) | 1,209,190,698 | 1,194,944,928 | 1,032,122,553 | 956,607,104 |
| Total current assets | | 22,867,476,189 | 24,199,116,875 | 20,797,708,912 | 22,081,990,324 |
| | | | | | |
| Non-current assets | | | | | |
| Long-term receivables | 5(10) | 74,960,888 | 71,519,964 | - | - |
| Long-term equity investments | 5(11)、14(3) | 175,003,168 | 203,641,921 | 625,657,098 | 654,295,851 |
| Fixed assets | 5(12) | 5,486,106,001 | 5,789,423,822 | 4,756,917,835 | 5,065,812,739 |
| Construction in progress | 5(13) | 549,633,231 | 507,614,873 | 449,017,979 | 333,295,118 |
| Right-of-use assets | 5(14) | 80,664,967 | 120,243,307 | 79,397,904 | 118,037,006 |
| Intangible assets | 5(15) | 1,609,163,337 | 1,790,269,138 | 1,406,849,797 | 1,584,170,614 |
| Development expenditures | 5(16) | 27,873,802 | 57,594,483 | 27,873,802 | 57,594,483 |
| Goodwill | 5(19) | - | - | - | - |
| Deferred tax assets | 5(17) | 1,001,922,775 | 980,954,002 | - | - |
| Other non-current assets | 5(18) | 3,438,898 | 4,912,712 | 3,438,899 | 4,912,712 |
| Total non-current assets | | 9,008,767,067 | 9,526,174,222 | 7,349,153,314 | 7,818,118,523 |
| | | | | | |
| TOTAL ASSETS | | 31,876,243,256 | 33,725,291,097 | 28,146,862,226 | 29,900,108,847 |

* Unaudited financial indexes

**JIANGLING MOTORS CORPORATION, LTD.**

**CONSOLIDATED AND COMPANY BALANCE SHEETS**

**AS AT 30 June 2026**

(All amounts in RMB Yuan unless otherwise stated)

| LIABILITIES AND EQUITY | Notes | 30 June 2026 Consolidated* | 31 December 2025 Consolidated | 30 June 2026 Company* | 31 December 2025 Company |
|---|---|---|---|---|---|
| | | | | | |
| Current liabilities | | | | | |
| Short-term borrowings | 5(20) | 350,000,000 | 1,950,000,000 | - | 1,500,000,000 |
| Derivative financial liabilities | 5(21) | 3,517,243 | 695,349 | 3,517,243 | 695,349 |
| Notes payable | 5(22) | 338,413,385 | 427,292,904 | 338,413,385 | 427,292,904 |
| Accounts payable | 5(23) | 11,059,636,157 | 11,397,760,484 | 11,056,352,768 | 11,393,769,153 |
| Contract liabilities | 5(24) | 510,991,920 | 545,864,754 | 1,142,836,762 | 1,315,151,000 |
| Employee benefits payable | 5(25) | 552,470,058 | 729,156,434 | 504,402,775 | 646,304,675 |
| Taxes payable | 5(26) | 106,072,832 | 132,698,441 | 94,618,848 | 121,268,279 |
| Other payables | 5(27) | 5,887,712,956 | 5,803,694,871 | 2,418,627,609 | 2,231,605,558 |
| Current portion of non-current liabilities | 5(28) | 25,477,356 | 91,863,024 | 23,563,131 | 89,799,585 |
| Other current liabilities | 5(29) | 315,358,044 | 304,431,406 | 178,562,910 | 183,977,806 |
| Total current liabilities | | 19,149,649,951 | 21,383,457,667 | 15,760,895,431 | 17,909,864,309 |
| | | | | | |
| Non-current liabilities | | | | | |
| Long-term borrowings | 5(30) | 223,004 | 460,276 | 223,004 | 460,276 |
| Lease liabilities | 5(31) | 33,555,476 | 44,860,116 | 33,378,710 | 43,797,509 |
| Provisions | 5(32) | 265,759,555 | 255,436,677 | 5,288,651 | 5,561,579 |
| Deferred income | 5(33) | 20,587,336 | 13,406,177 | 20,233,836 | 13,039,843 |
| Long-term employee benefits payable | 5(34) | 48,158,339 | 49,853,000 | 47,979,339 | 49,674,000 |
| Deferred tax liabilities | 5(17) | 189,302,556 | 123,918,738 | 171,473,784 | 105,804,342 |
| Other non-current liabilities | 5(35) | 511,013,459 | 461,860,038 | - | - |
| Total non-current liabilities | | 1,068,599,725 | 949,795,022 | 278,577,324 | 218,337,549 |
| | | | | | |
| Total liabilities | | 20,218,249,676 | 22,333,252,689 | 16,039,472,755 | 18,128,201,858 |
| | | | | | |
| Equity | | | | | |
| Share capital | 5(36) | 863,214,000 | 863,214,000 | 863,214,000 | 863,214,000 |
| Capital surplus | 5(37) | 839,442,490 | 839,442,490 | 839,442,490 | 839,442,490 |
| Less:Treasury shares | 5(38) | 170,214,887 | 170,214,887 | 170,214,887 | 170,214,887 |
| Other comprehensive income | 5(39) | (23,862,000) | (23,862,000) | (24,258,000) | (24,258,000) |
| Special reserve | 5(40) | 7,501,005 | 7,860,966 | 5,423,384 | 5,783,345 |
| Surplus reserve | 5(41) | 431,607,000 | 431,607,000 | 431,607,000 | 431,607,000 |
| Retained earnings | 5(42) | 10,016,007,701 | 9,752,190,648 | 10,162,175,484 | 9,826,333,041 |
| Total equity attributable to shareholders of the Company | | 11,963,695,309 | 11,700,238,217 | 12,107,389,471 | 11,771,906,989 |
| Minority interests | | (305,701,729) | (308,199,809) | - | - |
| Total equity | | 11,657,993,580 | 11,392,038,408 | 12,107,389,471 | 11,771,906,989 |
| | | | | | |
| TOTAL LIABILITIES AND EQUITY | | 31,876,243,256 | 33,725,291,097 | 28,146,862,226 | 29,900,108,847 |

* Unaudited financial indexes

Legal representative: Qiu Tiangao CFO: Weihua Li Finance Department: JiangNan

**JIANGLING MOTORS CORPORATION, LTD.**

**CONSOLIDATED AND COMPANY INCOME STATEMENTS**

**FOR SIX MONTHS ENDED 30 JUNE 2026**

(All amounts in RMB Yuan unless otherwise stated)

| Item | Notes | 2026 First Half-year Consolidated* | 2025 First Half-year Consolidated* | 2026 First Half-year Company* | 2025 First Half-year Company* |
|---|---|---|---|---|---|
| | | | | | |
| Revenue | 5(43)、14(4) | 19,361,867,251 | 18,092,386,210 | 18,570,906,713 | 17,406,169,505 |
| Less: Cost of sales | 5(43)、14(4) | (17,006,947,505) | (15,539,656,822) | (16,450,734,868) | (15,239,926,676) |
| Taxes and surcharges | 5(44) | (484,992,704) | (542,573,504) | (474,618,966) | (532,041,500) |
| Selling and distribution expenses | 5(45) | (391,175,890) | (466,792,493) | (73,852,661) | (79,713,765) |
| General and administrative expenses | 5(46) | (411,224,874) | (460,681,221) | (403,928,385) | (426,432,074) |
| Research and development expenses | 5(47) | (625,261,173) | (652,925,801) | (625,261,173) | (652,925,801) |
| Financial expenses | 5(48) | 44,583,409 | 55,376,687 | 39,061,247 | 46,578,703 |
| Including: Interest expenses | | (4,122,958) | (8,006,883) | (2,692,925) | (3,904,430) |
| Interest income | | 41,542,231 | 74,461,188 | 34,573,756 | 61,200,769 |
| Add: Other income | 5(51) | 353,221,017 | 321,265,671 | 345,086,695 | 316,023,140 |
| Investment income | 5(52)、14(5) | (254,145) | 679,581 | (1,178,773) | (594,717) |
| Including: Share of loss of associates and joint ventures | | (2,013,354) | (9,803,325) | (2,013,354) | (9,803,325) |
| Gains on changes in fair value | 5(53) | 1,608,894 | (7,003,758) | (3,900,257) | (7,182,998) |
| Credit impairment losses | 5(50) | (772,026) | (2,295,627) | 687,094 | (2,973,269) |
| Asset impairment losses | 5(49) | (9,532,170) | 42,736 | 258,829 | 42,736 |
| Gains on disposal of assets | 5(54) | 2,793,321 | 18,372,675 | 3,366,936 | 18,587,389 |
| | | | | | |
| Operating profit | | 833,913,405 | 816,194,334 | 925,892,431 | 845,610,673 |
| Add: Non-operating income | 5(55) | 1,911,499 | 1,697,188 | 893,096 | 926,403 |
| Less: Non-operating expenses | 5(56) | (4,129,007) | (206,747) | (4,128,847) | (202,738) |
| | | | | | |
| Total profit | | 831,695,897 | 817,684,775 | 922,656,680 | 846,334,338 |
| Less: Income tax expenses | 5(57) | (90,395,586) | (84,084,738) | (111,829,059) | (90,016,091) |
| | | | | | |
| Net profit | | 741,300,311 | 733,600,037 | 810,827,621 | 756,318,247 |
| Classified by continuity of operations | | | | | |
| Net profit from continuing operations | | 741,300,311 | 733,600,037 | 810,827,621 | 756,318,247 |
| Net profit from discontinued operations | | - | - | - | - |
| | | | | | |
| Classified by ownership of the equity | | | | | |
| Minority interests | | 2,498,080 | 871,990 | - | - |
| Attributable to shareholders of the Company | | 738,802,231 | 732,728,047 | 810,827,621 | 756,318,247 |
| | | | | | |
| Other comprehensive income, net of tax | | - | - | - | - |
| Attributable to shareholders of the Company | | | | | |
| Other comprehensive income items which will not be reclassified to profit or loss | | | | | |
| Changes arising from remeasurement of defined benefit plan | 5(39) | - | - | - | - |
| Attributable to minority interests | | - | - | - | - |
| | | | | | |
| Total comprehensive income | | 741,300,311 | 733,600,037 | 810,827,621 | 756,318,247 |
| Attributable to shareholders of the Company | | 738,802,231 | 732,728,047 | 810,827,621 | 756,318,247 |
| Attributable to minority interests | | 2,498,080 | 871,990 | - | - |
| | | | | | |
| Earnings per share | | | | | |
| Basic earnings per share (RMB Yuan) | 5(58) | 0.86 | 0.85 | —— | —— |
| Diluted earnings per share (RMB Yuan) | 5(58) | 0.86 | 0.85 | —— | —— |

* Unaudited financial indexes

Legal representative: Qiu Tiangao CFO: Weihua Li Finance Department: JiangNan

**JIANGLING MOTORS CORPORATION, LTD.**

**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS**

**FOR SIX MONTHS ENDED 30 JUNE 2026**

(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | 2026 First Half-year Consolidated* | 2025 First Half-year Consolidated* | 2026 First Half-year Company* | 2025 First Half-year Company* |
|---|---|---|---|---|---|
| Cash flows generated from/(used in) operating activities | | | | | |
| Cash received from sales of goods or rendering of services | | 20,866,902,082 | 18,065,495,131 | 21,198,472,200 | 17,662,368,377 |
| Cash received relating to other operating activities | 5(59) | 208,551,870 | 284,304,086 | 183,552,740 | 245,989,854 |
| Sub-total of cash inflows | | 21,075,453,952 | 18,349,799,217 | 21,382,024,940 | 17,908,358,231 |
| Cash paid for goods and services | | (16,975,998,886) | (14,632,015,284) | (16,403,031,250) | (14,018,348,095) |
| Cash paid to and on behalf of employees | | (1,528,477,991) | (1,489,737,422) | (1,470,080,507) | (1,380,952,099) |
| Payments of taxes and surcharges | | (931,091,338) | (1,043,908,883) | (905,983,855) | (1,028,058,774) |
| Cash paid relating to other operating activities | 5(59) | (1,041,992,016) | (1,248,635,412) | (754,723,646) | (721,703,374) |
| Sub-total of cash outflows | | (20,477,560,231) | (18,414,297,001) | (19,533,819,258) | (17,149,062,342) |
| Net cash flows generated from/(used in) operating activities | 5(60) | 597,893,721 | (64,497,784) | 1,848,205,682 | 759,295,889 |
| | | | | | |
| Cash flows used in investing activities | | | | | |
| Cash received from disposal on investments | | 1,629,010,300 | 55,000,000 | 32,660,300 | 3,400,000 |
| Cash received from returns of investments | | 5,212,055 | 264,648 | - | - |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | 132,649,520 | 39,374,129 | 120,244,916 | 37,584,825 |
| Cash received relating to other investing activities | 5(59) | 68,574,336 | 86,306,501 | 60,068,686 | 62,942,334 |
| Sub-total of cash inflows | | 1,835,446,211 | 180,945,278 | 212,973,902 | 103,927,159 |
| Cash paid to acquire fixed assets intangible assets and other long-term assets | | (598,509,374) | (555,808,114) | (601,551,489) | (548,027,823) |
| Cash paid to acquire investments | | (1,600,000,000) | (55,000,000) | - | (92,750,000) |
| Cash paid relating to other investing activities | | (251,686) | (202,957) | (251,686) | (202,957) |
| Sub-total of cash outflows | | (2,198,761,060) | (611,011,071) | (601,803,175) | (640,980,780) |
| Net cash flows used in investing activities | | (363,314,849) | (430,065,793) | (388,829,273) | (537,053,621) |
| | | | | | |
| Cash flows generated from/(used in) financing activities | | | | | |
| Cash received from borrowings | | 1,847,927,333 | 2,933,325,556 | 1,499,313,333 | 2,448,764,444 |
| Sub-total of cash inflows | | 1,847,927,333 | 2,933,325,556 | 1,499,313,333 | 2,448,764,444 |
| Cash repayments of borrowings | | (3,450,223,818) | (2,950,240,906) | (3,000,223,818) | (2,950,240,906) |
| Cash payments for distribution of dividends, profits or interest expenses | | (156,789) | (315,656) | (156,789) | (315,656) |
| Cash paid relating to other financing activities | 5(59) | (15,035,882) | (182,377,597) | (13,972,304) | (179,521,751) |
| Sub-total of cash outflows | | (3,465,416,489) | (3,132,934,159) | (3,014,352,911) | (3,130,078,313) |
| Net cash flows generated from/(used in) financing activities | | (1,617,489,156) | (199,608,603) | (1,515,039,578) | (681,313,869) |
| | | | | | |
| Effect of foreign exchange rate changes on cash and cash equivalents | | - | - | - | - |
| | | | | | |
| Net decrease in cash and cash equivalents | 5(60) | (1,382,910,284) | (694,172,180) | (55,663,169) | (459,071,601) |
| Add: Cash and cash equivalents at beginning of year | 5(60) | 13,491,154,200 | 12,475,176,009 | 10,879,242,183 | 9,214,091,023 |
| | | | | | |
| Cash and cash equivalents at end of period | 5(60) | 12,108,243,916 | 11,781,003,829 | 10,823,579,014 | 8,755,019,422 |

* Unaudited financial indexes

Legal representative: Qiu Tiangao CFO: Weihua Li Finance Department: JiangNan

**JIANGLING MOTORS CORPORATION, LTD.**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR SIX MONTHS ENDED 30 JUNE 2026**
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Attributable to shareholders of the parent company | | | | | | | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital | Capital surplus | Less: Treasury Stock | Other comprehensive income | Special reserve | Surplus reserve | Retained earnings | | |
| | | | | | | | | | | |
| Balance at 1 January 2025 | | 863,214,000 | 839,442,490 | - | (26,388,000) | 5,371,093 | 431,607,000 | 9,179,333,271 | (697,235,333) | 10,595,344,521 |
| | | | | | | | | | | |
| Movements for six months ended 30 June 2025 * | | - | - | 168,909,971 | - | (1,558,107) | - | 118,119,679 | 871,990 | (51,476,409) |
| Total comprehensive income | | | | | | | | | | |
| Net profit | | - | - | - | - | - | - | 732,728,047 | 871,990 | 733,600,037 |
| Other comprehensive income | | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | - | - | - | 732,728,047 | 871,990 | 733,600,037 |
| Capital contributed by owners and capital decreases | | | | | | | | | | |
| Share Repurchase | | - | - | 168,909,971 | - | - | - | - | - | (168,909,971) |
| Profit distribution | | | | | | | | | | |
| Distribution to shareholders | 5(42) | - | - | - | - | - | - | (614,608,368) | - | (614,608,368) |
| Special reserves | | | | | | | | | | |
| Withdrawal this period | | - | - | - | - | 10,109,653 | - | - | - | 10,109,653 |
| Used this period | | - | - | - | - | (11,667,760) | - | - | - | (11,667,760) |
| | | | | | | | | | | |
| Balance at 30 June 2025 * | | 863,214,000 | 839,442,490 | 168,909,971 | (26,388,000) | 3,812,986 | 431,607,000 | 9,297,452,950 | (696,363,343) | 10,543,868,112 |
| | | | | | | | | | | |
| Balance at 1 January 2026 | | 863,214,000 | 839,442,490 | 170,214,887 | (23,862,000) | 7,860,966 | 431,607,000 | 9,752,190,648 | (308,199,809) | 11,392,038,408 |
| | | | | | | | | | | |
| Movements for six months ended 30 June 2026 * | | - | - | - | - | (359,961) | - | 263,817,053 | 2,498,080 | 265,955,172 |
| Total comprehensive income | | | | | | | | | | |
| Net profit | | - | - | - | - | - | - | 738,802,231 | 2,498,080 | 741,300,311 |
| Other comprehensive income | | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | - | - | - | 738,802,231 | 2,498,080 | 741,300,311 |
| Profit distribution | | | | | | | | | | |
| Distribution to shareholders | 5(42) | - | - | - | - | - | - | (474,985,178) | - | (474,985,178) |
| Special reserve | | | | | | | | | | |
| Withdrawal this period | | - | - | - | - | 10,160,763 | - | - | - | 10,160,763 |
| Used this period | | - | - | - | - | (10,520,724) | - | - | - | (10,520,724) |
| | | | | | | | | | | |
| Balance at 30 June 2026 * | | 863,214,000 | 839,442,490 | 170,214,887 | (23,862,000) | 7,501,005 | 431,607,000 | 10,016,007,701 | (305,701,729) | 11,657,993,580 |

* Unaudited financial indexes

Legal representative: Qiu Tiangao CFO: Weihua Li Finance Department: JiangNan

**JIANGLING MOTORS CORPORATION, LTD.**
**COMPANY STATEMENT OF CHANGES IN EQUITY**
**FOR SIX MONTHS ENDED 30 JUNE 2026**
(All amounts in RMB Yuan unless otherwise stated)

| Item | Note | Share capital | Capital surplus | Less: Treasury Stock | Other comprehensive income | Special reserve | Surplus reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| Balance at 1 January 2025 | | 863,214,000 | 839,442,490 | - | (26,738,000) | 5,147,194 | 431,607,000 | 10,046,868,559 | 12,159,541,243 |
| | | | | | | | | | |
| Movements for six months ended 30 June 2025 * | | - | - | 168,909,971 | - | (1,558,107) | - | 141,709,879 | (28,758,199) |
| Total comprehensive income | | | | | | | | | |
| Net profit | | - | - | - | - | - | - | 756,318,247 | 756,318,247 |
| Other comprehensive income | | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | - | - | - | 756,318,247 | 756,318,247 |
| Capital contributed by owners and capital decreases | | | | | | | | | |
| Share Repurchase | | - | - | 168,909,971 | - | - | - | - | (168,909,971) |
| Profit distribution | | | | | | | | | |
| Distribution to shareholders | 5(42) | - | - | - | - | - | - | (614,608,368) | (614,608,368) |
| Special reserve | | | | | | | | | |
| Withdrawal this period | | - | - | - | - | 10,109,653 | - | - | 10,109,653 |
| Used this period | | - | - | - | - | (11,667,760) | - | - | (11,667,760) |
| | | | | | | | | | |
| Balance at 30 June 2025 * | | 863,214,000 | 839,442,490 | 168,909,971 | (26,738,000) | 3,589,087 | 431,607,000 | 10,188,578,438 | 12,130,783,044 |
| | | | | | | | | | |
| Balance at 1 January 2026 | | 863,214,000 | 839,442,490 | 170,214,887 | (24,258,000) | 5,783,345 | 431,607,000 | 9,826,333,041 | 11,771,906,989 |
| | | | | | | | | | |
| Movements for six months ended 30 June 2026 * | | - | - | - | - | (359,961) | - | 335,842,443 | 335,482,482 |
| Total comprehensive income | | | | | | | | | |
| Net profit | | - | - | - | - | - | - | 810,827,621 | 810,827,621 |
| Other comprehensive income | | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | - | - | - | 810,827,621 | 810,827,621 |
| Profit distribution | | | | | | | | | |
| Distribution to shareholders | 5(42) | - | - | - | - | - | - | (474,985,178) | (474,985,178) |
| Special reserve | | | | | | | | | |
| Withdrawal this period | | - | - | - | - | 10,160,763 | - | - | 10,160,763 |
| Used this period | | - | - | - | - | (10,520,724) | - | - | (10,520,724) |
| | | | | | | | | | |
| Balance at 30 June 2026 * | | 863,214,000 | 839,442,490 | 170,214,887 | (24,258,000) | 5,423,384 | 431,607,000 | 10,162,175,484 | 12,107,389,471 |

* Unaudited financial indexes

Legal representative: Qiu Tiangao CFO: Weihua Li Finance Department: JiangNan

## 1 General information

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

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

According to the resolution of the shareholders’ meeting regarding the split share structure reform on 11 January 2006, the Company implemented the *Scheme on Split Share Structure Reform* on 13 February 2006. After the implementation, the Company’s total paid-in capital remains the same. Related details are disclosed in Note 5(36).

As at 30 June 2026, the Company’s paid-in capital totalled RMB863,214,000, with par value of RMB1 per share.

The actual principal business scope of the Company and its subsidiaries (hereinafter “the Group”) includes production and sales of automobile assemblies such as automobiles, special (modified) vehicles, engines and chassis and other automobile parts, and provision of related after-sales services; import and export of automobiles and parts; dealership of used cars; provision of enterprise management and consulting services related to production, sales and rent of automobiles.

These financial statements were authorised for issue by the Company's Board of Directors on 21 August 2026.

## 2 Basis of preparation of the financial statement

(1) Basis of preparation

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

(2) Going concern

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

## 3 Summary of significant accounting policies and accounting estimates

The Group determines specific accounting policies and estimates based on the features of its production and operation, which mainly comprise the measurement of expected credit losses on receivables, valuation of inventories, Inventory write-down provision, depreciation of fixed assets and amortisation of intangible assets and right-of-use assets, criteria for capitalisation of development expenditures, impairment of long-term assets, recognition and measurement of revenue, and government grants etc.

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

The financial statements of the Company for six months ended 30 June 2026 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and company's financial position of the Company as at 30 June 2026 and their financial performance, cash flows and other information for the period then ended.

(2) Accounting year

The Group's accounting year is a calendar year, i.e. from 1 January to 31 December each year.

(3) Functional currency

The base currency of the Company and its subsidiaries and the currency used in the preparation of these financial statements are RMB. Unless otherwise specified, they are expressed in RMB.

(4) The determination method and selection basis of the material standard followed by financial statement disclosure

| | |
|---|---|
| Significant recovery or reversal of allowance for doubtful accounts receivable | The amount of a single recovery or reversal exceeds 1% of the total amount of various receivables and is greater than RMB15 million. |
| Significant prepayments with an aging of over 1 year | The amount of a single prepayment exceeds 10% of the total amount of various prepayments and is greater than RMB15 million. |
| Significant construction in progress | The budget of a single project exceeds RMB 50 million. |
| Significant non-wholly owned subsidiaries | The net assets of the subsidiary account for more than 5% of the group's net assets, or its net profit impact reaches 10% or more of the group's consolidated net profit. |
| Significant associated companies | The carrying value of long-term equity investment in a single investee exceeds 5% of the group's net assets or is greater than RMB100 million, or the investment income/loss under the equity method accounts for 10% or more of the group's consolidated net profit. |

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

(5) Preparation of consolidated financial statements

The scope of consolidation of the consolidated financial statements is determined on a control basis, including the financial statements of the Company and all of its subsidiaries. "Subsidiary" refers to the entity controlled by the Company (including the divisible part of the enterprise and the investee, as well as the structured entity controlled by the Company, etc.). An investor can control an investee if and only if the investor has the following three elements: the investor has authority over the investee; Variable returns for participation in the investee's related activities; Ability to use power over the investee to influence the amount of its return.

