



长城汽车
专注 专业 专家

長城汽車股份有限公司

GREAT WALL MOTOR COMPANY LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)

H Share Stock Code: 2333

A Share Stock Code: 601633



* For identification purpose only

2022 INTERIM REPORT

IMPORTANT NOTICE

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

II. Particulars of absent Directors

Position of absent Director	Name of absent Director	Reason for absence	Name of proxy
Chairman	Wei Jian Jun	Work arrangement	Zhao Guo Qing

III. This interim report has not been audited.

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

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

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

No

VI. Risks relating to forward-looking statements

Applicable Not applicable

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

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

No

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

No

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

No

X. Reminder of material risks

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

XI. Others

Applicable Not applicable

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Index of Documents
Available for Inspection

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

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






ZERO ANXIETY SMART ELECTRIC VEHICLE







MAKING PICKUPS POPULAR

A cityscape with several tall buildings. Some buildings are overlaid with white wireframe structures. The foreground shows a road with green dots scattered across it. The overall color scheme is teal and green.

A CAR THAT CARES MORE ABOUT WOMEN



Section 1 Definitions

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

Definitions for commonly used terms

“A Shares”	domestic shares with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (Stock Code: 601633);
“A Shareholder(s)”	holder(s) of A Share(s);
“Board”	the board of directors of the Company;
“Company” or “Great Wall Motor”	Great Wall Motor Company Limited (長城汽車股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
“Company Law”	Company Law of the People’s Republic of China;
“Competing Business”	a business that is identical with or similar to the principal business and other businesses of Great Wall Motor Company Limited;
“CSRC”	China Securities Regulatory Commission;
“Group”	Great Wall Motor Company Limited and its subsidiaries;
“H Shares”	the overseas-listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars (Stock Code: 2333);
“H Shareholder(s)”	holder(s) of H Share(s);
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules;
“PRC”	the People’s Republic of China;
“Reporting Period” or “Current Period”	six months ended 30 June 2022;
“SFC”	the Securities and Futures Commission in Hong Kong;

Section 1 Definitions

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

Section 2 Corporate Profile and Key Financial Indicators

I. CORPORATE INFORMATION

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

II. CONTACT PERSONS AND CONTACT METHODS

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

III. CHANGE IN BASIC INFORMATION

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

IV. INFORMATION DISCLOSURE AND CHANGE IN PLACE OF DOCUMENT INSPECTION

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

Section 2 Corporate Profile and Key Financial Indicators

V. INFORMATION ON THE COMPANY'S SHARES

Stock classes	Stock exchanges for the listing of the Company's shares	Stock abbreviation	Stock code	Previous stock abbreviation
A Shares	Shanghai Stock Exchange	Great Wall Motor	601633	—
H Shares	Hong Kong Stock Exchange	Great Wall Motor	2333	—

Stock classes	Stock exchanges for the listing of the Company's shares	Listing date	Number of issued shares	Board lot
A Shares	Shanghai Stock Exchange	28 September 2011	6,169,211,212 A Shares (Total shares: 9,268,751,212 shares, H Shares: 3,099,540,000 shares)	100 shares
H Shares	Hong Kong Stock Exchange	15 December 2003	3,099,540,000 H Shares (Total shares: 9,268,751,212 shares, A Shares: 6,169,211,212 shares)	500 shares

VI. OTHER RELEVANT INFORMATION

Applicable Not applicable

Accounting firm appointed by the Company	Deloitte Touche Tohmatsu Certified Public Accountants LLP (auditor of the Company)
Office address of the accounting firm appointed by the Company	30/F, 222 Yan An Road East, Huangpu District, Shanghai
Legal adviser to the Company (as to Hong Kong law)	Fangda Partners
Legal adviser to the Company (as to PRC law)	Zhong Lun Law Firm
H Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
A Share registrar and transfer office	Shanghai Branch of China Securities Depository and Clearing Corporation Limited 14/F, East Tower, China Settlement Building, No. 188 South Yanggao Road, Pudong New Area, Shanghai
Investor and media relations consultant (H Shares)	Corporate Link Limited 5th Floor, Chung Nam Building, 1 Lockhart Road, Wanchai, Hong Kong.