If the accounting policies or accounting periods adopted by the subsidiary are inconsistent with those adopted by the Company, the financial statements of the subsidiary shall be adjusted as necessary in accordance with the accounting policies and accounting periods of the Company when preparing the consolidated financial statements. The assets, liabilities, equity, revenues, expenses and cash flows arising from all transactions between companies within the Group are fully offset at the time of the consolidation.

If the current loss shared by the minority shareholders of the subsidiary exceeds the share of the minority shareholders in the shareholders' equity at the beginning of the period, the balance shall still be offset against the minority shareholders' equity.

For subsidiaries acquired through a business combination not under common control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the date on which the Group acquires control until the termination of the Group's control over them. In preparing the consolidated financial statements, the financial statements of subsidiaries are adjusted on the basis of the fair value of the identifiable assets, liabilities and contingent liabilities determined at the date of acquisition.

For subsidiaries acquired through a business combination under the same control, the operating results and cash flows of the consolidated party are included in the consolidated financial statements from the beginning of the current period of consolidation. When compiling the comparative consolidated financial statements, the relevant items of the previous financial statements are adjusted to be deemed to have existed since the ultimate controller began to exercise control.

If changes in relevant facts and circumstances result in a change in one or more of the control elements, the Group will reassess whether to control the investee.

Without loss of control, a change in minority shareholders' interests is treated as an equity transaction.

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

(6) Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value.

(7) Foreign currency translation

The Group translates foreign currency transactions into its functional currency.

At the time of initial recognition of a foreign currency transaction, the amount in the foreign currency is converted into the base currency of account using the spot exchange rate on the date of the transaction, but the capital invested by the investor in the foreign currency is converted at the spot exchange rate on the date of the transaction. At the balance sheet date, the spot exchange rate at the balance sheet date is used for foreign currency monetary items. The resulting differences in settlement and translation of monetary items shall be included in profit or loss for the current period, except for the differences arising from special foreign currency borrowings related to the acquisition and construction of assets eligible for capitalization, which shall be treated in accordance with the principle of capitalization of borrowing costs. Foreign currency non-monetary items measured at historical cost are still translated using the exchange rate used at the time of initial recognition, and the amount in the base currency of accounting remains unchanged. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of fair value determination, and the resulting difference is recognized in profit or loss or other comprehensive income for the current period according to the nature of the non-monetary items.

Cash flows in foreign currencies are translated using the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash is presented separately in the statement of cash flows as a reconciliation item.

(8) Financial instruments

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

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

(8) Financial instruments (Cont'd)

(a) Recognition and derecognition of financial instruments

The Group recognises a financial asset or financial liability when it becomes a party to a contract for a financial instrument.

If the following conditions are met, the financial assets (or part of the financial assets, or part of a group of similar financial assets) shall be derecognized, that is, the previously recognized financial assets shall be transferred out of the balance sheet:

(1) Expiration of the right to receive cash flows from financial assets; (2) transferred the right to receive cash flows from financial assets or assumed an obligation under a "transfer agreement" to promptly pay the cash flows received in full to a third party; and substantially transfers substantially all of the risks and rewards of ownership of a financial asset, or, while substantially neither transferring nor retaining substantially all of the risks and rewards of ownership of a financial asset, but relinquishes control of that financial asset.

If the obligation for the financial liability has been fulfilled, cancelled or expired, the financial liability is derecognized. If an existing financial liability is replaced by another financial liability by the same creditor with substantially almost entirely different terms, or the terms of the existing liability are substantially all modified, such replacement or modification is treated as a derecognition of the original liability and recognition of a new liability, the difference in profit or loss for the current period.

The purchase and sale of financial assets in the conventional way is recognized and derecognized according to the accounting of the transaction date. The purchase or sale of financial assets in a conventional manner means the purchase or sale of financial assets in accordance with a contract that provides for the delivery of financial assets in accordance with a schedule normally determined by regulations or market practice. A trading day is the date on which the Group commits to buy or sell a financial asset.

(b) Classification and measurement of financial assets

At the time of initial recognition, the Group's financial assets are classified according to the Group's business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss. All affected underlying financial assets will be reclassified if and only when the Group changes its business model for managing financial assets.

Financial assets are measured at fair value at the time of initial recognition, but if the accounts receivable or notes receivable arising from the sale of goods or the provision of services, etc., do not contain a material financing component or do not consider the financing component of no more than one year, the initial measurement shall be carried out according to the transaction price.

For financial assets measured at fair value through profit or loss, the relevant transaction costs are directly recognized in the current profit or loss, and the transaction costs related to other types of financial assets are included in the initial recognition amount.

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

(8) Financial instruments (Cont'd)

(b) Classification and measurement of financial assets (Cont'd)

The subsequent measurement of a financial asset depends on its classification:

Investments in debt instruments measured at amortized cost
If a financial asset meets the following conditions at the same time, it is classified as a financial asset measured at amortized cost: the business model for managing the financial asset is to collect contractual cash flows as the goal; The contractual terms of the financial asset provide that the cash flows generated on a specific date are only payments of principal and interest based on the amount of principal not paid. Interest income is recognized using the effective interest rate method for such financial assets, and the gains or losses arising from their derecognition, modification or impairment are included in profit or loss for the current period.

Investments in debt instruments at fair value through other comprehensive income
A financial asset is classified as a financial asset measured at fair value through other comprehensive income if it meets the following conditions: the Group's business model for managing the financial asset is to collect both contractual cash flows and sell financial assets; The contractual terms of the financial asset provide that the cash flows generated on a specific date are only payments of principal and interest based on the amount of principal not paid. Interest income is recognized for such financial assets using the effective interest rate method. Except for interest income, impairment losses and foreign exchange differences, which are recognized as gains or losses for the current period, the remaining fair value changes are recognized as other comprehensive income. When a financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in profit or loss for the current period.

Financial assets at fair value through profit or loss
The above-mentioned financial assets measured at amortized cost and financial assets other than those measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognized in profit or loss for the current period.

(c) Classification and measurement of financial liabilities

At the time of initial recognition, the Group's financial liabilities are classified as follows: financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost. For financial liabilities measured at fair value through profit or loss, the relevant transaction expenses are directly recognized in the current profit or loss, and the relevant transaction costs of the financial liabilities measured at amortized cost are included in their initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

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

(8) Financial instruments (Cont'd)

(c) Classification and measurement of financial liabilities (Cont'd)

Financial liabilities at fair value through profit or loss
Financial liabilities measured at fair value through profit or loss, including trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at fair value through profit or loss at the time of initial recognition. Trading financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss for the current period, except in relation to hedge accounting. For financial liabilities designated as measured at fair value through profit or loss, subsequent measurement is carried out at fair value, and other fair value changes are included in profit or loss for the current period, except for the fair value changes caused by changes in the Group's own credit risk, which are included in other comprehensive income. If the inclusion of changes in fair value caused by changes in the Group's own credit risk into other comprehensive income would cause or magnify the accounting mismatch in profit or loss, the Group will include all changes in fair value (including the amount affected by changes in its own credit risk) in profit or loss for the current period.

Financial liabilities measured at amortized cost
For such financial liabilities, the effective interest rate method is used, and the subsequent measurement is carried out according to the amortized cost.

(d) Impairment of financial instruments
Methods for determining expected credit losses and accounting treatment methods

The Group conducts impairment treatment and recognizes loss provisions for financial assets measured at amortized cost, debt instrument investments measured at fair value with changes recognized in other comprehensive income, and lease receivables based on expected credit losses.

For receivables that do not contain significant financing components, the Group applies a simplified measurement method to measure the loss provision based on the expected credit loss amount equivalent to the entire duration of the receivable.

For lease receivables and receivables that contain significant financing components, the Group has chosen to apply a simplified measurement approach, measuring the loss provision based on the expected credit loss amount equivalent to the entire duration of the receivable.

Apart from the aforementioned simplified measurement methods for financial assets, the Group assesses at each reporting date whether the credit risk has significantly increased since initial recognition. If the credit risk has not significantly increased since initial recognition, it is classified as Stage 1, and the Group measures the loss allowance at an amount equal to the expected credit losses over the next 12 months, calculating interest income based on the carrying amount and the effective interest rate. If the credit risk has significantly increased since initial recognition but no credit impairment has occurred, it is classified as Stage 2, and the Group measures the loss allowance at an amount equal to the expected credit losses over the entire lifetime, calculating interest income based on the carrying amount and the effective interest rate. If credit impairment occurs after initial recognition, it is classified as Stage 3, and the Group measures the loss allowance at an amount equal to the expected credit losses over the entire lifetime, calculating interest income based on amortized cost and the effective interest rate. For financial instruments that have only low credit risk at the reporting date, the Group assumes that the credit risk has not significantly increased since initial recognition.

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

(8) Financial Instruments (Cont'd)

(d) Impairment of financial instruments (Cont'd)

The Group's methodology for measuring expected credit losses on financial instruments reflects factors such as the weighted average amount of unbiased probabilities determined by evaluating a range of possible outcomes, the time value of money, and reasonable and evidence-based information on past events, current conditions and projections of future economic conditions that are available at the balance sheet date without unnecessary additional cost or effort.

The credit risk characteristics of various types of financial assets for which the expected credit losses are calculated separately are significantly different from those of other financial assets in this category. When the information of expected credit losses cannot be assessed at a reasonable cost for a single financial asset, the Group divides the receivables into several portfolios based on the credit risk characteristics, calculates the expected credit losses on the basis of the portfolio, and determines the basis and accrual method of the portfolio as follows:

| | |
|---|---|
| Banker's Acceptance Portfolio | State-owned banks and joint-stock banks |
| Commercial Acceptance Bill Portfolio | Customers who purchase using commercial acceptance bills |
| The domestic general vehicle sales mix | For domestic general automobile procurement customers, the contractually agreed payment due date is used as the starting point of overdue aging |
| Export general vehicle sales mix | For export general automobile procurement customers, the contractually agreed payment due date is used as the starting point of overdue aging |
| New energy vehicle sales mix | For new energy vehicle procurement customers, the contractually agreed payment due date is used as the starting point of overdue aging |
| Component sales mix | For parts procurement customers, the contractually agreed payment due date is used as the starting point of overdue aging |
| Other receivables combinations | Other receivables of the same nature |

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of financial assets, the Group directly writes down the carrying balance of such financial assets.

(e) Financial Instrument Offset

If the following conditions are met at the same time, the financial assets and financial liabilities are presented in the balance sheet as net amounts after offsetting each other: they have the legal right to offset the recognized amount, and such legal right is currently enforceable; The plan is to settle on a net basis, or at the same time to realise the financial asset and settle the financial liability.

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

(8) Financial instruments (Cont'd)

(f) Derivative financial instruments

The Group uses derivative financial instruments. Derivative financial instruments are initially measured at the fair value on the date of the signing of the derivative transaction contract, and subsequently measured at their fair value. A derivative financial instrument with a positive fair value is recognized as an asset, and a negative fair value is recognized as a liability.

Except in relation to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognized in profit or loss for the current period.

(g) Transfer of financial assets

If the Group has transferred almost all of the risks and rewards in the ownership of financial assets to the transferee, the recognition of such financial assets shall be terminated; Where almost all of the risks and rewards in the ownership of financial assets are retained, the recognition of the financial assets shall not be terminated.

If the Group neither transfers nor retains almost all of the risks and rewards in the ownership of the financial assets, it shall be dealt with in the following cases: if it has relinquished control of the financial assets, the financial assets shall be terminated and the assets and liabilities arising therefrom shall be recognized; If the financial asset is not relinquished, the relevant financial asset shall be recognized according to the extent to which it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

(9) Inventories

Inventory includes raw materials, work-in-progress, finished products, low-value consumables, materials in transit and consignment materials.

Inventory is initially measured at cost. Inventory costs include procurement costs, processing costs, and other costs. Inventories are issued, and their actual cost is determined using the weighted average method. Low-value consumables are amortized using the one-time resale method.

The inventory system adopts a perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value, and if the cost is higher than the net realizable value, a provision for inventory decline is made and included in profit or loss for the current period. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less the estimated costs to be incurred at completion, estimated selling expenses, and related taxes. Inventories related to product lines manufactured and sold in the same region, with the same or similar end use or purpose, and difficult to measure separately from other items, are provided for inventory decline on a consolidated basis.

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

(10) Long-term equity investments

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

Long-term equity investments are initially measured at the initial investment cost at the time of acquisition. For a long-term equity investment obtained through a business combination under the same control, the initial investment cost shall be the share of the carrying amount of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party on the date of consolidation; The difference between the initial investment cost and the carrying amount of the consolidation consideration shall be adjusted to the capital reserve (if it is insufficient to offset the retained earnings). For long-term equity investments obtained through a business combination not under common control, the initial investment cost shall be the cost of the merger (if the business combination of enterprises not under the same control is realized step by step through multiple transactions, the sum of the carrying amount of the equity investment of the acquiree held before the purchase date and the cost of the new investment on the purchase date shall be the initial investment cost). For long-term equity investments obtained by means other than those formed by business combinations, the initial investment costs shall be determined in accordance with the following methods: if they are obtained by paying cash, the initial investment costs shall be the purchase price actually paid and the expenses, taxes and other necessary expenses directly related to the acquisition of the long-term equity investment; If the issuance of equity securities is obtained, the fair value of the equity securities issued shall be used as the initial investment cost.

The long-term equity investments that the Company is able to control the investee are accounted for using the cost method in the Company's individual financial statements. Control refers to having power over the investee, enjoying variable returns by participating in the relevant activities of the investee, and having the ability to use the power over the investee to influence the amount of returns.

## 3 Summary of significant accounting policies and accounting estimates (Cont’d)

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

When the cost method is used, long-term equity investments are valued at the initial investment cost. If the investment is increased or recovered, the cost of long-term equity investment shall be adjusted. The cash dividends or profits declared by the investee are recognized as investment income for the current period.

If the Group has a significant influence on the investee, the long-term equity investment is accounted for by the equity method. Significant influence refers to having the power to participate in decision-making on the financial and operational policies of the investee, but not being able to control or jointly control the formulation of these policies with other parties.

When the equity method is adopted, if the initial investment cost of a long-term equity investment is greater than the fair value share of the investee's identifiable net assets at the time of investment, it shall be included in the initial investment cost of the long-term equity investment; If the initial investment cost of a long-term equity investment is less than the fair value share of the investee's identifiable net assets at the time of investment, the difference shall be included in the profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted at the same time.

When the equity method is adopted, after the long-term equity investment is obtained, the investment profit and loss and other comprehensive income shall be recognized separately and the book value of the long-term equity investment shall be adjusted according to the share of the net profit or loss and other comprehensive income realized by the investee that should be enjoyed or shared. When recognizing the share of the investee's net profit or loss, the investee's net profit shall be recognized after adjustment based on the fair value of the investee's identifiable assets at the time of acquisition of the investment, in accordance with the Group's accounting policies and accounting periods, and offsetting the share attributable to the investor in proportion to the internal transaction gains and losses incurred with associates (except that if the internal transaction loss is an asset impairment loss, it shall be recognized in full), and the net profit of the investee shall be recognized after adjustment, except that the assets invested or sold constitute business. The carrying amount of the long-term equity investment shall be reduced accordingly based on the profits or cash dividends declared by the investee. The Group recognises that the net loss incurred by the investee is limited to the carrying amount of the long-term equity investment and other long-term equity that substantially constitutes a net investment in the investee to be written down to zero, unless the Group has the obligation to bear additional losses. For other changes in shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the book value of long-term equity investment shall be adjusted and included in shareholders' equity.

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

(11) Fixed assets

Fixed assets are recognised only when the economic benefits associated with them are likely to flow into the Group and their costs can be reliably measured. Subsequent expenses related to fixed assets that meet the recognition conditions shall be included in the cost of fixed assets, and the book value of the replaced part shall be derecognized; Otherwise, it will be included in the current profit or loss or the cost of related assets according to the beneficiary object when it occurs.

Fixed assets are initially measured at cost. The cost of acquiring a fixed asset includes the purchase price, relevant taxes, and other expenses directly attributable to the asset incurred before the fixed asset reaches its intended useable state.

The depreciation of fixed assets is calculated using the average life method, and the useful life, estimated net residual value rate and annual depreciation rate of various types of fixed assets are as follows:

| | Estimated useful lives | Estimated net residual values | Annual depreciation rates |
|---|---|---|---|
| Buildings | 35 to 40 years | 4% | 2.4% to 2.7% |
| Machinery and equipment | 10 to 15 years | 4% | 6.4% to 9.6% |
| Vehicles | 5 to 10 years | 4% to 20% | 9.6% to 16% |
| Moulds | 5 years | - | 20% |
| Electronic and other equipment | 5 to 7 years | 4% | 13.7% to 19.2% |

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

(12) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the construction in progress ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation is charged starting from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 3(15)).
The criteria for transferring construction in progress to fixed assets when they reach their intended usable state are as follows:

| | |
|---|---|
| Buildings | The earlier of completion acceptance or actual commencement of use. |
| Machinery and equipment | The earlier of completion of installation and acceptance or actual commencement of use. |
| Vehicles | The earlier of completion of installation and acceptance or actual commencement of use. |
| Moulds | The earlier of completion of installation and acceptance or actual commencement of use. |
| Electronic and other equipment | The earlier of completion of installation and acceptance or actual commencement of use. |

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

(13) Borrowing costs

The borrowing costs that can be directly attributable to the acquisition, construction or production of assets that meet the conditions for capitalization shall be capitalized, and other borrowing costs shall be included in the profit or loss for the current period.

Borrowing costs are capitalized when capital expenditures and borrowing costs have been incurred and the acquisition, construction or production activities necessary to bring the asset to its intended usable or marketable condition have commenced.

When the acquisition, construction or production of assets eligible for capitalization reaches the intended usable or saleable state, the borrowing costs shall cease to be capitalized. Borrowing costs incurred thereafter are included in profit or loss for the current period.

During the capitalization period, the amount of interest capitalization in each accounting period shall be determined according to the following method: the amount of special borrowings shall be determined by deducting the interest income or investment income of temporary deposits actually incurred in the current period; The general borrowings occupied shall be calculated and determined on the basis of the weighted average of the accumulated asset expenditures exceeding the portion of special borrowings multiplied by the weighted average real interest rate of the general borrowings occupied.

In the process of acquisition, construction or production of assets eligible for capitalization, if there is an abnormal interruption other than the procedures necessary to reach the intended usable or saleable state, and the interruption period exceeds 3 consecutive months, the capitalization of borrowing costs shall be suspended. Borrowing costs incurred during the interruption period are recognized as expenses and are included in profit or loss for the current period until the acquisition or construction of assets or production activities resume.

(14) Intangible assets

(a) Useful life of intangible assets

Intangible assets are amortized using the straight-line method over their useful lives, and their useful lives are as follows:

| | Estimated useful lives | Basis for determination |
|---|---|---|
| Land use rights | 50 years | The term of the land use right |
| Software Usage Fees | 5 years | Estimated period of use |
| Non-patented technology | 5-7 years | Estimated period of use combined with the product life span |

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

(14) Intangible assets (Cont'd)

(b) Research and development

The Group's R&D expenditure mainly includes the materials used by the Group in carrying out R&D activities, the remuneration of employees in the R&D department, the depreciation and amortization of assets such as equipment and software used in R&D, R&D design expenses and R&D testing.

The expenses in the planned investigation, evaluation and selection stages for the study of the production process of automobile-related products are the expenses in the research stage and are included in the profit or loss for the current period when incurred; Before large-scale production, the expenditure in the design and testing stages related to the final application of the production process of automobile-related products is the expenditure in the development stage, and if the following conditions are met, it shall be capitalized:

- The development of the production process of automobile-related products has been fully demonstrated by the technical team;
- The management has the intention to complete the development, use or sale of the production process of automotive-related products;
- The research and analysis of the preliminary market research shows that the products produced by the production process of automobile-related products have the ability to be marketed;
- Sufficient technical and financial support for the development of production processes for automotive-related products and subsequent large-scale production; and
- Expenditures on the development of production processes for automotive-related products can be reliably aggregated.

Expenses in the development stage that do not meet the above conditions shall be included in the profit or loss for the current period when incurred. Development expenditures that have been recognized in profit or loss in prior periods are not recognized as assets in subsequent periods. Expenditures incurred in the development phase that have been capitalized are shown on the balance sheet as development expenditures and are converted into intangible assets from the date on which the project reaches its intended use.

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

(15) Impairment of assets

The impairment of assets other than inventories, deferred income tax and financial assets shall be determined according to the following methods: whether there are signs of possible impairment of assets at the balance sheet date, and if there are signs of impairment, the Group will estimate the recoverable amount and conduct impairment tests; Impairment tests shall be carried out at least at the end of each year for goodwill formed as a result of business combinations, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable state, regardless of whether there is any indication of impairment.

The recoverable amount is determined based on the higher of the fair value of the asset less disposal costs and the present value of the asset's projected future cash flows. The Group estimates its recoverable amount on a single asset basis; Where it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined on the basis of the asset group to which the asset belongs. The determination of the asset group is based on whether the main cash inflow generated by the asset group is independent of other assets or the cash inflow of the asset group.

When the recoverable amount of an asset or asset group is lower than its carrying amount, the Group writes down its carrying amount to the recoverable amount, and the written down amount is included in the profit or loss for the current period, and the corresponding asset impairment provision is made.

For the impairment test of goodwill, the carrying amount of goodwill is allocated to the relevant asset group or combination of asset groups in a reasonable manner from the date of purchase. The relevant asset group or combination of asset groups is the asset group or combination of asset groups that can benefit from the synergies of the business combination, and is not larger than the operating segment determined by the Group.

Compare the carrying amount and recoverable amount of the asset group or asset group combination containing goodwill, if the recoverable amount is lower than the book value, the impairment loss amount shall first be offset against the carrying amount of the goodwill allocated to the asset group or asset group combination, and then the carrying amount of other assets shall be offset proportionally according to the proportion of the carrying amount of other assets in the asset group or asset group portfolio except goodwill.

Once the above-mentioned asset impairment loss is recognized, it will not be reversed in subsequent accounting periods.

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

(16) Employee compensation

Employee remuneration refers to various forms of remuneration or compensation given by the Group for the services provided by employees or for the termination of employment relations, including short-term remuneration, post-employment benefits and severance benefits.

(a) Short-term compensation

Short-term remuneration includes wages, bonuses, allowances and subsidies, employee welfare expenses, medical insurance premiums, work-related injury insurance premiums, housing provident fund, trade union and education funds, short-term paid absences, etc. During the accounting period in which employees provide services, the Group recognises the actual short-term remuneration as a liability and includes it in the profit or loss for the current period or the cost of related assets. Among them, non-monetary benefits are measured at fair value.

(b) Post-employment benefits

The Group classifies post-employment benefit plans into defined contribution plans and defined benefit plans. A defined deposit and withdrawal plan is a post-employment benefit plan in which the Group is no longer obligated to make further payments after depositing a fixed fee into an independent fund; A defined benefit plan is a post-employment benefit plan in addition to a defined contribution plan. During the reporting period, the basic endowment insurance and unemployment insurance paid for employees were all part of the set deposit plan. Supplemental retirement benefits for employees are defined benefit plans.

(i) Defined contribution plans

Basic pensions

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

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

(16) Employee compensation (Cont'd)

(ii) Defined benefit plans

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

(c) Termination benefits

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

Internal retirement benefits

The Group provides internal retirement benefits to employees who have received internal retirement arrangements. Internal retirement benefits refer to the wages paid and social insurance premiums paid to employees who have not reached the retirement age prescribed by the state and who have voluntarily quit their jobs with the approval of the Group's management. The Group pays internal retirement benefits to employees from the date of commencement of the internal retirement arrangement until the employees reach the normal retirement age. For the internal retirement benefits, the Group will account for the retirement benefits by comparison, and when the conditions for the recognition of the retirement benefits are met, the wages and social insurance premiums to be paid by the employees during the period from the date of cessation of the employee's services to the normal retirement date will be recognized as liabilities and included in the profit or loss for the current period in a lump sum. Changes in actuarial assumptions for retirement benefits and differences caused by adjustments to benefit standards are recognized in profit or loss for the current period when they occur.

Severance benefits expected to be paid within one year from the balance sheet date are shown as remuneration payable to employees.

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

(17) Provisions

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

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

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

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

(18) Revenue

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

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

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

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

The credit periods granted by the Group to distributors and end customers are generally within one year, which is consistent with the industry practice, and there is no significant financing component. The Group provides product warranties for automobiles and automobile parts as required by laws and regulations and recognises the corresponding provisions (Note 3(17)).

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

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

(18) Revenue (Cont'd)

(b) Rendering of services

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

When the Group recognises revenue based on the stage of completion, the amount with unconditional collection right obtained by the Group is recognised as accounts receivable, and the rest is recognised as contract assets. Meanwhile, loss provision for accounts receivable is recognised on the basis of ECL (Note 3(8)). If the contract price received or receivable exceeds the amount for the completed service, the excess portion will be recognised as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

(19) Government grants

Government subsidies are recognized when the conditions attached to them can be met and can be received. If the government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. If the government subsidy is a non-monetary asset, it shall be measured at fair value; If the fair value cannot be reliably obtained, it shall be measured according to the nominal amount.

If the government documents stipulate that it is used for the acquisition, construction or other formation of long-term assets, it shall be regarded as a government subsidy related to the assets; If the government documents are not clear, the judgment shall be made on the basis of the basic conditions that must be met to obtain the subsidy, and the basic condition of the formation of long-term assets through acquisition, construction or other means shall be regarded as the government subsidy related to the assets, and the other shall be regarded as the government subsidy related to the income.

If the government subsidy related to the income is used to compensate for the relevant costs, expenses or losses in subsequent periods, it shall be recognized as deferred income, and shall be included in the profit or loss for the current period or offset the relevant costs in the period in which the relevant costs, expenses or losses are recognized; If it is used to compensate for the relevant costs, expenses or losses that have been incurred, it shall be directly included in the profit or loss for the current period or offset the relevant costs.

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

(19) Government grants (Cont'd)

Asset-related government subsidies to offset the carrying amount of the underlying assets; or recognized as deferred income, which shall be included in profit or loss in instalments in a reasonable and systematic manner during the useful life of the relevant asset (except that the government subsidy measured according to the nominal amount shall be directly included in the profit or loss for the current period), and if the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, the balance of the relevant deferred income that has not yet been distributed shall be transferred to the profit or loss of the current period of asset disposal.

If the finance department allocates the subsidized funds to the lending bank, and the lending bank provides loans to the Group at a preferential policy interest rate, the actual amount of the borrowed money received shall be used as the recorded value of the borrowing, and the relevant borrowing costs shall be calculated according to the principal of the loan and the preferential interest rate of the policy.

(20) Deferred income tax

The Group adopts the balance sheet obligation method to provide deferred income tax based on the temporary differences between the carrying amount of assets and liabilities at the balance sheet date and the tax base, as well as the difference between the carrying amount and the tax basis of items that are not recognized as assets and liabilities but whose tax basis can be determined in accordance with the provisions of the tax law.

Deferred tax liabilities are recognized for all kinds of taxable temporary differences, unless:

- A taxable temporary difference arises in the following transactions: the initial recognition of goodwill, or the initial recognition of assets or liabilities arising in a single transaction that is not a business combination, the transaction occurs that does not affect neither the accounting profit nor the taxable income or deductible loss, and the assets and liabilities initially recognized do not result in the creation of an equal amount of taxable temporary differences and deductible temporary differences;
- For taxable temporary differences related to investments in subsidiaries and associates, the timing of the reversal of the temporary difference is controllable and the temporary difference is likely not to be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward to future years, the Group recognises deferred tax assets to the extent that it is likely to obtain future taxable income to offset the deductible temporary differences, deductible losses and tax credits, unless:

- A deductible temporary difference arises in a single transaction that is not a business combination, the transaction does not affect the accounting profit or taxable income or deductible loss at the time of the transaction, and the assets and liabilities initially recognized do not result in the creation of an equal amount of taxable temporary difference and a deductible temporary difference;
- For deductible temporary differences related to investments in subsidiaries and associates, the temporary differences are likely to be reversed in the foreseeable future and taxable income to be used to offset the temporary differences is likely to be obtained in the future.

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

(20) Deferred income tax (Cont'd)

The Group's deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period in which the assets are expected to be recovered or the liabilities are liquidated in accordance with the provisions of the tax law, and reflect the income tax impact of the expected recovery of assets or the settlement of liabilities at the balance sheet date.

At the balance sheet date, the Group reviews the carrying amount of deferred tax assets and writes down the carrying amount of deferred tax assets if it is likely that sufficient taxable income will not be available in future periods to offset the benefits of deferred tax assets. At the balance sheet date, the Group re-evaluates the unrecognised deferred tax assets to the extent that it is likely to obtain sufficient taxable income to be able to reverse all or part of the deferred tax assets.

Deferred tax assets and deferred tax liabilities are presented on a net basis when the following conditions are met: they have the legal right to settle current income tax assets and current income tax liabilities on a net basis; Deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection and administration department on the same taxable entity.

(21) Leases

At the commencement date of the contract, the Group assesses whether the contract is a lease or a included lease and if a party to the contract relinquishes the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, the contract is a lease or a included lease.

(a) As the lessee

In addition to short-term leases and leases of low-value assets, the Group recognises right-of-use assets and lease liabilities for leases.

If the contract includes both lease and non-lease parts, the Group shall apportion the contract consideration according to the relative proportion of the individual prices of each part.

At the commencement date of the lease term, the Group recognises its right to use the leased asset during the lease term as a right-of-use asset, which is initially measured at cost. The cost of a right-of-use asset includes: the initial measurement amount of the lease liability; the amount of the lease payment paid on or before the start date of the lease term (less the amount in relation to the lease incentive received); Initial direct expenses incurred by the lessee; The costs that the lessee expects to incur in order to dismantle and remove the leased asset, restore the premises on which the leased asset is located, or restore the leased asset to the condition agreed in the terms of the lease. If the Group remeasures lease liabilities due to changes in lease payments, the carrying amount of right-of-use assets will be adjusted accordingly. Subsequently, the Group adopted the average life method to provide depreciation for right-of-use assets. If it can be reasonably determined that the ownership of the leased assets will be acquired at the end of the lease term, the Group shall accrue depreciation during the remaining useful life of the leased assets. If it is not reasonably certain that the ownership of the leased assets can be obtained at the end of the lease term, the Group shall accrue depreciation during the period between the lease term and the remaining useful life of the leased assets.

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

(21) Leases (Cont'd)

(a) As the lessee(Cont'd)

At the commencement date of the lease term, the Group recognises the present value of the outstanding lease payments as lease liabilities, excluding short-term leases and leases of low-value assets. Lease payments include fixed payments and substantial fixed payments net of lease incentives, variable lease payments depending on the index or ratio, expected payments based on the residual value of the guarantee, and the exercise price of the purchase option or the exercise of the termination option, provided that the Group reasonably determines that the option will be exercised or the lease term reflects that the Group will exercise the lease termination option. Variable lease payments that are not included in the measurement of lease liabilities are recognized in profit or loss for the current period when actually incurred, unless otherwise specified in the cost of the relevant assets. The Group remeasures lease liabilities based on the present value of the changed lease payments when there is a change in the amount of the real fixed payment, a change in the estimated amount payable for the residual value of the guarantee, a change in the index or ratio used to determine the amount of the lease payment, and a change in the evaluation result or actual exercise of the option to purchase, renew or terminate the option.

The Group recognises a lease with a lease term of not more than 12 months and without a purchase option as a short-term lease on the commencement date of the lease term; When a single leased asset is a brand new asset, a lease with a lower value is recognized as a lease of a low-value asset. The Group chooses not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The cost of the relevant asset or current profit or loss is recognized on a straight-line basis for each period of the lease term.

(b) As the lessor

Leases that transfer substantially all of the risks and rewards associated with ownership of the leased assets at the lease commencement date are finance leases, and all other leases are operating leases.

The rental income from operating leases is recognized as profit or loss for the current period on a straight-line basis for each period of the lease term, and the variable lease payments that are not included in the lease receipts are recognized in the profit or loss for the current period when actually incurred. Initial direct expenses are capitalised and amortized over the lease term on the same basis as rental income recognition, and are included in profit or loss for the current period.

On the commencement date of the lease term, the Group recognized the financial lease receivables for the financial lease and terminated the recognition of the financial lease assets. When the Group initially measures the financial lease receivables, the net lease investment is used as the recorded value of the financial lease receivables. Net lease investment is the sum of the unsecured residual value and the present value of lease receipts not yet received at the start date of the lease term discounted at the interest rate embedded in the lease, including initial direct costs. The Group calculates and recognises interest income for each period of the lease term at a fixed periodic interest rate. Variable lease payments made by the Group that are not included in the measurement of net lease investments are recognized in profit or loss for the current period when they are actually incurred.

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

(22) Safety production fee

The safety production fee withdrawn in accordance with the regulations shall be included in the cost of the relevant product or the current profit or loss, and shall be included in the special reserve; When using, distinguish whether fixed assets are formed and deal with them separately: if it is an expense expenditure, it will directly offset the special reserves; If fixed assets are formed, the expenses incurred shall be collected, and the fixed assets shall be recognized when they reach the intended usable state, and the equivalent special reserves shall be written off and the equivalent accumulated depreciation shall be recognized.

(23) Fair value measurement

Assets and liabilities measured or disclosed at fair value in the financial statements are determined based on the lowest level of inputs that are material to the fair value measurement as a whole: Level 1 inputs, which are unadjusted quotes in active markets for the same assets or liabilities that can be obtained at the measurement date; Level 2 inputs, which are directly or indirectly observable inputs for related assets or liabilities other than Level 1 inputs; The third level of input value, the unobservable input value of the relevant asset or liability.

At each balance sheet date, the Group re-evaluates the assets and liabilities recognized in the financial statements at fair value on an ongoing basis to determine whether there is a transition between the levels of fair value measurement.

(24) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts and disclosures of income, expenses, assets and liabilities, as well as the disclosure of contingent liabilities at the balance sheet date. The results of these uncertainties in assumptions and estimates may result in significant adjustments to the carrying amounts of the assets or liabilities affected in the future.

(a) Critical judgements in applying the accounting policies

In applying the Group's accounting policies, management has made the following judgments that have a material impact on the amounts recognized in the financial statements:

Business model
The classification of financial assets at the time of initial recognition depends on the Group's business model for managing financial assets, and in determining the business model, the Group considers the manner in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how they are managed, and the manner in which relevant business managers are remunerated. In assessing whether the objective is to collect contractual cash flows, the Group needs to analyze and determine the reason, timing, frequency and value of the sale of financial assets before the maturity date.

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

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

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

Characteristics of contractual cash flows
The classification of financial assets at the time of initial recognition depends on the contractual cash flow characteristics of the financial assets, and it is necessary to determine whether the contractual cash flows are only the payment of principal and interest based on the outstanding principal, whether there is a significant difference compared with the benchmark cash flow when the time value of money is included in the assessment of the time value of money, and whether the fair value of the prepayment feature is very small in the case of financial assets containing prepayment features.

Judgment of a significant increase in credit risk and credit impairment that has occurred
In distinguishing the different stages of financial instruments, the Group's judgment on the significant increase in credit risk and the credit impairment that has occurred is as follows:

The Group's main criteria for judging a significant increase in credit risk are that the number of overdue days exceeds 30 days, or there is a significant change in one or more of the following indicators: the debtor's business environment, internal and external credit ratings, significant changes in actual or expected operating results, and a significant decline in the value of collateral or the credit rating of the guarantor that will affect the probability of default.

The Group's main criteria for judging that credit impairment has occurred are that the number of overdue days exceeds 90 days (i.e., default has occurred), or one or more of the following conditions are met: the debtor has significant financial difficulties, undergoes other debt restructuring or is likely to go bankrupt.

(b) Uncertainty in the estimate

The following are key assumptions about the future at the balance sheet date and other key sources of uncertainty in the estimates that may result in significant adjustments to the carrying amounts of assets and liabilities in future periods.

Impairment of financial instruments
The Group uses an expected credit loss model to assess the impairment of financial instruments, and the application of the expected credit loss model requires significant judgment and estimation, taking into account all reasonable and substantiated information, including forward-looking information. In making these judgments and estimates, the Group inferred the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, and the provision for impairment may not be equal to the actual amount of impairment losses in the future.

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

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

(b) Uncertainty in the estimate(Cont'd)

Impairment of non-current assets other than financial assets (other than goodwill)
The Group determines whether there is any indication of possible impairment of non-current assets other than financial assets at the balance sheet date. For intangible assets with an indefinite useful life, in addition to the impairment test conducted annually, when there are signs of impairment, the impairment test is also conducted. Other non-current assets, other than financial assets, are tested for impairment when there are indications that their book value is not recoverable. Impairment occurs when the carrying amount of an asset or group of assets is higher than the recoverable amount, i.e., the higher of the fair value less disposal costs and the present value of the projected future cash flows. The fair value, net of disposal costs, is determined by reference to the agreed sale price or observable market price of a similar asset in an arm's length transaction, less incremental costs directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management must estimate the projected future cash flows of the asset or group of assets and select an appropriate discount rate to determine the present value of future cash flows.

Development expenditures
When determining the amount to be capitalized, management must make assumptions regarding the estimated future cash flows of the asset, the applicable discount rate, and the expected benefit period.

Deferred tax assets
To the extent that there is likely to be sufficient taxable income to cover the deductible loss, deferred tax assets should be recognised for all unutilised deductible losses. This requires management to use a great deal of judgment to estimate the timing and amount of taxable income to be obtained in the future, combined with a tax planning strategy, to determine the amount of deferred tax assets to be recognized.

Warranty
For a portfolio of contracts with similar characteristics, the Group makes a reasonable estimate of the warranty rate based on historical warranty data, current warranty situation, and all relevant information such as product improvement and market changes. The estimated warranty rates may not be equal to the actual future warranty rates, and the Group has re-evaluated the warranty rates at least at each balance sheet date and determined the projected liabilities based on the re-assessed warranty rates.

## 4 Taxation

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

| Category | Taxation basis | Tax rate |
|---|---|---|
| Value-added tax ("VAT") | The difference between the sales amount and the output tax calculated at the applicable tax rate, after deducting the input tax amount for which the credit is granted | 13%, 9% and 6% |
| Consumption tax | Taxable sales amount | 9%, 5% and 3% |
| City maintenance and construction tax | The payment amount of VAT and consumption tax | 7% and 5% |
| Enterprise income tax | Taxable income | 25% and 15% |

(2) Tax preference

According to the relevant regulations of the national high-tech certification and related preferential tax policies, the company has passed the certification of high-tech enterprises in 2024 and is valid for three years. The corporate income tax rate applicable to the Company in six months ended 30 June 2026 is 15% (the six months ended 30 June 2025: 15%).

As at 30 June 2026, except for the Company, the Company's wholly-owned companies, including JMC Heavy Duty Vehicle Co., Ltd. ("JMCH"), Jiangling Motor Sales Co., Ltd. ("JMCS"), Shenzhen Fujiang New Energy Automobile Sales Co., Ltd. ("SZFJ"), Guangzhou Fujiang New Energy Automobile Sales Co., Ltd. ("GZFJ"), and Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. ("Jiangling Ford (Shanghai)") were subject to the enterprise income tax at the rate of 25% (the six months ended 30 June 2025: 25%).

Pursuant to the *Announcement on Clarifying the Additional Value-added Tax Credit Policy for the Advanced Manufacturing Enterprises* (Cai Shui [2023] No. 43) jointly issued by the Ministry of Finance and the State Taxation Administration, the Company, as an advanced manufacturing enterprise, from January 1, 2023 to December 31, 2027, the Company will add 5% of the deductible input tax for the current period to offset the VAT payable.

## 5 Notes to the consolidated financial statements

(1) Cash at bank and on hand

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Cash at bank | 10,755,764,460 | 11,898,659,395 |
| Cash at finance company (a) (Note 8(6)) | 1,352,479,456 | 1,592,494,805 |
| Other cash and cash equivalents (b) | 26,196,044 | 27,137,724 |
| Interest receivable | 37,540,485 | 64,248,422 |
| | 12,171,980,445 | 13,582,540,346 |

(a) As at 30 June 2026, the group's bank deposit with Jiangling Automobile Group Finance Co, Ltd. was RMB1,352,479,456. The Group's bank deposits placed with Jiangling Motor Group Finance Company Limited(“JMCF”) bear interest at the bank's annual interest rate of 0.85%-1.4% (31 December 2025: 0.85%-1.55%) on RMB deposits for the same period.

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

(b) Other cash and cash equivalents of RMB26,196,044 (31 December 2025: 27,137,724) were the frozen funds of the Group's litigation.

(2) Financial assets held for trading

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Structural deposits | 801,738,192 | 801,902,466 |

(3) Accounts receivable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Accounts receivable | 6,439,752,462 | 6,261,767,357 |
| Less: Provision for bad debts | (121,143,950) | (120,361,590) |
| | 6,318,608,512 | 6,141,405,767 |

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

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Within 1 year | 6,315,226,798 | 6,136,599,101 |
| 1 to 2 years | 3,517,464 | 2,332,966 |
| Over 2 years | 121,008,200 | 122,835,290 |
| | 6,439,752,462 | 6,261,767,357 |

## 5 Notes to the consolidated financial statements (Cont'd)

(3) Accounts receivable (Cont'd)

As at 30 June 2026, accounts receivable with individually significant amounts and aged over three years were analyzed as follows:

| | Balance | Reasons and risk of collection |
|---|---|---|
| Company 1 | 63,365,929 | As the debtor had difficulties in operation and was involved in several lawsuits, the Group considered that the receivable was difficult to be recovered and therefore a provision for bad debts had been made in full. |
| Company 2 | 37,924,214 | The Group considered that the new energy subsidy amount was difficult to be recovered from relevant subsidy distribution departments over a long period of time and therefore a provision for bad debts had been made in full. |
| Company 3 | 9,804,890 | Due to the cash flow arrangement of the debtor, the accounts receivable had a long aging, but the debtor has a good historical collection situation and still has normal business dealings with the Group, and the Group considered that the receivables were likely to be recovered, so a provision for bad debts was made in the grouping - sales of general automobiles. |

(b) As at 30 June 2026, the top five accounts receivable ranked by the balances of the debtors are analysed as follows:

| | Balance | Amount of provision for bad debts | % of total balance |
|---|---|---|---|
| The total accounts receivable of the top five balances | 5,399,184,129 | 74,277,299 | 84% |

(c) Provision for bad debts

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

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

| | 30 June 2026 | | | |
|---|---|---|---|---|
| | Book balance | | Provision for bad debts | |
| | Amount | % of total balance | Amount | Provision ratio |
| Provision for bad debts on the individual basis (i) | 101,799,259 | 2% | 101,673,142 | 99.88% |
| Provision for bad debts on the grouping basis (ii) | 6,337,953,203 | 98% | 19,470,808 | 0.31% |
| | 6,439,752,462 | 100% | 121,143,950 | 1.88% |

## 5 Notes to the consolidated financial statements (Cont'd)

(3) Accounts receivable (Cont'd)

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

| | 31 December 2025 | | | |
|---|---|---|---|---|
| | Book balance | | Provision for bad debts | |
| | Amount | % of total balance | Amount | Provision ratio |
| Provision for bad debts on the individual basis (i) | 103,465,547 | 2% | 103,231,811 | 99.77% |
| Provision for bad debts on the grouping basis (ii) | 6,158,301,810 | 98% | 17,129,779 | 0.28% |
| | 6,261,767,357 | 100% | 120,361,590 | 1.92% |

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

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| New energy subsidies receivable | 37,924,214 | 100.00% | 37,924,214 |
| Receivables for automobiles | 63,875,045 | 99.80% | 63,748,928 |
| | 101,799,259 | | 101,673,142 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| New energy subsidies receivable | 37,924,214 | 100.00% | 37,924,214 |
| Receivables for automobiles | 65,541,333 | 99.64% | 65,307,597 |
| | 103,465,547 | | 103,231,811 |

As at 30 June 2026, the Group assessed the expected credit losses on the related accounts receivable. The Group considered a portion of the receivables cannot be collected, therefore, a provision for bad debt was made for those receivables. The related amount was RMB101,673,142 (31 December 2025: RMB103,231,811), of which RMB1,558,669 (the six months ended 30 June 2025: no impact on profit or loss for the current period) was reversed in profit or loss for the current period.

## 5 Notes to the consolidated financial statements (Cont'd)

(3) Accounts receivable (Cont'd)

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

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

Grouping - Domestic sales of general automobiles:

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 1,055,737,138 | 0.08% | 819,336 |
| Overdue for 1 to 30 days | 8,014,455 | 2.60% | 208,339 |
| Overdue for 31 to 60 days | 4,373,909 | 4.40% | 192,288 |
| Overdue for 61 to 90 days | 1,577,940 | 6.12% | 96,594 |
| Overdue over 90 days | 39,833,988 | 9.18% | 3,656,760 |
| | 1,109,537,430 | | 4,973,317 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 1,298,021,154 | 0.02% | 256,917 |
| Overdue for 1 to 30 days | 28,433,864 | 1.25% | 354,247 |
| Overdue for 31 to 60 days | 9,159,455 | 2.18% | 199,456 |
| Overdue for 61 to 90 days | 6,007,784 | 3.66% | 219,824 |
| Overdue over 90 days | 28,609,142 | 9.18% | 2,626,319 |
| | 1,370,231,399 | | 3,656,763 |

## 5 Notes to the consolidated financial statements (Cont'd)

(3) Accounts receivable (Cont'd)

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

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

Grouping - Export sales of general automobiles:

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 4,953,208,692 | 0.20% | 9,906,417 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 4,538,555,702 | 0.20% | 9,077,111 |

Grouping - Sales of new energy automobiles:

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Overdue over 90 days | 4,122,180 | 80.00% | 3,297,744 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Overdue over 90 days | 4,122,180 | 80.00% | 3,297,744 |

**5 Notes to the consolidated financial statements (Cont'd)**

(3) Accounts receivable (Cont'd)

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

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

Grouping – Automobile parts:

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 173,507,910 | 0.30% | 520,524 |
| Overdue for 1 to 30 days | 55,025,397 | 0.30% | 165,076 |
| Overdue for 31 to 60 days | 26,579,221 | 0.50% | 132,896 |
| Overdue for 61 to 90 days | 7,358,756 | 0.60% | 44,153 |
| Overdue over 90 days | 8,613,617 | 5.00% | 430,681 |
| | 271,084,901 | | 1,293,330 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 188,462,019 | 0.30% | 565,386 |
| Overdue for 1 to 30 days | 22,120,280 | 0.30% | 66,361 |
| Overdue for 31 to 60 days | 17,471,552 | 0.50% | 87,358 |
| Overdue for 61 to 90 days | 11,088,147 | 0.60% | 66,529 |
| Overdue over 90 days | 6,250,531 | 5.00% | 312,527 |
| | 245,392,529 | | 1,098,161 |

(iii) The provision for bad debts was RMB782,360 this period.

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

(e) As at 30 June 2026 and 31 December 2025, there were no accounts receivable pledged.

## 5 Notes to the consolidated financial statements (Cont'd)

(4) Financing receivables

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Bank acceptance notes | 48,495,341 | 205,851,591 |

The Group considers the need for its daily fund management to discount and endorse a portion of bank acceptance bills, and the business model for managing these bills aims both at receiving contractual cash flows and at selling them; therefore, all bank acceptance bills of the Group are classified as financial assets measured at fair value with changes recognized in other comprehensive income. For the six months ended 30 June 2026 , the Group endorsed and discounted bank acceptance notes, and almost all risks and rewards of ownership have been transferred to other parties, accordingly, the carrying amounts of bank acceptance notes that were derecognised by the Group were RMB797,009,380 and RMB3,892,639,938(2026: RMB1,698,864,617 and RMB7,692,252,503) respectively, and the related losses on discount of RMB6,180 ( for the six months ended 30 June 2025 : RMB234,105) were included in investment income (Note 5(52)).

As at 30 June 2026 and 31 December 2025, as the credit risk characteristics of these bank acceptance notes were similar, no provision for impairment was made individually. In addition, the Group considered that its bank acceptance notes were not exposed to significant credit risk and the probability of default of these banks was very low.

As at 30 June 2026 and 31 December 2025, the Group had no pledged bank acceptance notes receivable presented in financing receivables.

As at 30 June 2026, the Group's bank acceptance notes had been endorsed or discounted but not yet matured were RMB4,534,675,768, which had been derecognised.