Section 2 Corporate Profile and Key Financial Indicators

Principal bankers	Bank of China Limited (Baoding Yuhua sub-branch) Industrial and Commercial Bank of China Limited (Baoding Yonghua sub-branch) China Construction Bank Corporation (Baoding Hengxiang South Street sub-branch) China Everbright Bank Co., Ltd. (Shijiazhuang branch) China CITIC Bank Co., Ltd. (Baoding branch) Bank of Communications Co., Ltd. (Baoding branch) Ping An Bank Co., Ltd. (Guangzhou branch)
Authorised representatives	Ms. Li Hong Shuan (appointed on 18 March 2022) Ms. Wang Feng Ying (resigned on 18 March 2022) Mr. Xu Hui
Financial year-end date	31 December
Executive Directors	Mr. Wei Jian Jun (Chairman) Mr. Zhao Guo Qing (Vice Chairman) (appointed on 18 March 2022) Ms. Wang Feng Ying (Vice Chairman) (resigned on 18 March 2022) Ms. Li Hong Shuan (appointed on 18 March 2022) Ms. Yang Zhi Juan (resigned on 18 March 2022)
Non-Executive Director	Mr. He Ping
Independent Non-Executive Directors	Mr. Li Wan Jun Mr. Ng Chi Kit Ms. Yue Ying
Employee Representative Supervisor	Ms. Lu Cai Juan
Independent Supervisors	Ms. Liu Qian Mr. Ma Yu Bo
Audit Committee	Mr. Li Wan Jun Mr. He Ping Mr. Ng Chi Kit Ms. Yue Ying
Remuneration Committee	Ms. Yue Ying Mr. Wei Jian Jun Mr. Li Wan Jun
Nomination Committee	Ms. Yue Ying Mr. Wei Jian Jun Mr. Ng Chi Kit
Strategy and Sustainable Development Committee	Mr. Wei Jian Jun Ms. Li Hong Shuan (appointed on 18 March 2022) Ms. Wang Feng Ying (resigned on 18 March 2022) Mr. He Ping Mr. Li Wan Jun Ms. Yue Ying

Section 2 Corporate Profile and Key Financial Indicators

VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key accounting data

Unit: 0'000 Currency: RMB

Key accounting data	Reporting Period (January-June)	Corresponding period of last year	Increase/ decrease for the Reporting Period over the corresponding period of last year (%)
Total operating revenue	6,213,411.60	6,192,836.89	0.33
Operating revenue	6,213,411.60	6,192,836.89	0.33
Net profit attributable to shareholders of the Company	560,050.19	352,861.70	58.72
Net profit attributable to shareholders of the Company after extraordinary gains/losses	205,874.05	284,199.04	-27.56
Net cash flow from operating activities	816,421.87	1,510,977.88	-45.97

	As at the end of the Reporting Period	As at the end of last year	Increase/ decrease as at the end of the Reporting Period over the end of last year (%)
Net assets attributable to shareholders of the Company	6,967,636.17	6,212,438.21	12.16
Total assets	18,714,806.61	17,540,802.06	6.69

(II) Key financial indicators

Key financial indicators	Reporting Period (January-June)	Corresponding period of last year	Increase/ decrease for the Reporting Period over the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.61	0.39	56.41
Diluted earnings per share (RMB/share)	0.60	0.38	57.89
Basic earnings per share after extraordinary gains/losses (RMB/share)	0.22	0.31	-29.03
Weighted average return on net assets (%)	8.43	6.10	Increased by 2.33 percentage points
Weighted average return on net assets after extraordinary gains/losses (%)	3.09	4.91	Decreased by 1.82 percentage points

Section 2 Corporate Profile and Key Financial Indicators

Description of key accounting data and financial indicators of the Company

Applicable Not applicable

During the Reporting Period, the year-on-year increase in net profit attributable to shareholders of the Company was mainly due to the Company's optimization of product structure, the increase in gross profit resulting from the increase in unit price, and the increase in exchange gains. The Company was firm in transforming into a global intelligent technology company, actively promoted the development of new energy and intelligence technology, and continuously increased R&D investment and equity incentive, thus recording a decrease in the net profit attributable to shareholders of the Company after deducting non-recurring profit or loss.