There was no significant write-offs of financing receivables for the Group as at 30 June 2026 ( the six months ended 30 June 2025 : Nil).

## 5 Notes to the consolidated financial statements (Cont'd)

(5) Advances to suppliers

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

| | 30 June 2026 | | 31 December 2025 | |
|---|---|---|---|---|
| | Amount | % of total balance | Amount | % of total balance |
| Within 1 year | 139,232,552 | 97% | 94,393,889 | 96% |
| Over 1 year | 4,235,154 | 3% | 4,230,171 | 4% |
| | 143,467,706 | 100% | 98,624,060 | 100% |

(b) As at 30 June 2026, the top five advances to suppliers by the balances of the debtors are analysed as follows:

| | Amount | % of total balance |
|---|---|---|
| Total prepayments of the top five balances | 143,467,706 | 100% |

(6) Other receivables

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Bills for R&D projects | 7,311,261 | 5,262,421 |
| Import working capital | 5,000,000 | 5,000,000 |
| Guarantees | 3,304,083 | 3,932,887 |
| Gas and electricity bills | 2,111,988 | 21,112,025 |
| Platform utilization fee | - | 5,831,714 |
| Receivables from land acquisition and storage | - | 79,807,336 |
| Others | 10,743,062 | 13,986,707 |
| | 28,470,394 | 134,933,090 |
| Less: Provision for bad debts | (95,558) | (164,713) |
| | 28,374,836 | 134,768,377 |

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

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

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Within 1 year | 25,527,472 | 131,308,902 |
| Over 1 year | 2,942,922 | 3,624,188 |
| | 28,470,394 | 134,933,090 |

## 5 Notes to the consolidated financial statements (Cont'd)

(6) Other receivables (Cont'd)

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

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

| | 30 June 2026 | | | |
|---|---|---|---|---|
| | Book balance | | Provision for bad debts | |
| | Amount | % of total balance | Amount | Provision ratio |
| Provision for bad debts on the individual basis | - | - | - | - |
| Provision for bad debts on the grouping basis | 28,470,394 | 100% | 95,558 | 0.34% |
| | 28,470,394 | 100% | 95,558 | 0.34% |

| | 31 December 2025 | | | |
|---|---|---|---|---|
| | Book balance | | Provision for bad debts | |
| | Amount | % of total balance | Amount | Provision ratio |
| Provision for bad debts on the Individual basis | 79,807,336 | 59% | - | - |
| Provision for bad debts on the grouping basis | 55,125,754 | 41% | 164,713 | 0.30% |
| | 134,933,090 | 100% | 164,713 | 0.12% |

| | Stage 1 | | | | |
|---|---|---|---|---|---|
| | 12-month ECL (grouping) | | 12-month ECL (individual) | | Total |
| | Book balance | Provision for bad debts | Book balance | Provision for bad debts | Provision for bad debts |
| 31 December 2025 | 55,125,754 | 164,713 | 79,807,336 | | 164,713 |
| Decrease in the current period | (26,655,360) | - | (79,807,336) | | |
| Provision for bad debts accrued during the period | - | (69,155) | - | | (69,155) |
| 30 June 2026 | 28,470,394 | 95,558 | - | | 95,558 |

As at 30 June 2026 and 31 December 2025, the Group had no other receivables at Stage 2 and Stage 3. The analysis of other receivables at Stage 1 was stated below:

**5 Notes to the consolidated financial statements (Cont'd)**

(6) Other receivables (Cont'd)

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

As at 30 June 2026, the Group's other receivables with provision for bad debts were analysed below:

| | Book balance | 12-month ECL rates | Provision for bad debts | Reason |
|---|---|---|---|---|
| Provision on the grouping basis: | | | | |
| Bills for R&D projects | 7,311,261 | 0.34% | 24,540 | ECL |
| Import working capital | 5,000,000 | 0.34% | 16,782 | ECL |
| Guarantees | 3,304,083 | 0.34% | 11,090 | ECL |
| Gas and electricity bills | 2,111,988 | 0.34% | 7,089 | ECL |
| Others | 10,743,062 | 0.34% | 36,057 | ECL |
| | 28,470,394 | | 95,558 | |

As at 31 December 2025, the Group's other receivables with provision for bad debts on the grouping basis are analysed as follows:

| | Book balance | 12-month ECL rates | Provision for bad debts | Reason |
|---|---|---|---|---|
| Provision on the individual basis: | | | | |
| Receivable from land acquisition and storage (i) | 79,807,336 | - | - | ECL |
| Provision on the grouping basis: | | | | |
| Gas and electricity bills | 21,112,025 | 0.30% | 63,082 | ECL |
| Platform utilization fee | 5,831,714 | 0.30% | 17,425 | ECL |
| Bills for R&D projects | 5,262,421 | 0.30% | 15,724 | ECL |
| Import working capital | 5,000,000 | 0.30% | 14,940 | ECL |
| Guarantees | 3,932,887 | 0.30% | 11,751 | ECL |
| Others | 13,986,707 | 0.30% | 41,791 | ECL |
| | 134,933,090 | | 164,713 | |

(c) As at 30 June 2026, the Group reversed the provision for bad debts amounting to RMB69,155. The reversal in the current period is due to the actual receipt of other receivables corresponding to the provision for bad debts in the previous period.

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

(e) As at 30 June 2026, the top five other receivables by the balances of the debtors are listed as follows:

| | Nature | Balance | Aging | % of total balance | Provision for bad debts |
|---|---|---|---|---|---|
| Company 1 | Import working Capital.etc | 6,101,420 | within 1 year | 21% | 20,479 |
| Company 2 | Gas bills | 2,111,988 | within 1 year | 7% | 7,089 |
| Company 3 | Office expenses | 2,106,895 | within 1 year | 7% | 7,072 |
| Company 4 | Repair fees | 1,523,041 | within 1 year | 5% | 5,112 |
| Company 5 | Design fees | 1,431,000 | within 1 year | 5% | 4,803 |
| | | 13,274,344 | | 45% | 44,555 |

**5 Notes to the consolidated financial statements (Cont'd)**

(7) Inventories

(a) Inventories were summarised by category as follows:

| | 30 June 2026 | | | 31 December 2025 | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for decline in the value of inventories | Carrying amount | Book balance | Provision for decline in the value of inventories | Carrying amount |
| Raw materials | 1,182,814,690 | 59,117,650 | 1,123,697,040 | 1,107,964,940 | 64,981,628 | 1,042,983,312 |
| Finished goods | 613,307,636 | 3,594,240 | 609,713,396 | 666,482,402 | 21,361,803 | 645,120,599 |
| Work in progress | 252,785,824 | 39,848 | 252,745,976 | 178,941,925 | 49,688 | 178,892,237 |
| Low value consumables | 62,131,201 | - | 62,131,201 | 65,588,843 | 543,890 | 65,044,953 |
| Materials in transit | 34,034,865 | - | 34,034,865 | 67,782,373 | - | 67,782,373 |
| Materials consigned for processing | 32,734,552 | - | 32,734,552 | 12,102,234 | - | 12,102,234 |
| | 2,177,808,768 | 62,751,738 | 2,115,057,030 | 2,098,862,717 | 86,937,009 | 2,011,925,708 |

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

| | | Increase in the current period | Decrease in the current period | | |
|---|---|---|---|---|---|
| | 31 December 2025 | Provision | Reversal | Write-off | 30 June 2026 |
| Raw materials | 64,981,628 | - | (258,830) | (5,605,148) | 59,117,650 |
| Finished goods | 21,361,803 | - | - | (17,767,563) | 3,594,240 |
| Low value consumables | 543,890 | - | - | (543,890) | - |
| Work in progress | 49,688 | - | - | (9,840) | 39,848 |
| | 86,937,009 | - | (258,830) | (23,926,441) | 62,751,738 |

## 5 Notes to the consolidated financial statements (Cont'd)

(7) Inventories (Cont'd)

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

The Group uses whether the cost is higher than the net realizable value as the basis for the provision for inventory decline. Net realizable value is determined by the estimated selling price of the inventory, less the estimated costs to be incurred at completion, estimated contract performance costs and selling expenses, and related taxes. The reason for the reversal or resale of the provision for inventory decline in the current period is the increase in the net realizable value of the inventory for which the provision for inventory decline has been made in previous years or the sales realized in the current period.

(8) Other current assets

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Taxes prepaid, input VAT to be deducted and to be verified | 1,290,806,147 | 1,288,158,530 |
| Others | 64,247,908 | 42,858,755 |
| | 1,355,054,055 | 1,331,017,285 |
| Less: provision for diminution in value | (145,863,357) | (136,072,357) |
| | 1,209,190,698 | 1,194,944,928 |

As at 30 June 2026, the Group made a provision for impairment of RMB9,791,000 for input tax that is expected to not be deductible or used in the future.

(9) Current portion of non-current assets

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Current portion of long-term receivables (Note 5(10)) | 30,563,429 | 27,153,632 |

(10) Long-term receivables

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Long-term receivables | 105,616,317 | 98,706,775 |
| Less: provision for bad debts | (92,000) | (33,179) |
| Current portion of long-term receivables (Note 5(9)) | (30,563,429) | (27,153,632) |
| | 74,960,888 | 71,519,964 |

As at 30 June 2026, the Group's long-term receivables were formed by accounts receivable from instalment sales, and the payments will be gradually recovered from 2026 to 2030.

## 5 Notes to the consolidated financial statements (Cont'd)

(11) Long-term equity investments

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Associates | | |
| - Shanxi Yunnei Power Co., Ltd. ("The Power Company") | 175,003,168 | 177,016,522 |
| - Hanon Systems (Nanchang) Co., Ltd. ("Hanon Systems") | - | 26,625,399 |
| Less: Provision for impairment of long-term equity investments | - | - |
| | 175,003,168 | 203,641,921 |

Associates

| | | Movements for the current period | | | | | | | Impairment provision | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31 December 2025 | Decrease in investment | Share of net profit/(loss) under equity method | Cash dividends declared | Provision for impairment | 30 June 2026 | Shareholding (%) | Voting rights (%) | 30 June 2026 | 31 December 2025 |
| The Power Company | 177,016,522 | - | (2,013,354) | - | - | 175,003,168 | 40.00% | 40.00% | - | - |
| Hanon Systems | 26,625,399 | (26,625,399) | - | - | - | - | - | - | - | - |
| Total | 203,641,921 | (26,625,399) | (2,013,354) | - | - | 175,003,168 | | | - | - |

The Group disposed of its equity interest in insignificant associate Hanon Systems during the period. The investment is no longer accounted for as an associate starting from the disposal date, with gain or loss on disposal recorded in current-period investment income.

Related information of equity in associates is set forth in Note 6(2).

## 5 Notes to the consolidated financial statements (Cont'd)

### (12) Fixed assets

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Fixed assets (a) | 5,485,540,829 | 5,789,147,812 |
| Fixed assets pending for disposal (b) | 565,172 | 276,010 |
| | 5,486,106,001 | 5,789,423,822 |

### (a) Fixed assets

| | Buildings | Machinery and equipment | Vehicles | Moulds | Electronic and other equipment | Total |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| 31 December 2025 | 2,303,826,800 | 3,055,638,670 | 1,417,440,643 | 4,816,107,653 | 4,482,974,484 | 16,075,988,250 |
| Increase in the current period | | | | | | |
| Transfers from construction in progress | 2,110,389 | 38,879,342 | 108,477,951 | 119,803,534 | 31,606,975 | 300,878,191 |
| Decrease in the current period | | | | | | |
| Disposal or retirement | - | (45,683,858) | (41,298,220) | (28,501,649) | (61,956,456) | (177,440,183) |
| Others | - | (27,576,781) | (908,900) | - | (12,531,962) | (41,017,643) |
| 30 June 2026 | 2,305,937,189 | 3,021,257,373 | 1,483,711,474 | 4,907,409,538 | 4,440,093,041 | 16,158,408,615 |
| Accumulated depreciation | | | | | | |
| 31 December 2025 | 532,488,814 | 1,985,239,437 | 532,584,111 | 3,162,675,869 | 3,294,449,632 | 9,507,437,863 |
| Increase in the current period | | | | | | |
| Provision | 25,704,383 | 84,977,723 | 85,909,933 | 228,553,117 | 158,293,133 | 583,438,289 |
| Decrease in the current period | | | | | | |
| Disposal or retirement | - | (34,128,695) | (24,641,212) | (27,304,741) | (53,529,124) | (139,603,772) |
| Others | - | (23,690,850) | (176,524) | - | (7,084,623) | (30,951,997) |
| 30 June 2026 | 558,193,197 | 2,012,397,615 | 593,676,308 | 3,363,924,245 | 3,392,129,018 | 9,920,320,383 |
| Provision for impairment | | | | | | |
| 31 December 2025 | 172,020,613 | 30,216,617 | 177,253,290 | 343,668,614 | 56,243,441 | 779,402,575 |
| Increase in the current period | | | | | | |
| Provision | - | - | - | - | - | - |
| Decrease in the current period | | | | | | |
| Disposal or retirement | - | (11,091,314) | (3,715,859) | (718,419) | (11,329,580) | (26,855,172) |
| 30 June 2026 | 172,020,613 | 19,125,303 | 173,537,431 | 342,950,195 | 44,913,861 | 752,547,403 |
| Carrying amount | | | | | | |
| 30 June 2026 | 1,575,723,379 | 989,734,455 | 716,497,735 | 1,200,535,098 | 1,003,050,162 | 5,485,540,829 |
| 31 December 2025 | 1,599,317,373 | 1,040,182,616 | 707,603,242 | 1,309,763,170 | 1,132,281,411 | 5,789,147,812 |

As at 30 June 2026, depreciation charged to fixed assets amounted to RMB583,438,289 (the six months ended 30 June 2025: RMB552,829,786), of which the depreciation expenses charged in the cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses were RMB530,345,081, RMB1,360,355, RMB22,714,791 and RMB29,018,062 (the six months ended 30 June 2025: RMB492,673,591, RMB2,314,697, RMB26,170,440 and RMB31,671,058), respectively.

The costs of fixed assets transferred from construction in progress amounted to RMB300,878,191 (the six months ended 30 June 2025: RMB838,710,612).

**5 Notes to the consolidated financial statements (Cont'd)**

(12) Fixed assets(Cont'd)

(a) Fixed assets (Cont'd)

(i) Temporarily idle fixed assets

As at 30 June 2026, the fixed assets with a carrying amount of approximately RMB131,654,250 (a cost of RMB1,108,465,781) (31 December 2025: a carrying amount of approximately RMB137,144,685 and a cost of RMB1,253,368,096) were idle due to the termination of the equity transfer transaction of JMCH and the change of product process of the Group. The analysis was as follows:

| | Cost | Accumulated depreciation | Provision for impairment | Carrying amount |
|---|---|---|---|---|
| Buildings | 409,162,422 | 116,073,644 | 172,020,613 | 121,068,165 |
| Machinery and equipment | 67,541,512 | 49,638,940 | 14,928,912 | 2,973,660 |
| Vehicles | 37,019,296 | 31,228,319 | 4,664,138 | 1,126,839 |
| Moulds | 420,123,177 | 107,672,708 | 312,450,469 | - |
| Electronic and other equipment | 174,619,374 | 138,542,190 | 29,591,598 | 6,485,586 |
| | 1,108,465,781 | 443,155,801 | 533,655,730 | 131,654,250 |

(ii) Operating lease of fixed assets:

As of 30 June 2026, the Cost was RMB999,741,657, the accumulated depreciation was RMB227,857,297, the Impairment provision was RMB168,451,912 and the carrying amount at the end of the period was RMB603,432,448.

(ii) Fixed assets with pending certificates of ownership:

| | Carrying amount | Reason for not obtaining certificates of ownership |
|---|---|---|
| Buildings | 14,713,106 | Pending procedures |

(b) Fixed assets pending for disposal

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Vehicles | 517,900 | 250,667 |
| Electronic and other equipment | 47,272 | 10,538 |
| Machinery and equipment | - | 14,805 |
| | 565,172 | 276,010 |

## 5 Notes to the consolidated financial statements (Cont'd)

### (13) Construction in progress

| | 30 June 2026 | | | 31 December 2025 | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for impairment | Carrying amount | Book balance | Provision for impairment | Carrying amount |
| Projects for commercial vehicles | 300,816,638 | 1,287,127 | 299,529,511 | 390,972,214 | 1,311,599 | 389,660,615 |
| Projects for automobiles factory | 109,108,187 | - | 109,108,187 | 2,224,873 | - | 2,224,873 |
| Projects for passenger vehicles | 51,510,017 | 4,460,314 | 47,049,703 | 52,470,311 | 4,460,314 | 48,009,997 |
| Projects for automobile parts factory | 9,343,056 | - | 9,343,056 | 22,200,973 | - | 22,200,973 |
| Others | 85,294,420 | 691,646 | 84,602,774 | 46,210,061 | 691,646 | 45,518,415 |
| | 556,072,318 | 6,439,087 | 549,633,231 | 514,078,432 | 6,435,559 | 507,614,873 |

## 5 Notes to the consolidated financial statements (Cont'd)

(13) Construction in progress (Cont'd)

(a) Movement of significant projects of construction in progress

| Project name | Budget (In RMB0,000) | 31 December 2025 | Increase in the current period | Transfer to fixed assets in the current period | Transfer to intangible assets in the current period | 30 June 2026 | % of project investment in budget | Progress of project | Accumulative capitalised borrowing costs | Including: Borrowing costs capitalised in the current period | Source of fund |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Projects for commercial vehicles | 306,652 | 390,972,214 | 131,889,558 | (222,045,134) | - | 300,816,638 | 72% | 72% | - | - | Self-owned funds |
| Projects for Passenger vehicles | 93,874 | 52,470,311 | 35,960,310 | (36,920,604) | - | 51,510,017 | 77% | 77% | - | - | Self-owned funds |
| Projects for Automobiles factory | 35,280 | 2,224,873 | 110,099,068 | (3,215,754) | - | 109,108,187 | 32% | 32% | - | - | Self-owned funds |
| Projects for automobile parts factory | 15,599 | 22,200,973 | 15,013,547 | (27,782,968) | (88,496) | 9,343,056 | 83% | 83% | - | - | Self-owned funds |
| Others | - | 46,210,061 | 50,476,919 | (10,938,203) | (454,357) | 85,294,420 | | | 292,897 | - | Self-owned funds |
| | | 514,078,432 | 343,439,402 | (300,902,663) | (542,853) | 556,072,318 | | | 292,897 | - | |

(b) Provision for impairment of construction in progress

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 | Reason for provision |
|---|---|---|---|---|---|
| Projects for commercial vehicles | 1,311,599 | - | (24,472) | 1,287,127 | The recoverable amount is lower than the carrying amount |
| Projects for passenger vehicles | 4,460,314 | - | - | 4,460,314 | The recoverable amount is lower than the carrying amount |
| Others | 691,646 | - | - | 691,646 | The recoverable amount is lower than the carrying amount |
| | 6,463,559 | - | (24,472) | 6,439,087 | |

## 5 Notes to the consolidated financial statements (Cont'd)

(14) Right-of-use assets

| | Buildings |
|---|---|
| **Cost** | |
| 31 December 2025 | 394,260,626 |
| Increase in the current period | |
| New lease contracts | 1,063,665 |
| Decrease in the current period | - |
| 30 June 2026 | 395,324,291 |
| **Accumulated depreciation** | |
| 31 December 2025 | 274,017,319 |
| Increase in the current period | |
| Provision | 40,718,016 |
| Decrease in the current period | |
| Other decrease | (76,011) |
| 30 June 2026 | 314,659,324 |
| **Provision for impairment** | |
| 31 December 2025 | - |
| Increase in the current period | - |
| Decrease in the current period | - |
| 30 June 2026 | - |
| **Carrying amount** | |
| 30 June 2026 | 80,664,967 |
| 31 December 2025 | 120,243,307 |

## 5 Notes to the consolidated financial statements (Cont'd)

### (15) Intangible assets

| | Land use rights | Software use fees | Non-patent technologies | Others | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| 31 December 2025 | 609,675,571 | 491,579,099 | 2,725,548,404 | 38,578,700 | 3,865,381,774 |
| Increase in the current period | | | | | |
| Transfers from construction in progress | - | 542,853 | - | - | 542,853 |
| Internal research and development | - | - | 63,069,616 | - | 63,069,616 |
| Decrease in the current period | | | | | |
| Disposal | - | - | - | - | - |
| 30 June 2026 | 609,675,571 | 492,121,952 | 2,788,618,020 | 38,578,700 | 3,928,994,243 |
| **Accumulated amortisation** | | | | | |
| 31 December 2025 | 168,716,525 | 332,580,419 | 1,482,820,366 | 38,578,700 | 2,022,696,010 |
| Increase in the current period | | | | | |
| Provision | 6,443,669 | 28,827,483 | 209,447,118 | - | 244,718,270 |
| Decrease in the current period | | | | | |
| Disposal | - | - | - | - | - |
| 30 June 2026 | 175,160,194 | 361,407,902 | 1,692,267,484 | 38,578,700 | 2,267,414,280 |
| **Provision for impairment** | | | | | |
| 31 December 2025 | - | - | 52,416,626 | - | 52,416,626 |
| Increase in the current period | | | | | |
| Provision | - | - | - | - | - |
| 30 June 2026 | - | - | 52,416,626 | - | 52,416,626 |
| **Carrying amount** | | | | | |
| 30 June 2026 | 434,515,377 | 130,714,050 | 1,043,933,910 | - | 1,609,163,337 |
| 31 December 2025 | 440,959,046 | 158,998,680 | 1,190,311,412 | - | 1,790,269,138 |

As at 30 June 2026, the intangible assets developed by the Group accounted for 61% (31 December 2025: 63%) of the carrying amount of intangible assets.

## 5 Notes to the consolidated financial statements (Cont'd)

(16) Expenditure on research and development

The Group's total expenditure on research and development activities As at 30 June 2026 and 2025 is presented by nature as follows:

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Employee benefits | 345,646,582 | 449,540,890 |
| Design fee | 96,310,917 | 121,218,012 |
| Consumed materials | 97,053,597 | 77,767,929 |
| Depreciation and amortisation | 34,819,651 | 37,108,953 |
| Others | 84,779,361 | 99,655,450 |
| | 658,610,108 | 785,291,234 |
| Wherein expenditure on research and development on the research phase (Note 5(47)) | 625,261,173 | 652,925,801 |

(a) The changes in the Group's development expenditures eligible for capitalisation As at 30 June 2026 is analysed as follows:

| | 31 December 2025 | Increase in the current period | Transfer to intangible assets in the current period | 30 June 2026 |
|---|---|---|---|---|
| Projects for commercial vehicles | 57,594,483 | 33,348,935 | 63,069,616 | 27,873,802 |

The capitalization of the vehicle project started when the product was ready and the R&D data was frozen, and it had passed the Group's technical review meeting. After the completion of the development of the project, it is expected to be ready for mass production of vehicle products with marketing capabilities, with a progress of approximately 60% as of 30 June 2026, and is expected to be completed within the second quarter 2027.

As at 30 June 2026, there was no impairment of the Group's development expenditure items (the six months ended 30 June 2025: nil).

## 5 Notes to the consolidated financial statements (Cont'd)

(17) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets before offsetting

| | 30 June 2026 | | 31 December 2025 | |
|---|---|---|---|---|
| | Deductible temporary differences and deductible losses | Deferred tax assets | Deductible temporary differences and deductible losses | Deferred tax assets |
| Accrued expenses and provisions | 4,917,417,935 | 1,103,667,749 | 4,615,638,068 | 1,037,353,003 |
| Recoverable losses | 338,438,492 | 84,609,623 | 466,815,447 | 116,703,862 |
| Provision for asset impairment | 1,916,737,437 | 288,350,223 | 1,942,298,621 | 292,044,435 |
| Non-patent technology | 663,931,580 | 164,593,824 | 593,336,532 | 143,728,516 |
| Lease liability | 58,183,620 | 17,099,535 | 135,747,740 | 23,290,388 |
| Employee education funds unpaid | 24,513,077 | 3,955,561 | 25,931,540 | 4,181,264 |
| Deferred income | 20,233,836 | 3,035,075 | 13,039,843 | 1,955,976 |
| Retirement benefits plan | 10,191,744 | 2,501,362 | 10,756,000 | 2,586,000 |
| Others | 178,484,789 | 22,963,450 | 141,377,441 | 22,698,198 |
| | 8,128,132,510 | 1,690,776,402 | 7,944,941,232 | 1,644,541,642 |

(b) Deferred tax liabilities before offsetting

| | 30 June 2026 | | 31 December 2025 | |
|---|---|---|---|---|
| | Taxable temporary differences | Deferred tax liabilities | Taxable temporary differences | Deferred tax liabilities |
| Depreciation of fixed assets | 3,333,978,885 | 789,596,576 | 3,106,313,384 | 696,962,697 |
| Right-of-use assets | 80,610,898 | 16,315,515 | 120,159,745 | 22,163,211 |
| Equity transactions between parent and subsidiary | 227,800,000 | 34,170,000 | 207,400,000 | 31,110,000 |
| Differences between the fair value of the identifiable net assets and carrying amount arising from business combinations involving enterprises not under common control | 71,315,088 | 17,828,772 | 72,457,584 | 18,114,396 |
| Amortisation of intangible assets | 86,246,319 | 19,810,772 | 88,850,280 | 18,680,458 |
| Others | 1,738,192 | 434,548 | 1,902,466 | 475,616 |
| | 3,801,689,382 | 878,156,183 | 3,597,083,459 | 787,506,378 |

## 5 Notes to the consolidated financial statements (Cont'd)

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

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

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Deductible temporary differences | 2,989,302,402 | 3,150,632,098 |
| Deductible losses | 2,433,306,489 | 2,267,940,580 |
| | 5,422,608,891 | 5,418,572,678 |

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

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| 2026 | - | 136,794 |
| 2027 | 150,759,177 | 150,951,754 |
| 2028 | 246,244,245 | 246,244,245 |
| 2029 | 1,008,158,641 | 1,008,158,641 |
| 2030 | 862,449,146 | 862,449,146 |
| 2031 | 165,695,280 | - |
| | 2,433,306,489 | 2,267,940,580 |

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

| | 30 June 2026 | | 31 December 2025 | |
|---|---|---|---|---|
| | Offsetting amount | Balance after offsetting | Offsetting amount | Balance after offsetting |
| Deferred tax assets | (688,853,627) | 1,001,922,775 | (663,587,640) | 980,954,002 |
| Deferred tax liabilities | (688,853,627) | 189,302,556 | (663,587,640) | 123,918,738 |

(18) Other non-current assets

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Prepayment for molds | 3,438,898 | 4,912,712 |

## 5 Notes to the consolidated financial statements (Cont'd)

(19) Provision for asset impairment and losses

| | 31 December 2025 | Increase in the current period | Decrease in the current period | | 30 June 2026 |
|---|---|---|---|---|---|
| | | | Reversal | Write-off /Disposal | |
| Provision for bad debts of accounts receivable (Note 5(3)) | 120,361,590 | 2,341,029 | (1,558,669) | - | 121,143,950 |
| Including: Provision for bad debts on the individual basis | 103,231,811 | - | (1,558,669) | - | 101,673,142 |
| Provision for bad debts on the grouping basis | 17,129,779 | 2,341,029 | - | - | 19,470,808 |
| Provision for bad debts of other receivables (Note 5(6)) | 164,713 | - | (69,155) | - | 95,558 |
| Provision for bad debts of long-term receivables (Note 5(10)) | 33,179 | - | 58,821 | - | 92,000 |
| Sub-total | 120,559,482 | 2,341,029 | (1,569,003) | - | 121,331,508 |
| | | | | | |
| Provision for decline in the value of inventories (Note 5(7)) | 86,937,009 | - | (258,830) | (23,926,441) | 62,751,738 |
| provisions for other current asset impairment (Note 5 (8)) | 136,072,357 | 9,791,000 | - | - | 145,863,357 |
| Provision for impairment of fixed assets (Note 5(12)) | 779,480,119 | - | - | (26,932,716) | 752,547,403 |
| Provision for impairment of construction in progress (Note 5(13)) | 6,463,559 | - | - | (24,472) | 6,439,087 |
| Provision for impairment of goodwill (i) | 89,028,412 | - | - | - | 89,028,412 |
| Provision for impairment of intangible assets (Note 5(15)) | 52,416,626 | - | - | - | 52,416,626 |
| Sub-total | 1,150,398,082 | 9,791,000 | (258,830) | (50,883,629) | 1,109,046,623 |
| | 1,270,957,564 | 12,132,029 | (1,827,834) | (50,883,629) | 1,230,378,131 |

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

**5 Notes to the consolidated financial statements (Cont'd)**

(20) Short-term borrowings

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Credit loan | 350,000,000 | 1,950,000,000 |

As at 30 June 2026, the Group had no overdue short-term borrowings and the interest rates ranged from 0.75% to 0.87% (31 December 2025: 0.35% to 0.92%).

(21) Erivative financial liabilities

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Derivative financial liabilities - Forward exchange contracts | 3,517,243 | 695,349 |

(22) Notes payable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Banker's Acceptance Payable | 338,413,385 | 427,292,904 |

(23) Accounts payable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Payable for automobile parts | 10,721,487,036 | 11,072,236,002 |
| Payable for raw and auxiliary materials | 338,149,121 | 325,524,482 |
| | 11,059,636,157 | 11,397,760,484 |

As at 30 June 2026, accounts payable with aging over one year amounted to RMB715,052,632 (31 December 2025: RMB717,410,426), which mainly represented payables for materials for which a settlement price had not yet been determined, and such payables had not been finally settled yet.

(24) Contract liabilities

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Advances for maintenance and warranty services, etc. | 817,626,690 | 860,003,200 |
| Advances for automobiles and automobile parts | 204,378,689 | 147,721,592 |
| | 1,022,005,379 | 1,007,724,792 |
| Less: Contract liabilities carried forward to revenue after 1 year (Note 5(35), Note 5(43)(c)(i)) | (511,013,459) | (461,860,038) |
| | 510,991,920 | 545,864,754 |

## 5 Notes to the consolidated financial statements (Cont'd)

### (25) Employee benefits payable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Short-term employee benefits payable (a) | 548,202,659 | 723,926,311 |
| Defined contribution plans payable (b) | 473,307 | 500,343 |
| Defined benefit plans payable (c) | 2,289,000 | 2,289,000 |
| Termination benefits payable (d) | 1,505,092 | 2,440,780 |
| | 552,470,058 | 729,156,434 |

### (a) Short-term employee benefits

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| Wages and salaries, bonus, allowances and subsidies | 680,075,034 | 971,570,902 | (1,144,755,696) | 506,890,240 |
| Staff welfare | 13,233,887 | 38,888,351 | (39,190,036) | 12,932,202 |
| Social security contributions | 1,176,372 | 70,392,000 | (70,873,990) | 694,382 |
| Including: Medical insurance | 1,104,248 | 63,994,088 | (64,475,713) | 622,623 |
| Work injury insurance | 72,124 | 6,397,912 | (6,398,277) | 71,759 |
| Housing funds | 28,749 | 113,862,772 | (113,884,639) | 6,882 |
| Labour union funds and employee education funds | 29,412,269 | 22,723,943 | (24,457,259) | 27,678,953 |
| Other short-term employee benefits | - | 3,653,818 | (3,653,818) | - |
| | 723,926,311 | 1,221,091,786 | (1,396,815,438) | 548,202,659 |

## 5 Notes to the consolidated financial statements (Cont'd)

(25) Employee benefits payable (Cont'd)

(b) Defined contribution plans

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| Basic pensions | 468,306 | 140,631,334 | (140,657,459) | 442,181 |
| Unemployment insurance | 32,037 | 4,459,745 | (4,460,656) | 31,126 |
| | 500,343 | 145,091,079 | (145,118,115) | 473,307 |

(c) Defined benefit plans

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| Post-retirement benefits payable (Note 5(35)) | 2,289,000 | 1,130,405 | (1,130,405) | 2,289,000 |

(d) Termination benefits payable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Early retirement benefits payable (Note 5(34)) | 1,030,000 | 1,030,000 |
| Other termination benefits (i) | 475,092 | 1,410,780 |
| | 1,505,092 | 2,440,780 |

(i) As at 30 June 2026, other termination benefits paid by the Group for termination of the employment relationship were RMB1,886,038 (the six months ended 30 June 2025: RMB2,458,544).

(26) Taxes payable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Consumption tax payable | 60,355,129 | 59,076,964 |
| Land use tax payable | 4,422,459 | 4,609,622 |
| Unpaid VAT | 2,924,769 | 600,401 |
| Enterprise income tax payable | 141,141 | 32,921,540 |
| Others | 38,229,334 | 35,489,914 |
| | 106,072,832 | 132,698,441 |

## 5 Notes to the consolidated financial statements (Cont'd)

(27) Other payables

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Promotion expenses | 3,083,170,376 | 3,058,197,201 |
| Research and development project expenses | 807,509,350 | 947,404,470 |
| Ordinary share dividends payable | 478,804,588 | 4,006,342 |
| Construction payment | 267,208,228 | 498,931,773 |
| Guarantees | 137,125,650 | 146,610,838 |
| Advertising and new product planning fees | 119,855,723 | 106,729,208 |
| Trademark license fee | 106,331,004 | 103,978,965 |
| Transportation expenses | 63,032,247 | 87,941,218 |
| Others | 824,675,790 | 849,894,856 |
| | 5,887,712,956 | 5,803,694,871 |

As at 30 June 2026, other payables with aging over one year of RMB1,898,140,637 (31 December 2025: RMB1,601,148,088) mainly comprised payables for promotion, payables for research and development expenses and payables for construction projects. Such payables had not been finally settled yet in view of the continuing business transactions with distributors and service providers, and engineering projects and research and development projects that had not yet been accepted and completed.

(28) Current portion of non-current liabilities

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Current portion of lease liabilities (Note 5(31)) | 25,031,350 | 91,402,749 |
| Current portion of long-term borrowings (Note 5(30)) | 446,006 | 460,275 |
| | 25,477,356 | 91,863,024 |

(29) Other current liabilities

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Provisions expected to be settled within 1 year (Note 5(32)) | 288,776,796 | 285,227,475 |
| Others | 26,581,248 | 19,203,931 |
| | 315,358,044 | 304,431,406 |

## 5 Notes to the consolidated financial statements (Cont'd)

(30) Long-term borrowings

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Guaranteed loans(a) | 669,010 | 920,551 |
| Less: Current portion of long-term borrowings (Note 5(28)) | (446,006) | (460,275) |
| | 669,010 | 460,276 |

(a) As at 30 June 2026, the above guaranteed loans were long-term borrowings amounting to USD 98,226 guaranteed by JMCF (note 8(5)(c)), borrowed from Industrial and Commercial Bank of China ("ICBC"), Nanchang Ganjiang Sub-branch with interests paid every half year and the principal paid in instalments between 10 December 2007 and 27 October 2027.

(b) As at 30 June 2026, the Group had no overdue long-term borrowings at an interest rate of 1.5% (31 December 2025: 1.5%).

(31) Lease liabilities

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Lease liabilities (a) | 58,586,826 | 136,262,865 |
| Less: Current portion of non-current liabilities (Note 5(28)) | (25,031,350) | (91,402,749) |
| | 33,555,476 | 44,860,116 |

(a) As at 30 June 2026, the Group had no leases that were not included in lease liabilities but will result in potential future cash outflows.

## 5 Notes to the consolidated financial statements (Cont'd)

(32) Provisions

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| Product warranties | 540,664,152 | 165,657,871 | (151,785,672) | 554,536,351 |
| Less: Provisions expected to be settled within 1 year (Note 5(29)) | (285,227,475) | | | (288,776,796) |
| | 255,436,677 | | | 265,759,555 |

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

(33) Deferred income

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| | | | Recognised in other income | |
| Government grants | | | | |
| Government grants related to assets | 7,067,608 | 113,300 | (959,333) | 6,221,575 |
| Government grants related to income | 6,338,569 | 10,444,100 | (2,416,908) | 14,365,761 |
| | 13,406,177 | 10,557,400 | (3,376,241) | 20,587,336 |

## 5 Notes to the consolidated financial statements (Cont'd)

(34) Long-term employee benefits payable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Supplementary retirement benefits and early-retirement benefits eligible for recognition of provisions | 51,477,339 | 53,172,000 |
| Less: portion to be paid within one year | (3,319,000) | (3,319,000) |
| | 48,158,339 | 49,853,000 |

The retirement and early-retirement benefits payable within one year are included in employee benefits payable (Note 5(25)(c), Note 5(25)(d)).

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

(35) Other non-current liabilities

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Contract liabilities carried forward to revenue after 1 year (Note 5(24)) | 511,013,459 | 461,860,038 |

## 5 Notes to the consolidated financial statements (Cont'd)

### (36) Share capital

| | 31 December 2025 | Movements for the current period: Shares newly issued | Bonus share | Transfer from capital surplus | Others | Sub-total | 30 June 2026 |
|---|---|---|---|---|---|---|---|
| Shares subject to trading restriction - | | | | | | | |
| Other domestic shares | | | | | | | |
| Including: Shares held by domestic non-state-owned legal persons | 745,140 | - | - | - | - | - | 745,140 |
| Shares held by domestic natural persons | 5,700 | - | - | - | - | - | 5,700 |
| | 750,840 | - | - | - | - | - | 750,840 |
| Shares not subject to trading restriction - | | | | | | | |
| Ordinary shares denominated in RMB | 518,463,160 | - | - | - | - | - | 518,463,160 |
| Domestically listed foreign shares | 344,000,000 | - | - | - | - | - | 344,000,000 |
| | 862,463,160 | - | - | - | - | - | 862,463,160 |
| | 863,214,000 | - | - | - | - | - | 863,214,000 |

Since the implementation of the Company's Scheme on Share Split Reform on 13 February 2006, as at 30 June 2026, there were 750,840 shares currently unavailable for trading. During the reporting period, there was no shares with trading restrictions released from the restricted conditions.

## 5 Notes to the consolidated financial statements (Cont'd)

(37) Capital surplus

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| Share premium | 816,609,422 | - | - | 816,609,422 |
| Other capital surplus | 22,833,068 | - | - | 22,833,068 |
| | 839,442,490 | - | - | 839,442,490 |

(38) Treasury stock

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| Treasury stock | 170,214,887 | - | - | 170,214,887 |

In 2025, with the board's approval, the company repurchased 8,632,078 shares through a dedicated securities account via centralized bidding. The repurchased shares will be allocated to the employee stock ownership plan or equity incentive programs. If the company fails to utilize all repurchased shares within 36 months after completion, the unused shares will be canceled.

## 5 Notes to the consolidated financial statements (Cont'd)

### (39) Other comprehensive income

| | Other comprehensive income in the balance sheet | | | Other comprehensive income in the income statement for the period ended 30 June 2026 | | | | |
|---|---|---|---|---|---|---|---|---|
| | 31 December 2025 | Attributable to the parent company after tax | 30 June 2026 | Amount incurred before income tax for the current period | Less: Transfer-out of previous other comprehensive income in the current period | Less: Income tax expenses | Attributable to the parent company after tax | Attributable to the subsidiary after tax |
| Other comprehensive income that will not be reclassified to profit or loss | | | | | | | | |
| Remeasure changes in defined benefit plans | (23,862,000) | - | (23,862,000) | - | - | - | - | - |

## 5 Notes to the consolidated financial statements (Cont'd)

(40) Special reserve

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| Safety production cost | 7,860,966 | 10,160,763 | (10,520,724) | 7,501,005 |

(41) Surplus reserve

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| Statutory surplus reserve | 431,607,000 | - | - | 431,607,000 |

In accordance with the *Company Law of the People's Republic of China*, the Company's Articles of Association and the resolution of the Board of Directors, the Company should appropriate 10% of net profit for the period to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital upon approval from the appropriate authorities. As the accumulated appropriation to the statuary surplus reserve exceeded 50% of the registered capital, no appropriation was made in the current period (the six months ended 30 June 2025: Nil).

(42) Retained earnings

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Retained earnings at the beginning of the year | 9,752,190,648 | 9,179,333,271 |
| Add: Net profit attributable to shareholders of the parent company for the current period | 738,802,231 | 732,728,047 |
| Less: Ordinary share dividends payable (a) | (474,985,178) | (614,608,368) |
| Retained earnings at the end of the Period | 10,016,007,701 | 9,297,452,950 |

## 5 Notes to the consolidated financial statements (Cont'd)

(42) Retained earnings(Cont'd)

(a) On June 25, 2026, the Company's 2025 Annual General Meeting examined and approved the Company's 2025 Profit Distribution Proposal. Cash dividends will be distributed at RMB 0.55581 per share, amounting to RMB 474,985,178 in total, based on the total share capital as of the record date for the distribution, less the total number of shares held in the Company's special repurchase securities account.

(43) Revenue and cost of sales

(a) Revenue and cost of sales

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | revenue | cost | revenue | cost |
| main operations | 18,640,906,727 | 16,626,494,530 | 17,647,624,305 | 15,234,142,089 |
| other operations | 720,960,524 | 380,452,975 | 444,761,905 | 305,514,733 |
| | 19,361,867,251 | 17,006,947,505 | 18,092,386,210 | 15,539,656,822 |

(b) The breakdown of revenue

| | Six months ended 30 June 2026 | | | |
|---|---|---|---|---|
| | Automobiles | Materials and parts | Automobile maintenance services, etc. | Total |
| Recognised at a time point | 17,693,463,556 | 1,002,068,386 | - | 18,695,531,942 |
| Recognised within a certain period | - | - | 666,335,309 | 666,335,309 |
| | 17,693,463,556 | 1,002,068,386 | 666,335,309 | 19,361,867,251 |

| | Six months ended 30 June 2025 | | | |
|---|---|---|---|---|
| | Automobiles | Materials and parts | Automobile maintenance services, etc. | Total |
| Recognised at a time point | 16,700,185,890 | 1,099,382,084 | - | 17,799,567,974 |
| Recognised within a certain period | - | - | 292,818,236 | 292,818,236 |
| | 16,700,185,890 | 1,099,382,084 | 292,818,236 | 18,092,386,210 |

(c) The breakdown of cost of sales

| | Six months ended 30 June 2026 | | | |
|---|---|---|---|---|
| | Automobiles | Materials and parts | Automobile maintenance services, etc. | Total |
| Recognised at a time point | 15,957,405,543 | 698,954,395 | - | 16,656,359,938 |
| Recognised within a certain period | - | - | 350,587,567 | 350,587,567 |
| | 15,957,405,543 | 698,954,395 | 350,587,567 | 17,006,947,505 |

As at 30 June 2026, the amount of revenue corresponding to the performance obligations that the Group had contracted but had not commenced or completed was RMB1,022,005,379, of which the Group expects that RMB204,378,689 and RMB306,613,231 will be recognised as revenue from the sales of automobiles and parts and revenue from the sales of automobile maintenance services respectively in 2026, RMB511,013,459 will be recognised as revenue from automobile maintenance services from 2027 to 2031(Note 5(24)).

## 5 Notes to the consolidated financial statements (Cont'd)

(44) Taxes and surcharges

| | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| Consumption tax | 382,861,091 | 435,046,919 |
| City maintenance and construction tax | 32,877,944 | 35,278,515 |
| Educational surcharge | 32,711,039 | 35,050,903 |
| Stamp tax | 17,028,777 | 16,794,959 |
| Real estate tax | 9,867,435 | 10,106,318 |
| Land use tax | 9,486,135 | 10,097,811 |
| Others | 160,283 | 198,079 |
| | 484,992,704 | 542,573,504 |

(45) Selling and distribution expenses

| | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| Promotion expenses | 204,957,020 | 203,844,392 |
| Employee benefits | 47,147,539 | 106,794,037 |
| Advertising and new product planning fees | 47,607,233 | 39,306,864 |
| Packaging material expenses | 18,444,045 | 18,726,471 |
| Storage expenses | 15,306,678 | 22,792,774 |
| Depreciation and amortisation expenses | 9,259,745 | 6,365,515 |
| Others | 48,453,630 | 68,962,440 |
| | 391,175,890 | 466,792,493 |

(46) General and administrative expenses

| | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| Employee benefits | 277,683,992 | 278,702,135 |
| Depreciation and amortisation expenses | 57,390,508 | 59,481,750 |
| Trademark license fee | 12,488,370 | 33,660,541 |
| Repair expenses | 8,741,678 | 6,888,317 |
| General office expenses | 4,876,890 | 6,048,357 |
| Consulting fees | 2,343,855 | 4,691,161 |
| Others | 47,699,581 | 71,208,960 |
| | 411,224,874 | 460,681,221 |

(47) Research and development expenses

| | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| Employee benefits | 328,324,751 | 389,317,458 |
| Materials expenses | 94,804,005 | 73,513,933 |
| Design fee | 89,047,999 | 70,720,348 |
| Depreciation and amortisation expenses | 34,819,651 | 37,108,953 |
| Others | 78,264,767 | 82,265,109 |
| | 625,261,173 | 652,925,801 |

## 5 Notes to the consolidated financial statements (Cont'd)

### (48) Financial expenses

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Interest costs | 2,228,816 | 5,017,907 |
| Add: Interest costs on lease liabilities | 1,894,142 | 2,988,976 |
| Interest expenses | 4,122,958 | 8,006,883 |
| Less: Interest income from cash at bank | (39,536,688) | (72,870,258) |
| Other interest income | (2,005,543) | (1,590,930) |
| Interest income | (41,542,231) | (74,461,188) |
| Exchange gains or losses | (7,732,726) | 10,477,168 |
| Others | 568,590 | 600,450 |
| | (44,583,409) | (55,376,687) |

### (49) Asset impairment losses

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Impairment of other current assets | 9,791,000 | - |
| Impairment of inventory | (258,830) | (42,736) |
| | 9,532,170 | (42,736) |

### (50) Credit impairment losses

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Losses on bad debts of accounts receivable | 782,360 | 2,311,109 |
| Losses on bad debts of other receivables | (69,155) | 28,057 |
| Losses on bad debts of notes receivable | - | 19 |
| Losses on bad debts of long-term receivables | 58,821 | (43,558) |
| | 772,026 | 2,295,627 |

### (51) Other income

| | Six months ended 30 June | | Asset related/ |
|---|---|---|---|
| | 2026 | 2025 | Income related |
| Government grants | | | |
| - Supporting funds by government | 157,500,000 | 191,600,000 | Income related |
| - Research and development activities related subsidies | 1,539,489 | 596,602 | Income related |
| - Equipment purchasing-related subsidies | 959,333 | 998,881 | Asset related |
| - Other subsidies related with daily operation | 4,602,952 | 9,046,699 | Income related |
| Additional deduction of input VAT, etc. | 188,619,243 | 119,023,489 | - |
| | 353,221,017 | 321,265,671 | |

**5 Notes to the consolidated financial statements (Cont'd)**

(52) Investment income

| | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| Losses on discount of financing receivables eligible for derecognition (Note 5(4)) | (6,180) | (234,105) |
| Losses on long-term equity investments under equity method(Note 5(11)) | (2,013,354) | (9,803,325) |
| Investment gains from disposal of long-term equity investment | 2,384,900 | - |
| Investment (losses)/gain from forward exchange settlement | (158,139) | 10,631,603 |
| Investment (losses)/gain from financial assets held for trading | (461,372) | 85,408 |
| | (254,145) | 679,581 |

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

(53) Gains on changes in fair value

| | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| Derivative financial assets and derivative financial liabilities - Losses on forward exchange contracts | (3,900,257) | (7,182,998) |
| Financial assets at fair value through profit or loss - Structural deposits | 5,509,151 | 179,240 |
| | 1,608,894 | (7,003,758) |

(54) Gains on disposal of assets

| | Six months ended 30 June 2026 | 2025 | Amount recognised in non-recurring profit or loss As at 30 June 2026 |
|---|---|---|---|
| Gains on disposal of assets | 2,793,321 | 18,372,675 | 2,793,321 |

## 5 Notes to the consolidated financial statements (Cont'd)

(55) Non-operating income

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 | Amount recognised in non-recurring profit or loss As at 30 June 2026 |
|---|---|---|---|
| Penalty income | 856,559 | 910,938 | 856,559 |
| Others | 1,054,940 | 786,250 | 1,054,940 |
| | 1,911,499 | 1,697,188 | 1,911,499 |

(56) Non-operating expenses

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 | Amount recognised in non-recurring profit or loss As at 30 June 2026 |
|---|---|---|---|
| Losses on scrapping of assets | 793,842 | - | 793,842 |
| Donations | 2,000,000 | 5,032 | 2,000,000 |
| Others | 1,335,165 | 201,715 | 1,335,165 |
| | 4,129,007 | 206,747 | 4,129,007 |

(57) Income tax expenses

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|
| Current income tax calculated based on tax law and related regulations | 45,980,541 | 13,337 |
| Deferred income tax | 44,415,045 | 84,071,401 |
| | 90,395,586 | 84,084,738 |

## 5 Notes to the consolidated financial statements (Cont'd)

(57) Income tax expenses (Cont'd)

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

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Total profit | 831,695,897 | 817,684,775 |
| Income tax calculated at applicable tax rates | 124,754,385 | 122,652,716 |
| Effect of different applicable tax rates | 40,966,458 | 33,360,309 |
| Tax credit | (391,696) | - |
| Additional deductions | (79,403,826) | (75,507,128) |
| Deductive loss and temporary differences of the unrecognised deferred tax asset in the current period | 1,009,053 | 966,317 |
| Non-deductible investment losses | 2,955,718 | 1,470,499 |
| Costs, expenses and losses not deductible for tax purposes | 505,494 | 1,142,025 |
| Income tax expenses | 90,395,586 | 84,084,738 |

(58) Earnings per share

(a) Basic earnings per share

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

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Consolidated net profit attributable to ordinary shareholders of the parent company | 738,802,231 | 732,728,047 |
| Weighted average number of ordinary shares outstanding issued by the Company | 854,581,922 | 860,455,004 |
| Basic earnings per share | 0.86 | 0.85 |

(b) Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. As there were no dilutive potential ordinary shares as at 30 June 2026 (the six months ended 30 June 2025: Nil), diluted earnings per share equalled to basic earnings per share.