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

Applicable Not applicable

IX. ITEMS AND AMOUNTS OF EXTRAORDINARY GAINS/LOSSES

Applicable Not applicable

Unit: RMB Currency: RMB

Item of extraordinary gains/losses	Amount	Note
Profit or loss from disposal of non-current assets	-31,476,693.82	
Government grants accounted for in profit and loss for the current period, except for government grants closely related to the Company's normal operations and granted on an ongoing basis at a fixed standard amount or quantity in accordance with the State's policies and regulations	1,072,361,026.66	
Investment income obtained from the disposal of subsidiaries, held-for-trading financial assets, derivative financial instruments and dividend income of other equity instruments during the holding period	68,525,653.64	
Gains on changes in fair values	-121,905,323.59	
Non-operating income and expenses other than the above items	44,813,569.86	
Other profit and loss items that meet the definition of non-recurring profit and loss	2,674,668,296.53	Other profit and loss items that meet the definition of non-recurring profit and loss during the period mainly arose from exchange gain or loss.
Less: Effect of income tax	-165,223,898.57	
Effect of minority interests (after tax)	-1,199.00	
Total	3,541,761,431.71	

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

Applicable Not applicable

X. OTHERS

Applicable Not applicable

Section 3 Management Discussion and Analysis

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

1. Principal Business of the Company

Great Wall Motor is one of the largest SUVs and pickup trucks manufacturers in the PRC. It currently owns five automobile brands, namely Haval, WEY, ORA, TANK and Great Wall Pickup, and has incubated a new stand-alone automobile technology company, Saloon Mecha Technology Company Limited (沙龍機甲科技有限公司). The Company, in cooperation with BMW Group, has formed a joint venture named Spotlight Automotive Limited (“Spotlight Automotive”) which is engaged in providing three product categories-SUVs, sedans and pick-up trucks, as well as manufacturing and supply of related main auto parts.

2. Operating Model

The Company promotes “user-centric” self-reform and innovates in product categories and technologies to create a leading edge in niche markets. The Company is committed to establishing a global network integrating R&D, production, supply and sales.

In respect of R&D, the Company insists on “making targeted investments” and emphasizes R&D effectiveness to pursue industry leadership, in an effort to develop into a “global intelligent technology company”. Based on its Baoding headquarters, the Company has set up R&D centers in Japan, South Korea, India, the United States, Canada, Germany, and Austria, forming a global R&D and innovation system with over 20,000 R&D and design personnel and covering “10 cities and 7 countries” in Asia, North America and Europe.

With an integration of global high-quality resources, the Company has spent five years and more than RMB10 billion in R&D, industry-leading technology strength in the fields of powertrain, hydrogen fuel cells, intelligentization and unmanned driving. It has developed three technology brands, namely, “Ningmeng”, “TANK” and “COFFEE Intelligence”, forming a technology ecosystem integrating “automatic driving, smart cockpit, efficient fuel and new energy”. In the field of technological innovation, Great Wall Motor’s 1.5T Lemon Hybrid DHT system received the title of “Top Ten Engines of ‘China’s Heart’ of 2021” on 26 March. This is the eighth time that Great Wall Motor has received this award, and marks the first time for the Company to win this award with a hybrid system.

Great Wall Motor consolidates its development foundation with category innovation, and releases growth potential through global expansion. In the 2021 China Automobile Festival led by China Media Group, TANK 300 City Edition beat a number of smart new energy vehicles and won the “Best Smart Car” award by virtue of its strong product strength with over 30 smart technology features.