## 5 Notes to the consolidated financial statements (Cont'd)

(59) Notes to the cash flow statement

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

(a) Cash received relating to other operating activities

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Government grants | 173,454,791 | 208,694,864 |
| Guarantees | 25,034,174 | 43,240,153 |
| Others | 10,062,905 | 32,369,069 |
| | 208,551,870 | 284,304,086 |

(b) Cash paid relating to other operating activities

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Research and development expenses | 536,928,606 | 391,730,406 |
| Promotion expenses | 193,697,090 | 383,162,063 |
| Maintenance expenses | 37,913,666 | 44,922,284 |
| Advertising expenses | 34,428,066 | 73,585,126 |
| Guarantees | 29,288,350 | 35,780,586 |
| Consulting fees | 10,384,947 | 31,116,397 |
| Trademark royalties | 8,560,973 | 10,261,304 |
| Others | 190,790,318 | 278,077,246 |
| | 1,041,992,016 | 1,248,635,412 |

(c) Cash received relating to other investing activities

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Interest from cash at bank | 66,244,608 | 74,707,091 |
| Other interest | 2,329,728 | 11,599,410 |
| | 68,574,336 | 86,306,501 |

(d) Cash paid relating to other financing activities

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Payments of lease liabilities | 15,035,882 | 12,377,597 |
| Payment of treasury shares | - | 170,000,000 |
| | 15,035,882 | 182,377,597 |

## 5 Notes to the consolidated financial statements (Cont'd)

(60) Supplementary information to the cash flow statement

(a) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Net profit | 741,300,311 | 733,600,037 |
| Add: Asset impairment losses | 9,532,170 | (42,736) |
| Credit impairment losses | 772,026 | 2,295,627 |
| Depreciation of fixed assets | 583,438,289 | 552,829,786 |
| Amortisation of intangible assets | 244,718,270 | 231,412,924 |
| Depreciation of right-of-use assets | 40,718,016 | 40,592,333 |
| Gains of long-term assets | (2,189,294) | (18,414,462) |
| Financial income | (45,153,234) | (56,039,252) |
| Investment loss / (Gains) | 254,145 | (679,581) |
| (Gains) /Losses on changes in fair value | (1,608,894) | 7,003,758 |
| Increase in deferred tax assets | (20,968,773) | (5,659,067) |
| Increase in deferred tax liabilities | 65,383,818 | 89,730,468 |
| (Increase) / Decrease in inventories | (173,321,933) | 149,005,794 |
| Increase in provisions | 13,872,199 | 24,327,812 |
| Increase in operating receivables | (69,369,634) | (1,474,752,408) |
| Decrease in operating payables | (790,425,441) | (349,545,446) |
| Decrease in other cash and cash equivalents | 941,680 | 9,836,629 |
| Net cash flows from operating activities | 597,893,721 | (64,497,784) |

Net increase in cash and cash equivalents

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Cash and cash equivalents at the end of the period | 12,108,243,916 | 11,781,003,829 |
| Less: Cash and cash equivalents at the beginning of the year | (13,491,154,200) | (12,475,176,009) |
| Net increase in cash and cash equivalents | (1,382,910,284) | (694,172,180) |

## 5 Notes to the consolidated financial statements (Cont'd)

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

(b) Changes in liabilities arising from financing activities

| | Bank borrowings (including the current portion) | Lease liabilities (including the current portion) | Other Payables | Total |
|---|---|---|---|---|
| 31 December 2025 | 1,950,920,551 | 136,262,865 | 105,797,267 | 2,192,980,683 |
| Cash inflows from financing activities | 1,847,927,333 | - | - | 1,847,927,333 |
| Cash outflows from financing activities | (3,450,223,818) | (15,035,882) | (156,789) | (3,465,416,489) |
| Interest accrued in the current period | 2,072,667 | 1,894,142 | 156,149 | 4,122,958 |
| Dividends accrued in the current period | - | - | 474,985,178 | 474,985,178 |
| Changes that do not involve cash receipts and payments | (27,723) | (64,534,299) | 66,339,940 | 1,777,918 |
| 30 June 2026 | 350,669,010 | 58,586,826 | 647,121,745 | 1,056,377,581 |

## 5 Notes to the consolidated financial statements (Cont'd)

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

(c) Cash and cash equivalents

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Cash at bank available for payment at any time | 10,755,764,460 | 11,898,659,395 |
| Cash at finance company available for payment at any time | 1,352,479,456 | 1,592,494,805 |
| | 12,108,243,916 | 13,491,154,200 |

(i) As in Note 5(1), other cash and cash equivalents of RMB26,196,044 as at 30 June 2026(31 December 2025: RMB27,137,724) was not included in cash and cash equivalents.

(61) Foreign currency monetary items

| | 30 June 2026 | | |
|---|---|---|---|
| | Amounts in foreign currencies | Translation exchange rate | Amounts in RMB |
| Long-term borrowings- USD | 98,226 | 6.8109 | 669,010 |
| Other payables- USD | 32,316,372 | 6.8109 | 220,103,578 |
| | | | 220,772,588 |

## 5 Notes to the consolidated financial statements (Cont'd)

(62) Lease

(a) As a lessee

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|
| Interest expense on lease liabilities | 1,894,142 | 2,988,976 |
| Short-term lease expenses with simplified treatment through profit or loss for the period | 2,408,748 | 2,047,029 |
| Total cash outflows related to leases | 17,444,630 | 14,424,626 |

The leased assets leased by the Group include houses and buildings used in the course of operation, and the lease term of houses and buildings is usually 1-5 years.

Right-of-use assets, see note 5(14); For lease liabilities, see note 5(31).

(b) As a lessor

The Group leases out its premises, buildings and means of transport for lease terms ranging from 1 to 3 years to form an operating lease.

Operating leases

Gains and losses related to operating leases are presented as follows:

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|
| Rental income | 98,562,591 | 98,802,662 |

According to the lease contract with the lessee, the undiscounted minimum lease collection amount is as follows:

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Within 1 year (including 1 year) | 134,292,225 | 149,604,139 |
| 1 to 2 years (inclusive) | 29,640,977 | 28,182,334 |
| 2 years to 3 years (inclusive) | 13,982,919 | 10,771,072 |
| | 177,916,121 | 188,557,545 |

For fixed assets leased out of operation, see Note 5(12).

## 6 Equity in other entities

(1) Equity in subsidiaries

Structure of the Group

| Subsidiaries | Main place of business | Place of registration | Registered capital | Nature of business | Shareholding (%) | | Method of acquisition |
|---|---|---|---|---|---|---|---|
| | | | | | Direct | Indirect | |
| JMCS | Nanchang, Jiangxi | Nanchang, Jiangxi | 50,000,000 | Retail, wholesale and lease of automobiles | 100% | - | Set up by investment |
| JMCH | Taiyuan, Shanxi | Taiyuan, Shanxi | 1,323,793,174 | Manufacture and sales of automobiles | 100% | - | Business combinations involving enterprises not under common control |
| SZFJ | Shenzhen, Guangdong | Shenzhen, Guangdong | 10,000,000 | Retail, wholesale and lease of automobiles | 100% | - | Set up by investment |
| GZFJ | Guangzhou, Guangdong | Guangzhou, Guangdong | 10,000,000 | Retail, wholesale and lease of automobiles | 100% | - | Set up by investment |
| Jiangling Ford (Shanghai)(a) | Shanghai | Shanghai | 2,678,000,000 | Retail, Technical consultation and business information consultation | 51% | - | Set up by investment |

## 6 Equity in other entities (Cont'd)

(1) Equity in subsidiaries (Cont'd)

(a) Subsidiaries with significant minority interests

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

| Subsidiaries | Shareholding of minority shareholders | Total profit or loss attributable to minority shareholders for the period ended 30 June 2026 | Dividends paid to minority shareholders for the period ended 30 June 2026 | Minority interests as at 30 June 2026 |
|---|---|---|---|---|
| Jiangling Ford (Shanghai) | 49% | 2,498,080 | - | (305,701,729) |

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

| | 30 June 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities |
| Jiangling Ford (Shanghai) | 247,532,467 | - | 247,532,467 | 871,236,779 | 176,767 | 871,413,546 |

| | Six months ended 30 June 2026 | | | |
|---|---|---|---|---|
| | Revenue | Net loss | Total comprehensive income | Cash flows from operating activities |
| Jiangling Ford (Shanghai) | 12,057,340 | 5,098,122 | 5,098,122 | (193,597,515) |

## 6 Equity in other entities (Cont'd)

(2) Equity in associates

(a) General information of significant associates

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

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

(b) Summarised financial information for significant associates

| | 30 June 2026 The Power Company | 31 December 2025 The Power Company |
|---|---|---|
| Current assets | 125,021,913 | 129,114,691 |
| Non-current assets | 413,605,903 | 414,895,371 |
| Total assets | 538,627,816 | 544,010,062 |
| Current liabilities | 80,462,099 | 120,165,219 |
| Non-current liabilities | 40,288,625 | 330,626 |
| Total liabilities | 120,750,724 | 120,495,845 |
| Equity | 417,877,092 | 423,514,217 |
| Share of net assets based on shareholding (i) | 167,150,837 | 169,405,687 |
| Adjustments | | |
| - Unrealised profits arising from internal transactions | (13,000,992) | (13,242,488) |
| - Others (ii) | 20,853,323 | 20,853,323 |
| Carrying amount of equity investments in associates | 175,003,168 | 177,016,522 |

## 6 Equity in other entities (Cont'd)

(2) Equity in associates (Cont'd)

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

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | The Power Company | The Power Company |
| Revenue | 43,361,423 | 42,666,259 |
| Net loss | (5,900,419) | (6,102,629) |
| Other comprehensive income | - | - |
| Total comprehensive loss | (5,900,419) | (6,102,629) |
| Dividends received from associates by the Group | - | - |

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

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

## 7 Segment information

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

As at 30 June 2026, the revenue obtained from a single customer of the Group accounted for more than 10% of the Group's revenue, amounting to RMB8,757,404,627, or 45.23% (the six months ended 30 June 2025: 33.24% ), of the Group's revenue.

## 8 Related parties and related party transactions

(1) Information of major shareholders

(a) General information of major shareholders

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

(b) Registered capital and changes in major shareholders

| | 31 December 2025 | Increase in the current period | Decrease in the current period | 30 June 2026 |
|---|---|---|---|---|
| JIC | 1,000,000,000 | - | - | 1,000,000,000 |
| Ford | USD 42,000,000 | - | - | USD 42,000,000 |

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

| | 30 June 2026 | | 31 December 2025 | |
|---|---|---|---|---|
| | Shareholding (%) | Voting rights (%) | Shareholding (%) | Voting rights (%) |
| JIC | 41.03% | 41.03% | 41.03% | 41.03% |
| Ford | 32.00% | 32.00% | 32.00% | 32.00% |

(2) Information of subsidiaries

The general information and other related information of subsidiaries are set out in Note 6(1).

(3) Information of associates

The information of associates is set out in 6(1).

## 8 Related parties and related party transactions (Cont'd)

(4) Information of other related parties

| | Relationship with the Group |
|---|---|
| JMCG | Shareholder of JIC |
| Chongqing Changan Automobile Co., Ltd.(hereinafter referred to as "Chongqing Changan") | Shareholder of JIC |
| Jiangling Motor Group (Nanchang) Fushan Energy Co., LTD | Controlled by JMCG |
| JMCF | Controlled by JMCG |
| JMCG Property Management Co. | Controlled by JMCG |
| JMCG Jiangxi Engineering Construction Co., Ltd. | Controlled by JMCG |
| Jiangxi Jiangling Chassis Co.,Ltd. | Controlled by JMCG |
| Jiangling Aowei Aotomobile Spare Part Co.,Ltd. | Controlled by JMCG |
| Jiangxi JMCG Boya brake system Co., Ltd. | Controlled by JMCG |
| Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd | Controlled by JMCG |
| JMCG Jingma Motors Co., Ltd. | Controlled by JMCG |
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | Controlled by JMCG |
| Jiangxi Jiangling Lear Interior System Co.,Ltd. | Controlled by JMCG |
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | Controlled by JMCG |
| Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd. | Controlled by JMCG |
| Jiangxi JMCG Shangrao Industrial Co.,Ltd. | Controlled by JMCG |
| Jiangxi JMCG Industry Co.,Ltd. | Controlled by JMCG |
| Jiangxi Jiangling Special Purpose Vehicle Co.,Ltd. | Controlled by JMCG |
| Jiangxi Jiangling Overseas Automobile Co., Ltd. | Controlled by JMCG |
| Jiangxi Lingge Non-ferrous Metal Die-casting Co.,Ltd. | Controlled by JMCG |
| Jiangxi Lingrui Recycling Resources Development Corporation | Controlled by JMCG |
| Jiangxi Mingfang Auto Parts Industry Co., Ltd | Controlled by JMCG |
| Jiangxi Fuxiang Vehicle Co., Ltd. | Controlled by JMCG |
| Jiangxi ISUZU Engine Co.,Ltd. | Controlled by JMCG |
| Jiangxi ISUZU Co., Ltd. | Controlled by JMCG |
| Jiujiang Fuwantong Vehicle Co., Ltd. | Controlled by JMCG |
| Nanchang Hengou Industry Co., Ltd. | Controlled by JMCG |
| Nanchang Jiangling Hua Xiang Auto Components Co.,Ltd. | Controlled by JMCG |
| Nanchang JMCG Frame Co.,Ltd. | Controlled by JMCG |
| Nanchang JMCG Liancheng Auto Component Co.,Ltd. | Controlled by JMCG |
| Nanchang JMCG Shishun Logistics Co., Ltd. | Controlled by JMCG |
| Nanchang Lianda Machinery Co.,Ltd. | Controlled by JMCG |
| Nanchang Unistar Electric & Electronics Co.,Ltd. | Controlled by JMCG |
| Ford Motor Company Limited | Controlled by Ford |
| Ford Global Technologies, LLC | Controlled by Ford |
| Ford Motor Co. Thailand Ltd. | Controlled by Ford |
| Ford Trading Company LLC | Controlled by Ford |
| Ford Vietnam Limited | Controlled by Ford |
| Ford Electric Mach Technology (Nanjing) Co., Ltd. | Controlled by Ford |
| Ford Motor (China) Co., Ltd. | Controlled by Ford |
| Ford Motor Research & Engineering (Nanjing) Co., Ltd. | Controlled by Ford |
| Ford Motor Sales & Service (Shanghai) Co., Ltd. | Controlled by Ford |

## 8 Related parties and related party transactions (Cont'd)

(4) Information of other related parties

| | Relationship with the Group |
|---|---|
| Changan Ford Automobile Co.,Ltd. | Joint venture of Ford |
| Anhui Wanyou Automobile Sales service Co. LTD | Controlled by Ultimate Holding Company of Chongqing Changan |
| Beijing Baiwang Changfu Vehicle Sales & Service Co., Ltd. | Controlled by Ultimate Holding Company of Chongqing Changan |
| Beijing Beifang Changfu Vehicle Sales & Service Co., Ltd. | Controlled by Ultimate Holding Company of Chongqing Changan |
| Chengdu Wanxing Vehicle Sales & Service Co., Ltd. | Controlled by Ultimate Holding Company of Chongqing Changan |
| Guizhou Wanfu Vehicle Sales & Service Co., Ltd. | Controlled by Ultimate Holding Company of Chongqing Changan |
| Harbin Dongan Automotive Engine Manufacturing Co., Ltd. | Controlled by Ultimate Holding Company of Chongqing Changan |
| Wanyou Automobile Investment Co., Ltd. | Controlled by Ultimate Holding Company of Chongqing Changan |
| Yunan Wanfu Vehicle Sales & Service Co., Ltd. | Controlled by Ultimate Holding Company of Chongqing Changan |
| China Changan Group Tianjin Sales Co.,Ltd | Controlled by Ultimate Holding Company of Chongqing Changan |
| Chongqing Anfu Vehicle Marketing Co., Ltd. | Controlled by Ultimate Holding Company of Chongqing Changan |
| Jiangxi Zhengxing Automotive Parts Manufacturing Co., Ltd. | Joint venture of JMCG |
| Nanchang Huaxiang Automotive Interior & Exterior Components Co., Ltd. | Joint venture of JMCG |
| Nanchang Yinlun Heat-exchanger Co.,Ltd. | Joint venture of JMCG |
| Bosch Electric Drive Systems (Nanchang) Co., Ltd. | Associate of JMCG |
| Dibao transportation equipment (Nanchang) Co., Ltd | Associate of JMCG |
| Jiangling Motor Holdings Co., Ltd | Associate of JMCG |
| Jiangxi Jiangling Group Special Vehicle Co.,Ltd. | Associate of JMCG |
| Jiangxi Jingwei Hirain Technologies Co., Inc. | Associate of JMCG |
| Jiangxi Lingyun Automobile Industry Technology Co.,Ltd | Associate of JMCG |
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | Associate of JMCG |
| Magna PT Powertrain (Jiangxi) Co., Ltd | Associate of JMCG |
| Nanchang Baojiang Steel Processing Distribution Co.,Ltd. | Associate of JMCG |
| Faurecia Emissions Control Technologies (Nanchang) Co.,Ltd. | Associate of JMCG |
| Nanchang JMCG SMR Huaxiang Mirror Co., Ltd. | Associate of JMCG |
| Nanchang JMCG Xinchen Auto Component Co.,Ltd. | Associate of JMCG |

## 8 Related parties and related party transactions (Cont'd)

(5) Related party transactions

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

Purchase of goods:

| | Nature of related party transactions | Six months ended 30 June 2026 | 2025 |
|---|---|---|---|
| Jiangxi Jiangling Chassis Co.,Ltd. | Purchase of automobile parts | 485,429,429 | 456,223,430 |
| Magna PT Powertrain (Jiangxi) Co., Ltd | Purchase of automobile parts | 469,027,753 | 615,426,603 |
| Jiangxi Jiangling Lear Interior System Co.,Ltd. | Purchase of automobile parts | 401,273,447 | 351,786,847 |
| Nanchang Baojiang Steel Processing Distribution Co.,Ltd. | Purchase of raw materials | 395,894,180 | 393,721,342 |
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | Purchase of automobile parts | 352,556,470 | 356,907,375 |
| Nanchang Huaxiang Automotive Interior & Exterior Components Co., Ltd. | Purchase of automobile parts | 341,494,851 | - |
| Jiangxi Jiangling Special Purpose Vehicle Co.,Ltd. | Purchase of automobile parts | 314,810,597 | 324,790,233 |
| Nanchang Jiangling Hua Xiang Auto Components Co.,Ltd. | Purchase of automobile parts | 255,363,975 | 475,708,044 |
| Faurecia Emissions Control Technologies (Nanchang) Co.,Ltd. | Purchase of automobile parts | 168,363,621 | 109,443,670 |
| Nanchang JMCG Liancheng Auto Component Co.,Ltd. | Purchase of automobile parts | 143,273,040 | 178,172,213 |
| Harbin Dongan Automotive Engine Manufacturing Co., Ltd. | Purchase of automobile parts | 122,556,192 | 97,181,277 |
| Jiangxi Lingyun Automobile Industry Technology Co.,Ltd | Purchase of automobile parts | 113,193,189 | 99,583,790 |
| Jiangxi Jingwei Hirain Technologies Co., Inc. | Purchase of automobile parts | 111,357,094 | 72,032,364 |
| Nanchang Unistar Electric & Electronics Co.,Ltd. | Purchase of automobile parts | 109,260,278 | 102,115,941 |
| Nanchang JMCG Shishun Logistics Co., Ltd. | Purchase of automobile parts | 104,840,082 | 98,311,283 |
| Bosch Electric Drive Systems (Nanchang) Co., Ltd. | Purchase of automobile parts | 68,274,636 | 7,826,726 |
| Nanchang Yinlun Heat-exchanger Co.,Ltd. | Purchase of automobile parts | 61,135,159 | 58,949,235 |
| Nanchang JMCG SMR Huaxiang Mirror Co., Ltd. | Purchase of automobile parts | 56,404,128 | 59,494,853 |
| Dibao transportation equipment (Nanchang) Co., Ltd | Purchase of automobile parts | 52,481,374 | 39,406,356 |
| Jiangxi Lingge Non-ferrous Metal Die-casting Co.,Ltd. | Purchase of automobile parts | 40,251,753 | 34,941,067 |
| Ford | Purchase of automobile parts | 33,281,597 | 105,699,063 |
| Jiangxi Mingfang Auto Parts Industry Co., Ltd | Purchase of automobile parts | 28,393,705 | 11,020,726 |
| Changan Ford Automobile Co.,Ltd. | Purchase of automobile parts | 25,640,911 | 51,634,635 |
| Jiangxi JMCG Boya brake system Co., Ltd. | Purchase of automobile parts | 24,615,623 | 18,123,765 |
| Nanchang Lianda Machinery Co.,Ltd. | Purchase of automobile parts | 19,591,890 | 16,682,458 |

## 8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

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

Purchase of goods (Cont'd):

| | Natue of related party transactions | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|---|
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | Purchase of automobile parts | 14,527,279 | 29,024,057 |
| Jiangxi JMCG Shangrao Industrial Co.,Ltd. | Purchase of automobile parts | 13,727,454 | 14,096,083 |
| Jiangling Motor Group (Nanchang) Fushan Energy Co., LTD | Purchase of raw materials | 12,965,615 | 14,399,011 |
| Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd | Purchase of automobile parts | 10,758,249 | 8,510,953 |
| Jiangling Aowei Aotomobile Spare Part Co.,Ltd. | Purchase of automobile parts | 5,857,630 | 5,264,524 |
| Jiangxi Jiangling Group Special Vehicle Co.,Ltd. | Purchase of automobile parts | 5,641,484 | 19,227,733 |
| Jiangxi Zhengxing Automotive Parts Manufacturing Co., Ltd. | Purchase of automobile parts | 5,255,680 | - |
| Nanchang JMCG Xinchen Auto Component Co.,Ltd. | Purchase of automobile parts | 2,896,173 | 3,157,004 |
| Ford Motor Co. Thailand Ltd. | Purchase of automobile parts | 2,214,877 | 1,406,550 |
| Shanxi Yunnei Power Group Co., Ltd. | Purchase of automobile parts | 1,066,375 | - |
| Jiangling Motor Holdings Co., Ltd | Purchase of automobile parts | 723,187 | 1,315,804 |
| Nanchang JMCG Frame Co.,Ltd. | Purchase of automobile parts | 342,791 | 1,831,595 |
| Jiangxi ISUZU Engine Co.,Ltd. | Purchase of automobile parts | 560 | 1,429,344 |
| JMCG | Purchase of automobile parts | - | 2,511,812 |
| | | 4,374,742,328 | 4,237,357,766 |

The Group purchases goods from related parties based on the agreed price between the two parties as the pricing basis.

## 8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

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

Receipt of services:

| | Nature of related party transactions | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|---|
| Nanchang JMCG Shishun Logistics Co., Ltd. | Transportation, removal fee, etc. | 159,911,027 | 155,311,266 |
| Ford Global Technologies, LLC | Technical development | 60,155,108 | 86,110,654 |
| Ford Motor Sales & Service (Shanghai) Co., Ltd. | Distribution and promotion | 56,598,047 | - |
| Ford | Trademark management fees, Personnel costs, etc. | 29,020,309 | 41,545,223 |
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | Cartage fee, storage fee, etc. | 27,641,909 | 29,651,515 |
| Jiangxi JMCG Industry Co.,Ltd. | Meals | 16,587,449 | 16,289,997 |
| Ford Motor Research & Engineering (Nanjing) Co., Ltd. | Design fee, Personnel costs | 12,667,875 | 66,182,110 |
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | Agency fee, advertising fee, etc. | 6,757,098 | 6,740,642 |
| Ford Motor (China) Co., Ltd. | Design fee, Personnel costs, etc. | 5,801,773 | 36,140,632 |
| JMCG Jiangxi Engineering Construction Co., Ltd. | Engineering construction | 5,673,787 | 4,742,946 |
| JMCG Property Management Co. | Property fees, etc. | 3,955,468 | 6,669,045 |
| JMCG | Labour fee, rental fee, etc. | 3,624,107 | 3,371,580 |
| Jiangxi Jingwei Hirain Technologies Co., Inc. | Design fees | 2,858,100 | 2,298,200 |
| Bosch Electric Drive Systems (Nanchang) Co., Ltd. | Design fees | 1,528,050 | - |
| Chongqing Changan Automobile Co., Ltd. | Personnel costs | 1,428,577 | 1,285,866 |
| Chongqing Anfu Vehicle Marketing Co., Ltd. | Promotion | 814,980 | 1,936,652 |
| China Changan Group Tianjin Sales Co.,Ltd | Promotion | 502,076 | 1,864,600 |
| Guizhou Wanfu Vehicle Sales & Service Co., Ltd. | Promotion | 341,212 | 1,027,748 |
| Magna PT Powertrain (Jiangxi) Co., Ltd | Design fee, experimental costs | - | 1,914,618 |
| | | 395,866,952 | 463,083,294 |

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

## 8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

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

Sales of goods and provision of services:

| | Nature of related party transactions | Six months ended 30 June 2026 | 2025 |
|---|---|---|---|
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | Sales of vehicles and accessories, etc. | 8,657,360,088 | 6,011,263,897 |
| Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd. | Sales of vehicles | 101,574,718 | 103,335,709 |
| JMCG Jingma Motors Co., Ltd. | Sales of vehicles and accessories | 70,754,780 | 51,445,265 |
| Jiangxi Lingrui Recycling Resources Development Corporation | Sales of waste materials, etc. | 37,233,143 | 35,741,568 |
| Chongqing Anfu Vehicle Marketing Co., Ltd. | Sales of vehicles and accessories | 29,790,066 | 60,329,061 |
| Nanchang Hengou Industry Co., Ltd. | Sales of accessories, | 26,624,147 | 15,439,211 |
| Yunan Wanfu Vehicle Sales & Service Co., Ltd. | Sales of vehicles and accessories | 25,041,170 | - |
| Jiangxi Jiangling Group Special Vehicle Co.,Ltd. | Sales of vehicles and accessories | 21,567,230 | 10,849,292 |
| Chengdu Wanxing Vehicle Sales & Service Co., Ltd. | Sales of vehicles and accessories | 20,686,397 | 28,676,309 |
| Jiangxi Jiangling Chassis Co.,Ltd. | Sales of accessories, | 19,629,963 | 18,339,260 |
| Nanchang Jiangling Hua Xiang Auto Components Co.,Ltd. | Sales of accessories, | 19,120,874 | 13,227,215 |
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | Sales of vehicles and accessories | 18,055,690 | 61,861,871 |
| Guizhou Wanfu Vehicle Sales & Service Co., Ltd. | Sales of vehicles and accessories, etc. | 13,492,611 | 21,092,325 |
| Beijing Beifang Changfu Vehicle Sales & Service Co., Ltd. | Sales of vehicles and accessories, etc. | 12,218,081 | 230,857 |
| Jiangxi Jiangling Lear Interior System Co.,Ltd. | Sales of accessories, | 10,240,847 | 8,478,228 |
| China Changan Group Tianjin Sales Co.,Ltd | Sales of vehicles and accessories | 9,503,723 | 23,377,989 |
| Nanchang JMCG SMR Huaxiang Mirror Co., Ltd. | Sales of accessories, | 9,372,436 | 12,793,698 |
| Jiangxi ISUZU Co., Ltd. | Sales of accessories, etc. | 9,106,313 | 7,060,132 |
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | Sales of accessories, | 9,012,934 | 10,533,862 |
| Jiangxi Jiangling Special Purpose Vehicle Co.,Ltd. | Sales of vehicles and accessories | 7,753,811 | 2,446,876 |
| Anhui Wanyou Automobile Sales service Co. LTD | Sales of vehicles and accessories | 6,476,614 | - |
| Nanchang JMCG Liancheng Auto Component Co.,Ltd. | Sales of accessories, | 5,661,202 | 7,108,114 |
| Wanyou Automobile Investment Co., Ltd. | Sales of vehicles and accessories | 4,682,357 | - |
| Jiangxi JMCG Industry Co.,Ltd. | Sales of accessories and waste materials | 4,411,270 | 4,011,751 |
| Beijing Baiwang Changfu Vehicle Sales & Service Co.,Ltd. | Sales of vehicles and accessories, etc. | 3,541,976 | 193,894 |

## 8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

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

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

| | Nature of related party transactions | Six months ended 30 June 2026 | 2025 |
|---|---|---|---|
| Jiangxi Fuxiang Vehicle Co., Ltd. | Sales of vehicles and accessories, etc. | 2,388,186 | - |
| Jiangxi Jiangling Overseas Automobile Co., Ltd. | Sales of vehicles and accessories, etc. | 2,031,816 | - |
| Jiangxi ISUZU Engine Co.,Ltd. | Sales of accessories, | 1,417,314 | 7,991,895 |
| Jiujiang Fuwantong Vehicle Co., Ltd. | Sales of vehicles and accessories | 1,389,451 | - |
| | | 9,160,139,208 | 6,515,828,279 |

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

(b) Leases

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

| Name of the lessee | Type of the leased asset | Six months ended 30 June 2026 | 2025 |
|---|---|---|---|
| Jiangxi Zhengxing Automotive Parts Manufacturing Co., Ltd. | Equipment | 653,504 | - |
| JMCG Jingma Motors Co., Ltd. | Equipment | 181,540 | - |
| Jiangling Motor Holdings Co., Ltd | Buildings | - | 8,935 |
| Jiangxi ISUZU Co., Ltd. | Buildings | - | 2,945 |
| | | 835,044 | 11,880 |

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

| | Type of the leased asset | Six months ended 30 June 2026 | 2025 |
|---|---|---|---|
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | Buildings | 241,956 | 455,655 |
| Ford Motor (China) Co., Ltd. | Buildings | 7,666 | 10,804 |
| JMCG | Buildings | - | 84,749 |
| | | 249,622 | 551,208 |

(c) Guarantee received

| Guarantor | Guaranteed amount | Starting date | Ending date | Fully performed or not |
|---|---|---|---|---|
| JMCG | 669,010 | 14 February 2025 | 14 February 2028 | Not fully performed |

As at 30 June 2026, JMCG provided guarantees for some bank borrowings of the Group, with a maximum guarantee limit of USD196,453. As at 30 June 2026, JMCG provided borrowing guarantee to the bank borrowing of USD98,226, equivalent to RMB669,010 (31 December 2025: USD130,968 equivalent to RMB920,551) for the Group.

## 8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(d) Purchase of assets

| | Nature of related party transactions | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|---|
| Jiangxi Jiangling Special Purpose Vehicle Co.,Ltd. | Purchase of fixed assets | 5,422,200 | 19,211,155 |
| Nanchang Jiangling Hua Xiang Auto Components Co.,Ltd. | Purchase of fixed assets | 1,364,883 | - |
| Magna PT Powertrain (Jiangxi) Co., Ltd | Purchase of fixed assets | 654,300 | 1,712,116 |
| Nanchang JMCG Liancheng Auto Component Co.,Ltd. | Purchase of fixed assets | - | 3,890,000 |
| Jiangxi Jiangling Chassis Co.,Ltd. | Purchase of fixed assets | - | 2,100,000 |
| | | 7,441,383 | 26,913,271 |

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

(e) Provision of technology and distribution service

| | Nature of related party transactions | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|---|
| Ford Global Technologies, LLC | Technical service | 358,547,430 | 15,853,895 |
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | Technical service | 100,044,539 | 2,750,566 |
| Ford Motor Company Limited | Technical service | 11,757,601 | - |
| Ford Electric Mach Technology (Nanjing) Co., Ltd. | Technical service | 5,758,619 | 72,814,268 |
| Ford Vietnam Limited | Technical service | 2,377,817 | 1,452,183 |
| Ford Trading Company LLC | Technical service | 1,140,000 | - |
| Ford Motor (China) Co., Ltd. | Distribution service | - | 13,355,759 |
| | | 479,626,006 | 106,226,671 |

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

(f) Remuneration of key management

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|
| Remuneration of key management | 8,245,277 | 7,897,859 |

(g) Interest income

| | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|
| JMCF | 2,262,723 | 7,873,071 |

Cash at bank of the Group deposited with JMCF was calculated based on the bank annual interest rate for RMB deposit of 0.85% to 1.4% over the same period (the six months ended 30 June 2025: 0.85% to 1.55%).

## 8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(h) Interest expenses

| | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | 120,000 | - |
| Nanchang JMCG Shishun Logistics Co., Ltd. | 30,000 | - |
| Ford Motor (China) Co., Ltd. | - | 2,629,588 |
| | 150,000 | 2,629,588 |

(i) Funds borrowed in

| | Six months ended 30 June 2026 | 2025 |
|---|---|---|
| Ford Motor (China) Co., Ltd. | - | 85,750,000 |

## 8 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties

Accounts receivable

| | 30 June 2026 | | 31 December 2025 | |
|---|---|---|---|---|
| | Amount | Provision for bad debts | Amount | Provision for bad debts |
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | 5,080,317,525 | 10,575,729 | 4,616,206,969 | 9,532,031 |
| JMCG Jingma Motors Co., Ltd. | 51,157,944 | 177,055 | 47,279,252 | 151,735 |
| Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd. | 24,709,195 | 19,176 | 3,731,251 | 739 |
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | 10,042,122 | 30,126 | 16,607,018 | 49,821 |
| Nanchang Jiangling Hua Xiang Auto Components Co.,Ltd. | 6,876,492 | 20,629 | 15,544,213 | 46,633 |
| Jiangxi Jiangling Chassis Co.,Ltd. | 5,106,679 | 15,320 | - | - |
| Jiangxi Jiangling Lear Interior System Co.,Ltd. | 3,787,830 | 11,363 | 6,755,350 | 20,266 |
| Jiangxi ISUZU Co., Ltd. | 3,706,563 | 11,589 | 7,866,057 | 23,598 |
| Nanchang JMCG SMR Huaxiang Mirror Co., Ltd. | 3,174,719 | 9,524 | - | - |
| Jiangxi ISUZU Engine Co.,Ltd. | 2,074,215 | 30,289 | 2,549,343 | 7,648 |
| Nanchang JMCG Liancheng Auto Component Co.,Ltd. | 1,972,719 | 5,918 | 3,065,801 | 9,197 |
| Ford Global Technologies, LLC | 1,135,910 | 3,408 | - | - |
| Jiangxi JMCG Industry Co.,Ltd. | 449,795 | 1,349 | 1,083,907 | 3,252 |
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | 149,399 | 448 | 4,907,660 | 1,814 |
| Ford Trading Company LLC | - | - | 1,820,000 | 5,460 |
| | 5,194,661,107 | 10,911,923 | 4,727,416,821 | 9,852,194 |

Other receivables

| | 30 June 2026 | | 31 December 2025 | |
|---|---|---|---|---|
| | Amount | Provision for bad debts | Amount | Provision for bad debts |
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | 6,101,420 | 20,479 | 8,678,667 | 25,931 |
| JMCG | 1,355,843 | 4,551 | 51,000 | 153 |
| Jiangxi Zhengxing Automotive Parts Manufacturing Co., Ltd. | 1,107,690 | 3,718 | 373,230 | 1,120 |
| Ford Motor (China) Co., Ltd. | 1,028,081 | - | 1,885,311 | 5,656 |
| Ford Motor Sales & Service (Shanghai) Co., Ltd. | - | - | 1,343,694 | 4,031 |
| | 9,593,034 | 28,748 | 12,331,902 | 36,891 |

## 8 Related parties and related party transactions (Cont'd)

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

Advances to suppliers

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Nanchang Baojiang Steel Processing Distribution Co., Ltd. | 139,232,552 | 91,759,002 |

Financing receivables

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| JMCG Jingma Motors Co., Ltd. | 6,839,924 | 2,468,962 |
| Jiangxi ISUZU Co., Ltd. | 500,000 | - |
| Jiangxi ISUZU Engine Co.,Ltd. | 138,519 | 712,751 |
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | - | 147,945,413 |
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | - | 6,000 |
| | 7,478,443 | 151,133,126 |

Cash at bank

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| JMCF | 1,352,479,456 | 1,592,494,805 |

## 8 Related parties and related party transactions (Cont'd)

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

Accounts payable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Jiangxi Jiangling Lear Interior System Co.,Ltd. | 378,878,342 | 419,610,763 |
| Jiangxi Jiangling Chassis Co.,Ltd. | 331,430,620 | 281,190,452 |
| Nanchang Jiangling Hua Xiang Auto Components Co.,Ltd. | 283,169,260 | 339,272,999 |
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | 269,348,187 | 298,526,234 |
| Jiangxi Jiangling Special Purpose Vehicle Co.,Ltd. | 267,014,846 | 258,868,938 |
| Nanchang Huaxiang Automotive Interior & Exterior Components Co., Ltd. | 212,194,415 | 264,555,517 |
| Magna PT Powertrain (Jiangxi) Co., Ltd | 159,155,425 | 230,896,819 |
| Nanchang JMCG Liancheng Auto Component Co.,Ltd. | 110,079,747 | 127,011,360 |
| Faurecia Emissions Control Technologies (Nanchang) Co.,Ltd. | 99,990,924 | 90,135,188 |
| Nanchang JMCG Shishun Logistics Co., Ltd. | 85,748,139 | 102,537,845 |
| Dibao transportation equipment (Nanchang) Co., Ltd | 83,187,087 | 87,101,643 |
| Jiangxi Lingyun Automobile Industry Technology Co.,Ltd | 71,142,737 | 37,021,732 |
| Harbin Dongan Automotive Engine Manufacturing Co., Ltd. | 70,543,404 | 79,587,095 |
| Ford | 56,189,404 | 101,603,052 |
| Nanchang Yinlun Heat-exchanger Co.,Ltd. | 41,177,326 | 49,496,828 |
| Bosch Electric Drive Systems (Nanchang) Co., Ltd. | 40,891,163 | 50,329,567 |
| Nanchang JMCG SMR Huaxiang Mirror Co., Ltd. | 36,319,924 | 44,866,960 |
| Nanchang Unistar Electric & Electronics Co.,Ltd. | 32,298,898 | 30,110,251 |
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | 30,668,307 | 20,129,520 |
| Jiangxi Jingwei Hirain Technologies Co., Inc. | 27,672,556 | 37,415,298 |
| Jiangxi Mingfang Auto Parts Industry Co., Ltd | 16,856,355 | 13,960,106 |
| Jiangxi JMCG Boya brake system Co., Ltd. | 16,513,877 | 17,024,842 |
| Nanchang Lianda Machinery Co.,Ltd. | 13,898,069 | 18,239,104 |
| Changan Ford Automobile Co.,Ltd. | 11,860,475 | 11,170,263 |
| Jiangxi Jiangling Group Special Vehicle Co.,Ltd. | 9,876,061 | 23,989,369 |
| Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd | 6,097,003 | 4,913,122 |
| Jiangling Aowei Aotomobile Spare Part Co.,Ltd. | 6,073,499 | 7,000,633 |
| Jiangxi Lingge Non-ferrous Metal Die-casting Co.,Ltd. | 5,857,864 | 9,958,459 |
| Jiangxi Zhengxing Automotive Parts Manufacturing Co., Ltd. | 5,657,189 | 5,306,616 |
| Jiangxi JMCG Shangrao Industrial Co.,Ltd. | 4,250,374 | 4,470,727 |
| Nanchang JMCG Xinchen Auto Component Co.,Ltd. | 3,031,541 | 3,463,250 |
| JMCG | 3,005,892 | 3,005,892 |
| JMCG Jingma Motors Co., Ltd. | 2,755,602 | 2,650,990 |
| Ford Motor Co. Thailand Ltd. | 2,073,411 | - |
| Jiangling Motor Group (Nanchang) Fushan Energy Co., LTD | 1,040,868 | 3,838,607 |
| Jiangxi ISUZU Engine Co.,Ltd. | 190,473 | 5,714,745 |
| | 2,796,139,264 | 3,084,974,786 |

## 8 Related parties and related party transactions (Cont'd)

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

Other payables

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Ford | 135,539,633 | 135,932,978 |
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | 110,552,968 | 71,280,639 |
| Ford Global Technologies, LLC | 87,408,675 | 104,008,803 |
| Ford Motor Research & Engineering (Nanjing) Co., Ltd. | 59,950,338 | 101,729,209 |
| Ford Motor (China) Co., Ltd. | 48,035,191 | 77,322,435 |
| Ford Motor Sales & Service (Shanghai) Co., Ltd. | 45,862,796 | 21,704,280 |
| Nanchang JMCG Shishun Logistics Co., Ltd. | 41,537,456 | 65,385,503 |
| Nanchang Jiangling Hua Xiang Auto Components Co.,Ltd. | 23,112,507 | 32,534,219 |
| Jiangxi Jingwei Hirain Technologies Co., Inc. | 15,139,956 | 13,318,646 |
| JMCG | 10,435,907 | 8,449,024 |
| Jiangxi Jiangling Special Purpose Vehicle Co.,Ltd. | 10,285,937 | 9,893,430 |
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | 5,861,648 | 5,979,373 |
| Chongqing Anfu Vehicle Marketing Co., Ltd. | 5,856,174 | 8,611,595 |
| Chengdu Wanxing Vehicle Sales & Service Co., Ltd. | 4,471,623 | 3,358,444 |
| Chongqing Changan Automobile Co., Ltd. | 4,120,536 | 2,691,958 |
| Jiangxi Jiangling Lear Interior System Co.,Ltd. | 3,858,520 | 2,366,149 |
| Jiangxi Jiangling Chassis Co.,Ltd. | 3,740,125 | 6,101,537 |
| Guizhou Wanfu Vehicle Sales & Service Co., Ltd. | 3,701,535 | 2,365,316 |
| JMCG Property Management Co. | 3,673,584 | 22,149,851 |
| Yunan Wanfu Vehicle Sales & Service Co., Ltd. | 3,445,909 | 900,239 |
| Jiangxi JMCG Industry Co.,Ltd. | 2,807,617 | 3,230,883 |
| JMCG Jiangxi Engineering Construction Co., Ltd. | 2,720,247 | 12,843,807 |
| Bosch Electric Drive Systems (Nanchang) Co., Ltd. | 2,657,173 | 1,365,331 |
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | 2,077,742 | 7,271,904 |
| Nanchang JMCG Liancheng Auto Component Co.,Ltd. | 1,912,719 | 1,890,523 |
| Nanchang Unistar Electric & Electronics Co.,Ltd. | 1,355,206 | 1,246,983 |
| Magna PT Powertrain (Jiangxi) Co., Ltd | 684,925 | 1,311,073 |
| Jiangxi Jiangling Group Special Vehicle Co.,Ltd. | 609,825 | 1,547,766 |
| China Changan Group Tianjin Sales Co.,Ltd | 572,876 | 1,158,724 |
| Jiangxi JMCG Boya brake system Co., Ltd. | 538,146 | 1,646,490 |
| Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd. | 410,264 | 8,199,190 |
| | 642,937,758 | 737,796,302 |

Contract liabilities

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Ford Global Technologies, LLC | 43,382,188 | 148,989,875 |
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | 19,619,035 | 21,463,072 |
| Jiangxi Jiangling Special Purpose Vehicle Co.,Ltd. | 16,465,170 | 872,161 |
| Ford Motor Company Limited | 5,352,399 | - |
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | 3,233,836 | 56,453 |
| Yunan Wanfu Vehicle Sales & Service Co., Ltd. | 3,110,967 | 19,399 |
| Ford Electric Mach Technology (Nanjing) Co., Ltd. | 2,810,116 | 8,568,735 |
| Chongqing Anfu Vehicle Marketing Co., Ltd. | 2,631,122 | 275,471 |
| Guizhou Wanfu Vehicle Sales & Service Co., Ltd. | 2,185,256 | 299,778 |
| Chengdu Wanxing Vehicle Sales & Service Co., Ltd. | 1,450,742 | 467,299 |
| Beijing Baiwang Changfu Vehicle Sales & Service Co.,Ltd. | 1,396,899 | 840,943 |
| Jiangxi Jiangling Group Special Vehicle Co.,Ltd. | 201,696 | 1,810,239 |
| Ford Vietnam Limited | 10,000 | 2,377,817 |
| | 101,849,426 | 186,041,242 |

## 8 Related parties and related party transactions (Cont'd)

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

Lease liabilities

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. | 11,638,084 | 17,991,177 |
| Ford Motor (China) Co., Ltd. | 346,817 | 429,403 |
| | 11,984,901 | 18,420,580 |

Notes Payable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Jiangxi Jingwei Hirain Technologies Co., Inc. | 43,174,800 | 21,148,158 |
| Jiangxi Zhonglian Intelligent Logistics Co., Ltd. | 21,272,253 | 51,987,191 |
| Jiangxi Lingge Non-ferrous Metal Die-casting Co.,Ltd. | 15,926,434 | 20,028,725 |
| Nanchang Unistar Electric & Electronics Co.,Ltd. | 10,108,661 | - |
| Jiangxi Jiangling Lear Interior System Co.,Ltd. | - | 43,447,910 |
| Dibao transportation equipment (Nanchang) Co., Ltd | - | 5,987,652 |
| | 90,482,148 | 142,599,636 |

(7) Commitments in relation to related parties

Capital commitments

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| JMCG Jiangxi Engineering Construction Co., Ltd. | 42,897,500 | 50,047,100 |
| Jiangxi JMCG Specialty Vehicles Corporation, Ltd. | 61,000 | - |
| | 42,958,500 | 50,047,100 |

Guarantee of commitments in relation to related parties is set out in Note 8(5)(c).

## 9 Contingencies

As at 30 June 2026, the Group had no contingencies that needed to be disclosed in the notes to the financial statements.

## 10 Commitments

Capital expenditure commitments

Capital expenditures contracted for by the Group but are not yet necessary to be recognised on the balance sheet as at the balance sheet date are as follows:

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Buildings, machinery and equipment | 670,953,000 | 447,365,000 |

## 11 Financial instrument and risk

The Group’s activities expose it to a variety of financial risks, which mainly comprise market risk (primarily including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The above financial risks and the Group’s risk management policies to mitigate the risks are as follows:

The Board of Directors is responsible for planning and establishing the Group’s risk management framework, formulating the Group’s risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has established risk management policies to identify and analyse the risks faced by the Group. These risk management policies specify the risks such as market risk, credit risk and liquidity risk management. The Group regularly evaluates the market environment and changes in the Group’s operating activities to determine whether to update the risk management policies and systems or not. The Group’s risk management is carried out by the Risk Management Committee under policies approved by the Board of Directors. The Risk Management Committee works closely with other business departments of the Group to identify, evaluate and avoid relevant risks. The internal audit department of the Group conducts periodical audit to the controls and procedures for risk management and reports the audit results to the Audit Committee of the Group.

(1) Market risk

(a) Foreign exchange risk

The Group’s major operational activities are carried out in the mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from the recognised assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to USD. The Group continuously monitors the amount of assets and liabilities, and transactions denominated in foreign currencies to minimise the foreign exchange risk. As at 30 June 2026, the Group’s borrowings denominated in foreign currencies were USD98,226, equivalent to RMB669,010. The Group's other accounts payable denominated in foreign currencies was USD32,316,372, equivalent to RMB220,103,578. The Group signed forward exchange contracts to mitigate the foreign exchange risk.