Section 3 Management Discussion and Analysis

In respect of procurement of parts and components, the Company strives to build a highly integrated and adaptable industry-wide supply chain system. The GW4N20 engine independently developed by Honeycomb Yichuang Technology Co., Ltd., a subsidiary of the Company, received the title of “Top Ten Engines of ‘China’s Heart’”; 9HDCT is the world’s first horizontal P2 9-speed wet dual-clutch transmission with remarkable fuel saving effect. The 3.0T+9AT Super Powertrain breaks the technical barriers of sino-foreign joint ventures and achieves all-round ascendancy in performance with a wide variety of innovative technologies, measuring up to the international preeminent level. In the first half of the year, Great Wall Motor signed up to build a smart core parts production base in Wuxi with a total investment of RMB3.1 billion, which will produce 1.1 million electronic air suspension (EAS) systems and 2.6 million EDC suspension systems annually. This move will help the Company develop into a provider of intelligent active suspension systems integrating R&D and production. Moreover, the Company has established in-depth cooperation with the world’s leading suppliers such as Bosch, Continental, Valeo and Harman to build a world-class supply chain system.

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

In respect of marketing, the Company vigorously employed innovative marketing methods and expanded overseas markets. As to innovative marketing, Great Wall Motor made full use of the Internet, marketing network and service system to develop a full range of online and offline channels and carry out marketing activities such as zero-contact program, cloud group purchase and live broadcast, which achieved great results. In terms of overseas markets, Great Wall Motor has exported to more than 170 countries and regions through its worldwide sales network that comprises nearly 700 overseas dealers, and has sold over 900,000 vehicles in total. Based on a well-established global system, Great Wall Motor has made available its high-value models in overseas markets, which will boost its overseas performance and take its brands to new levels.

Section 3 Management Discussion and Analysis

3. Industry Overview

(1) Automobile production and sales decreased slightly year-on-year

From January to June, the production and sales volume of automobiles were 12,117,000 units and 12,057,000 units, down by 3.7% and 6.6% year-on-year, respectively. Overall, the production and sales volume of automobiles showed a “U-shaped” trend, driven by a good recovery in the automobile industry since May.

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

From January to June, the production and sales volume of passenger vehicles were 10,434,000 units and 10,355,000 units, up by 6.0% and 3.4% year-on-year, respectively. The production and sales volume returned to normal levels after reversing the decline trend. In June, the production and sales volume of passenger vehicles amounted to 2,239,000 units and 2,222,000 units, representing a month-on-month increase of 31.6% and 36.9%, respectively. Overall, the passenger vehicle market “remained resilient in the off-season”, as the production and sales disrupted by COVID-19 recovered to some extent. The policy of halving the purchase tax and local policies on promoting automobile sales achieved good results.

(3) The production and sales volume of new energy vehicles hit record highs

From January to June, the production and sales volume of new energy vehicles reached 2,661,000 units and 2,600,000 units respectively, both representing a year-on-year increase of 1.2 times with a market share of 21.6%. In particular, the sales volume of new energy passenger vehicles accounted for 24.0% of the total sales volume of passenger vehicles and 39.8% of the total sales volume of passenger vehicles of Chinese brands.

(4) Pickup trucks saw a decline in production and sales volume and a rapid growth in exports

From January to June, the production and sales volume of pickup trucks were 266,000 units and 261,000 units, down by 5.2% and 8% year-on-year, respectively. In the first half of the year, pickup truck exports maintained rapid growth with a total export of 81,000 units, up 58.7% year-on-year.

(5) Automobile exports performed well

From January to June, automobile companies exported 1,218,000 vehicles, a year-on-year increase of 47.1%. By vehicle model, the export of passenger vehicles amounted to 945,000 units, up 49.7% year-on-year; the export of commercial vehicles was 274,000 units, up 38.8% year-on-year. In addition, a total of 202,000 new energy vehicles were exported, representing a year-on-year increase of 1.3 times and accounting for 16.6% of the total automobile exports.