## 11 Financial instrument and risk (Cont'd)

(1) Market risk (Cont'd)

(a) Foreign exchange risk (Cont'd)

The financial assets and financial liabilities denominated in foreign currencies, which were held by the Group, were expressed in RMB as at 30 June 2026 and 31 December 2025 as follows:

| | 30 June 2026 USD | 31 December 2025 USD |
|---|---|---|
| Financial liabilities denominated in foreign currency - | | |
| Derivative financial liability | 3,517,243 | 695,349 |
| Current portion of long-term borrowings | 446,006 | 460,275 |
| Long-term borrowings | 223,004 | 460,276 |
| Other payables | 220,103,578 | 238,048,904 |
| | 224,289,831 | 239,664,804 |

As at 30 June 2026, for various types of foreign currency financial assets and foreign currency financial liabilities, if RMB appreciates or depreciates by 10% against the US dollar, and other factors remain unchanged, the Group will increase or decrease its total profit by approximately RMB22,428,983 (31 December 2025: approximately RMB23,966,480)

**11 Financial instrument and risk (Cont'd)**

(1) Market risk (Cont'd)

(b) Interest rate risk

The Group's interest rate risk mainly arises from interest-bearing debts such as short-term borrowings and long-term borrowings. The financial liabilities of floating interest rate expose the Group to cash flow interest rate risk, and the financial liabilities of fixed interest rate expose the Group to fair value interest rate risk. The Group determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market environment. As at 30 June 2026, the Group's short-term borrowings of RMB350,000,000 (31 December 2025: RMB1,950,000,000) were fixed-rate borrowings, and long-term borrowings of USD98,226 (31 December 2025: USD130,968) were fixed-rate contracts, therefore there was no significant cash flow interest rate risk.

The Group continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing, and therefore could have a material adverse effect on the Group's financial performance. Management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. During the six months ended 30 June 2026 and 2025, the Group did not enter into any interest rate swap agreements.

As at 30 June 2026 and 31 December 2025, there was no significant difference between the fair value and the carrying amount of the Group's bank borrowings with fixed rates.

(2) Credit risk

The Group's credit risk mainly arises from cash at bank and on hand, notes receivable, accounts receivable, financing receivables, other receivables, long-term receivables and derivative financial assets at fair value through profit or loss that are not included in the impairment assessment scope. The carrying amount of the Group's financial assets reflects its maximum credit exposure at the balance sheet date.

The Group expects that there is no significant credit risk associated with cash at bank and on hand since they are deposited at state-owned banks and other large or medium size banks with good reputation and high credit rating. The Group does not expect that there will be significant losses from non-performance by these banks.

## 11 Financial instrument and risk (Cont'd)

(2) Credit risk (Cont'd)

The Group has policies to limit the credit exposure on notes receivable, accounts receivable, financing receivables, other receivables and long-term receivables. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 30 June 2026, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2025: Nil).

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

As at the balance sheet date, the financial liabilities of the Group were analysed by their maturity date below at their undiscounted contractual cash flows:

| | 30 June 2026 | | | | |
|---|---|---|---|---|---|
| | Within 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total |
| Derivative financial liability | 3,517,243 | - | - | - | 3,517,243 |
| Short-term borrowings | 350,000,000 | - | - | - | 350,000,000 |
| Notes payable | 338,413,385 | - | - | - | 338,413,385 |
| Accounts payable | 11,059,636,157 | - | - | - | 11,059,636,157 |
| Other payables | 5,887,712,956 | - | - | - | 5,887,712,956 |
| Lease liabilities | 26,641,995 | 14,118,843 | 20,991,452 | - | 61,752,290 |
| Long-term borrowings | 454,369 | 224,676 | - | - | 679,045 |
| | 17,666,376,105 | 14,343,519 | 20,991,452 | - | 17,701,711,076 |

| | 31 December 2025 | | | | |
|---|---|---|---|---|---|
| | Within 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total |
| Derivative financial liability | 695,349 | - | - | - | 695,349 |
| Short-term borrowings | 1,950,000,000 | - | - | - | 1,950,000,000 |
| Notes payable | 427,292,904 | - | - | - | 427,292,904 |
| Accounts payable | 11,397,760,484 | - | - | - | 11,397,760,484 |
| Other payables | 5,803,694,871 | - | - | - | 5,803,694,871 |
| Lease liabilities | 94,181,823 | 19,112,654 | 27,987,771 | - | 141,282,248 |
| Long-term borrowings | 472,357 | 465,454 | - | - | 937,811 |
| | 19,674,097,788 | 19,578,108 | 27,987,771 | - | 19,721,663,667 |

## 11 Financial instrument and risk (Cont'd)

(3) Liquidity risk (Cont'd)

(i) As at 30 June 2026, the Group did not have lease contracts that had been signed but had not yet been performed.

## 12 Fair value estimates

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

(1) Assets and liabilities measured at fair value on a recurring basis

As at 30 June 2026, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets | | | | |
| Financial assets held for trading - | | | | |
| Structured deposit | - | 801,738,192 | - | 801,738,192 |
| Financing receivables - | | | | |
| Notes receivable | - | 48,495,341 | - | 48,495,341 |
| | - | 850,233,533 | - | 850,233,533 |

As at 31 December 2025, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets | | | | |
| Financial assets held for trading - | | | | |
| Structured deposit | - | 801,902,466 | - | 801,902,466 |
| Financing receivables - | | | | |
| Notes receivable | - | 205,851,591 | - | 205,851,591 |
| | - | 1,007,754,057 | - | 1,007,754,057 |

As at 30 June 2026, the liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

**12 Fair value estimates(Cont'd)**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial liabilities | | | | |
| Derivative financial liabilities - | | | | |
| Forward foreign exchange contracts | - | 3,517,243 | - | 3,517,243 |

(1) Assets and liabilities measured at fair value on a recurring basis (Cont'd)

As at 31 December 2026, the liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial liabilities | | | | |
| Derivative financial liabilities - | | | | |
| Forward foreign exchange contracts | - | 695,349 | - | 695,349 |

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There was no transfer between Level 1 and Level 2 As at 30 June 2026.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique.

(2) Assets measured at fair value on a non-recurring basis

As at 30 June 2026 and 31 December 2025, the Group had no assets measured at fair value on a non-recurring basis.

(3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

The Group's financial assets and liabilities measured at amortised cost mainly comprise notes receivable, accounts receivable, other receivables, long-term receivables, short-term borrowings, payables, lease liabilities and long-term borrowings.

12 Fair value estimates(Cont'd)

The carrying amount of the Group's financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

## 13 Capital management

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group's total capital is calculated as "shareholders' equity" as shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and monitors capital on the basis of equity ratio.

As at 30 June 2026 and 31 December 2025, the Group's equity ratio was as follows:

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Total borrowings | 350,669,010 | 1,950,920,551 |
| Total shareholders' equity | 11,657,993,580 | 11,392,038,408 |
| Equity ratio | 3% | 17% |

## 14 Notes to the Company's financial statements

(1) Accounts receivable

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Accounts receivable | 7,135,200,763 | 6,815,674,720 |
| Less: Provision for bad debts | (550,460,271) | (551,092,111) |
| | 6,584,740,492 | 6,264,582,609 |

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

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Within 1 year | 6,124,506,751 | 6,034,988,177 |
| Over 1 year | 1,010,694,012 | 780,686,543 |
| | 7,135,200,763 | 6,815,674,720 |

As of 30 June 2026, accounts receivable with significant individual amounts and aging exceeding three years was analysed as follows:

| | Balance | Reason and collection risk |
|---|---|---|
| Company1 | 63,365,929 | Due to the operating difficulties of the defaulting company and several lawsuits involved, the Company considered that the receivables were difficult to collect and had therefore made full provision for bad debts. |

(b) As at 30 June 2026, the top five accounts receivable ranked by the balances of the debtors were analysed as follows:

| | Balance | Amount of provision for bad debts | % of total balance |
|---|---|---|---|
| The total amount of accounts receivable in the top five | 6,981,085,205 | 549,289,086 | 98% |

## 14 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts

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

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

| | 30 June 2026 | | | |
|---|---|---|---|---|
| | Book balance | | Provision for bad debts | |
| | Amount | % of total balance | Amount | Provision ratio |
| Provision for bad debts on the individual basis (i) | 1,953,207,304 | 27% | 539,114,199 | 27.60% |
| Provision for bad debts on the grouping basis (ii) | 5,181,993,459 | 73% | 11,346,072 | 0.22% |
| | 7,135,200,763 | 100.00% | 550,460,271 | 7.71% |

| | 31 December 2025 | | | |
|---|---|---|---|---|
| | Book balance | | Provision for bad debts | |
| | Amount | % of total balance | Amount | Provision ratio |
| Provision for bad debts on the individual basis (i) | 1,986,944,666 | 29% | 540,672,868 | 27.21% |
| Provision for bad debts on the grouping basis (ii) | 4,828,730,054 | 71% | 10,419,243 | 0.22% |
| | 6,815,674,720 | 100% | 551,092,111 | 8.09% |

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

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Provision for bad debts |
| Receivables from related parties within the Group i) | 1,889,841,375 | 25% | 475,748,270 |
| Receivables for automobiles ii) | 63,365,929 | 100% | 63,365,929 |
| | 1,953,207,304 | | 539,114,199 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Provision for bad debts |
| Receivables from related parties within the Group i) | 1,922,020,068 | 25% | 475,748,270 |
| Receivables for automobiles ii) | 64,924,598 | 100% | 64,924,598 |
| | 1,986,944,666 | | 540,672,868 |

i) As at 30 June 2026, the Company's accounts receivable from subsidiary JMC & Ford (Shanghai), SZFJ and GZFJ were RMB524,807,454, RMB1,358,073,621 and RMB6,960,300 (31 December 2025: RMB529,737,786, RMB1,385,321,982 and RMB6,960,300). The Company has individually assessed the receivable from JMC & Ford (Shanghai), a subsidiary, and recognized an impairment loss of RMB475,748,270 based on its evaluation of credit risk(31 December 2025: 475,748,270).

## 14 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

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

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

ii) As at 30 June 2026, the Company assessed the expected credit losses of the relevant accounts receivable, which were expected to be unrecoverable, and therefore made a provision for bad debts in full amounting to RMB63,365,929 (31 December 2025: RMB64,924,598), which was included in the reversal of profit or loss of RMB1,558,669 (the six months ended 30 June 2025: no impact on profit or loss for the current period).

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

Grouping – Domestic sales of general automobiles:

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 57,828,043 | 0.08% | 44,879 |
| Overdue for 1 to 30 days | 2,322,100 | 2.60% | 60,364 |
| Overdue for 31 to 60 days | 234,500 | 4.40% | 10,309 |
| Overdue for 61 to 90 days | 1,577,940 | 6.12% | 96,594 |
| Overdue over 90 days | 2,063,126 | 9.18% | 189,395 |
| | 64,025,709 | | 401,541 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 114,439,713 | 0.02% | 22,651 |
| Overdue for 1 to 30 days | - | - | - |
| Overdue for 31 to 60 days | 2,549,619 | 2.18% | 55,521 |
| Overdue for 61 to 90 days | - | - | - |
| Overdue over 90 days | 2,058,700 | 9.18% | 188,989 |
| | 119,048,032 | | 267,161 |

Grouping – Export sales of general automobiles:

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 4,953,208,692 | 0.20% | 9,906,417 |

## 14 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

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

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

Grouping – Export sales of general automobiles(Cont'd):

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 4,538,555,702 | 0.20% | 9,077,111 |

Grouping - Sales of new energy automobiles:

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Overdue over 90 days | 562,680 | 80.00% | 450,144 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Overdue over 90 days | 562,680 | 80.00% | 450,144 |

Grouping – Automobile parts:

| | 30 June 2026 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 126,339,298 | 0.30% | 379,018 |
| Overdue for 1 to 30 days | 28,017,996 | 0.30% | 84,054 |
| Overdue for 31 to 60 days | 8,156,807 | 0.50% | 40,784 |
| Overdue for 61 to 90 days | - | - | - |
| Overdue over 90 days | 1,682,277 | 5.00% | 84,114 |
| | 164,196,378 | | 587,970 |

| | 31 December 2025 | | |
|---|---|---|---|
| | Book balance | Provision for bad debts | |
| | Amount | Lifetime ECL (%) | Amount |
| Not overdue | 160,521,184 | 0.30% | 481,564 |
| Overdue for 1 to 30 days | 5,892,457 | 0.30% | 17,677 |
| Overdue for 31 to 60 days | 1,349,957 | 0.50% | 6,750 |
| Overdue for 61 to 90 days | 481,041 | 0.60% | 2,886 |
| Overdue over 90 days | 2,319,001 | 5.00% | 115,950 |
| | 170,563,640 | | 624,827 |

**14 Notes to the Company's financial statements (Cont'd)**

(1) Accounts receivable (Cont'd)

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

(iii) The reversed provision for bad debts in the current period amounted to RMB631,840.

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

(e) As at 30 June 2026 and 31 December 2025, there were no accounts receivable pledged.

(2) Other receivables

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Import working capital | 5,000,000 | 5,000,000 |
| Receivables from JMCH | 3,930,364 | 14,767,717 |
| Gas and electricity bills | 2,111,988 | 21,112,025 |
| Receivables from land acquisition and storage | - | 79,807,336 |
| Others | 15,924,800 | 14,363,159 |
| | 26,967,152 | 135,050,237 |
| Less: Provision for bad debts | (93,390) | (143,653) |
| | 26,873,762 | 134,906,584 |

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

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

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Within 1 year | 24,630,218 | 125,074,373 |
| Over 1 year | 2,336,934 | 9,975,864 |
| | 26,967,152 | 135,050,237 |

## 14 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

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

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

| | 30 June 2026 | | | |
|---|---|---|---|---|
| | Book balance | | Provision for bad debts | |
| | Amount | % of total balance | Amount | Provision ratio |
| Provision for bad debts on the individual basis (i) | 3,930,364 | 15% | - | 0.00% |
| Provision for bad debts on the grouping basis (ii) | 23,036,788 | 85% | 93,390 | 0.41% |
| | 26,967,152 | 100% | 93,390 | 0.35% |

| | 31 December 2025 | | | |
|---|---|---|---|---|
| | Book balance | | Provision for bad debts | |
| | Amount | % of total balance | Amount | Provision ratio |
| Provision for bad debts on the individual basis (i) | 94,575,053 | 70% | - | 0.00% |
| Provision for bad debts on the grouping basis (ii) | 40,475,184 | 30% | 143,653 | 0.35% |
| | 135,050,237 | 100% | 143,653 | 0.11% |

**14 Notes to the Company's financial statements (Cont'd)**

(2) Other receivables (Cont'd)

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

| | Stage 1 | | | | |
|---|---|---|---|---|---|
| | 12-month ECL (grouping) | | 12-month ECL (individual) | | Total |
| | Book balance | Provision for bad debts | Book balance | Provision for bad debts | Provision for bad debts |
| 31 December 2025 | 40,475,184 | 143,653 | 94,575,053 | - | 143,653 |
| Decrease in the current period | (17,438,396) | - | (90,644,689) | - | - |
| Bad debt provision decreased in the current period | - | (50,263) | - | - | (50,263) |
| 30 June 2026 | 23,036,788 | 93,390 | 3,930,364 | - | 93,390 |

As at 30 June 2026 and 31 December 2025, the Company did not have any other receivables at Stage 2 or Stage 3. Other receivables at Stage 1 were analysed below:

(i) As at 30 June 2026 and 31 December 2025, the Company's other receivables with provision for bad debts on the individual basis were analysed below:

| | 30 June 2026 | | | 31 December 2025 | | |
|---|---|---|---|---|---|---|
| Stage 1 | Book balance | 12-month ECL rates | Provision for bad debts | Book balance | 12-month ECL rates | Provision for bad debts |
| Receivables from JMCH | 3,930,364 | - | - | 14,767,717 | - | - |
| Receivables from land acquisition and storage | - | - | - | 79,807,336 | - | - |
| | 3,930,364 | | - | 94,575,053 | | - |

The Company assessed the receivables from refund of social insurance individually and based on the judgment of credit risk, the receivables were not subject to significant credit risk and were not overdue and impaired.

**14 Notes to the Company's financial statements (Cont'd)**

(2) Other receivables (Cont'd)

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

(ii) As at 30 June 2026 and 31 December 2025, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

Other receivables with provision on the grouping basis at Stage 1:

As at 30 June 2026, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

| | Book balance | 12-month ECL rates | Provision for bad debts | Reason |
|---|---|---|---|---|
| Provision on the grouping basis: | | | | |
| Import working capital | 5,000,000 | 0.34% | 16,782 | ECL |
| Gas and electricity bills | 2,111,988 | 0.34% | 7,089 | ECL |
| Others | 15,924,800 | 0.44% | 69,519 | ECL |
| | 23,036,788 | | 93,390 | |

As at 31 December 2025, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

| | Book balance | 12-month ECL rates | Provision for bad debts | Reason |
|---|---|---|---|---|
| Provision on the grouping basis: | | | | |
| Gas and electricity bills | 21,112,025 | 0.30% | 63,082 | ECL |
| Import working capital | 5,000,000 | 0.30% | 14,940 | ECL |
| Others | 14,363,159 | 0.46% | 65,631 | ECL |
| | 40,475,184 | | 143,653 | |

(c) The reversed provision for bad debts in the current period amounted to RMB50,263.

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

## 14 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(e) As at 30 June 2026, the top five other receivables ranked by remaining balances were analysed as follows:

| | Nature | Balance | Aging | % of total balance | Provision for bad debts |
|---|---|---|---|---|---|
| Company 1 | Import working capital etc. | 6,101,420 | within 1 year | 23% | 20,479 |
| Company 2 | Accounts receivable from subsidiaries | 3,930,364 | within 1 year | 15% | - |
| Company 3 | Gas bills | 2,111,988 | within 1 year | 8% | 7,089 |
| Company 4 | Office expenses | 2,106,895 | within 1 year | 8% | 7,072 |
| Company 5 | Repair fees | 1,523,041 | within 1 year | 6% | 5,112 |
| | | 15,773,708 | | 60% | 39,752 |

(3) Long-term equity investments

| | 30 June 2026 | 31 December 2025 |
|---|---|---|
| Subsidiaries (a) | 3,646,975,223 | 3,646,975,223 |
| Associates (b) | 170,154,158 | 198,792,911 |
| | 3,817,129,381 | 3,845,768,134 |
| Less: Provision for impairment of long-term equity investments for subsidiaries | (3,191,472,283) | (3,191,472,283) |
| Provision for impairment of long-term equity investments for associates | - | - |
| | (3,191,472,283) | (3,191,472,283) |
| | 625,657,098 | 654,295,851 |

## 14 Notes to the Company's financial statements (Cont'd)

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

(a) Subsidiaries

| | 31 December 2025 | Movements for the current period: Additional investments | 30 June 2026 | Ending balance of provision for impairment | Cash dividends declared this period | 30 June 2026 |
|---|---|---|---|---|---|---|
| | Gross amount | | Gross amount | | | Carrying amount |
| JMCH | 2,686,943,493 | - | 2,686,943,493 | (2,301,440,553) | - | 385,502,940 |
| JMCS | 50,000,000 | - | 50,000,000 | - | - | 50,000,000 |
| SZFJ | 10,000,000 | - | 10,000,000 | - | - | 10,000,000 |
| GZFJ | 10,000,000 | - | 10,000,000 | - | - | 10,000,000 |
| Jiangling Ford (Shanghai) | 890,031,730 | - | 890,031,730 | (890,031,730) | - | - |
| | 3,646,975,223 | - | 3,646,975,223 | (3,191,472,283) | - | 455,502,940 |

(b) Associates

| | 31 December 2025 | Movements for the current period: Decrease in the current period | Share of net profit/(loss) under equity method | Cash dividends declared | Provision for impairment | 30 June 2026 | Shareholding (%) | Voting rights (%) | Impairment provision: 30 June 2026 | 31 December 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| The Power Company | 172,167,512 | - | (2,013,354) | - | - | 170,154,158 | 40.00% | 40.00% | - | - |
| Hanon Systems | 26,625,399 | (26,625,399) | - | - | - | - | - | - | - | - |
| Total | 198,792,911 | (26,625,399) | (2,013,354) | - | - | 170,154,158 | | | - | - |

## 14 Notes to the Company's financial statements (Cont'd)

(4) Revenue and cost of sales

(a) Revenue and cost of sales

| | The six months ended 30 June | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | revenue | cost | revenue | cost |
| Main operations | 17,950,761,593 | 16,162,026,280 | 17,063,223,739 | 15,018,996,560 |
| Other operations | 620,145,120 | 288,708,588 | 342,945,766 | 220,930,116 |
| | 18,570,906,713 | 16,450,734,868 | 17,406,169,505 | 15,239,926,676 |

(b) The breakdown of revenue

| | The six months ended 30 June 2026 | | | |
|---|---|---|---|---|
| | Automobiles | Materials and parts | Automobile maintenance services, etc. | Total |
| Recognised at a time point | 17,150,831,558 | 930,881,727 | - | 18,081,713,285 |
| Recognised within a certain period | - | - | 489,193,428 | 489,193,428 |
| | 17,150,831,558 | 930,881,727 | 489,193,428 | 18,570,906,713 |

| | The six months ended 30 June 2025 | | | |
|---|---|---|---|---|
| | Automobiles | Materials and parts | Automobile maintenance services, etc. | Total |
| Recognised at a time point | 16,296,703,916 | 986,292,477 | - | 17,282,996,393 |
| Recognised within a certain period | - | - | 123,173,112 | 123,173,112 |
| | 16,296,703,916 | 986,292,477 | 123,173,112 | 17,406,169,505 |

As of 30 June 2026, the revenue corresponding to the performance obligations that the company has signed but has not yet fulfilled or completed is RMB1,142,836,762, and is expected to recognize it as operating income in 2027.

(5) Investment income

| | The six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Investment (losses)/gain from forward exchange settlement | (158,139) | 10,631,603 |
| Losses on discount of financing receivables eligible for derecognition | (1,392,180) | (1,422,995) |
| Investment gains from disposal of long-term equity investment | 2,384,900 | - |
| Losses on long-term equity investments under equity method | (2,013,354) | (9,803,325) |
| | (1,178,773) | (594,717) |

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

## 1 Statement of non-recurring profit or loss

| | The six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| Government grants recognised in profit or loss for the current period, except those that are closely related to ordinary activities and conform to the national policies and regulations, and are granted in accordance with certain standards and have a continuous impact on the Company's profit or loss | 164,601,774 | 202,242,182 |
| Gains or losses on disposal of non-current assets | 4,574,194 | 18,414,462 |
| Fund occupation fees received from non-financial institutions | 1,978,923 | 1,240,008 |
| Gains or losses arising from changes in fair value of financial assets and liabilities held, and gains or losses on disposal of related financial assets and liabilities, except for the effective hedging business related to the normal operation | 989,383 | 3,713,253 |
| Net amount of other non-operating income and expenses | (1,613,481) | 1,448,653 |
| Reversal of impairment charges for receivables that are tested separately for impairment | 1,558,669 | - |
| One-off expenses incurred due to discontinuation of related business activities | - | (86,573) |
| | 172,089,462 | 226,971,985 |
| Effect of income tax | (27,724,936) | (33,644,788) |
| Effect of gains or losses on minority interests (net of tax) | (3,675,000) | (515,356) |
| | 140,689,526 | 192,811,841 |

(1) Basis for preparation of statement of non-recurring profit or loss for 2025

In 2023, the CSRC issued the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Profit or Loss (Revised in 2023)* (hereinafter "2023 Explanatory Announcement No. 1 "), which came into effect from the date of promulgation.

Under the requirements in the 2023 Explanatory Announcement No. 1, non-recurring profit or loss refers to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to happen frequently that would have an influence on the financial statements users' making economic decisions based on the financial performance and profitability of an enterprise.

## 2 Return on net assets and earnings per share

| | Weighted average return on net assets (%) | | Earnings per share | | | |
|---|---|---|---|---|---|---|
| | | | Basic earnings per share | | Diluted earnings per share | |
| | The six months ended 30 June | | | | | |
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| Net profit attributable to ordinary shareholders of the Company | 6.12% | 6.30% | 0.86 | 0.85 | 0.86 | 0.85 |
| Net profit attributable to ordinary shareholders of the Company, net of non-recurring profit or loss | 4.96% | 4.64% | 0.70 | 0.63 | 0.70 | 0.63 |