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

Section 3 Management Discussion and Analysis

II. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Applicable Not applicable

1. Forging a clean business environment with integrity

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

2. Strengthening quality culture and focusing on quality improvement

Upholding the quality culture of “constant refinement”, the Company continuously improves its quality management to “drive performance growth and sustainable development with high-quality products”, and boosts the development of its brands to achieve user satisfaction.

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

Over the years, the Company has been upholding the development strategy of focusing on the principal business while sharing quality resources. It has created unique competitive strengths by concentrating on specific sub-sectors. Following the development strategy of “building brands based on category innovation”, the Company aims to forge “street fashion” and “vogue style” of the new era.

4. A user-centred approach

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

5. Well-established global supply chain system

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

Section 3 Management Discussion and Analysis

6. Targeted R&D to create value for users

Faced with industry upheavals, Great Wall Motor adheres to its strategies of continuously and intensively developing core technologies, insists on targeted R&D, and devotes itself to providing users with agreeable and relaxed driving experience and new travel solutions. As showed on the list released by the global automotive patent big data platform, Great Wall Motor has published 3,710 patents and been granted 3,256 patents, ranking first among Chinese private auto companies. In the field of new energy vehicles, the Company has published 1,301 patents and been granted 914 patents, ranking first among auto companies in China.

7. Talent cultivation

Great Wall Motor has always practiced the corporate philosophy of “cultivating personnel before making cars”. While providing employees with a stable working and living environment, Great Wall Motor steps up efforts in personnel training to enhance employees’ capabilities, constantly innovates in talent development mechanisms, increases job rotation and cross-appointment, continuously promotes the “Global Talents Plan” (全球人才活水計劃), adheres to the policy of “bringing in and going global”, enables employees to engage in different positions, and encourages employees to work and study overseas.

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

Operating Environment

Since the beginning of the year, China’s automobile industry has shown strong resilience in the face of tremendous pressure from supply shock, reduced demand, surging raw material prices, as well as supply chain challenges caused by sporadic outbreaks of COVID-19. Looking into the second half of the year, the overall performance of the domestic automobile industry is expected to improve. The gradual ease of global automotive chip shortage and gradual release of market and consumer demand will ensure steady and healthy development of the automobile industry.

Section 3 Management Discussion and Analysis

Financial Review

Unit: RMB Currency: RMB

	From 1 January 2022 to 30 June 2022 (Unaudited)	From 1 January 2021 to 30 June 2021 (Unaudited)	Changes %
Total operating revenue	62,134,116,007.85	61,928,368,916.17	0.33
Operating revenue	62,134,116,007.85	61,928,368,916.17	0.33
Revenue generated from the sale of automobiles	55,568,165,545.31	55,210,171,798.89	0.65
Revenue generated from the sale of automotive parts and components and others	6,565,950,462.54	6,718,197,117.28	-2.27
Selling expenses	2,216,143,959.74	2,444,423,361.02	-9.34
Administrative expenses (Note 1)	2,213,421,425.12	1,341,218,155.72	65.03
Research and development expenses (Note 2)	3,176,619,531.12	1,857,755,050.88	70.99
Financial expenses (Note 3)	-2,932,658,992.04	-306,464,724.90	-
Gross profit	11,420,245,815.14	10,063,935,619.16	13.48
Income tax expenses (Note 4)	274,197,509.87	407,126,668.90	-32.65
Net profit attributable to shareholders of the Company (Note 5)	5,600,501,901.48	3,528,617,024.84	58.72
Basic earnings per share	0.61	0.39	56.41
Diluted earnings per share	0.60	0.38	57.89
Gross profit margin (%)	18.38	16.25	Increased by 2.13 percentage points
Percentage of selling expenses to operating revenue (%)	3.57	3.95	Decreased by 0.38 percentage point
Percentage of administrative expenses to operating revenue (%)	3.56	2.17	Increased by 1.39 percentage points

(Note 1) The increase in administrative expenses was mainly due to the increase in the size of management personnel and the increase in share-based payment during the Reporting Period.

(Note 2) The increase in research and development expenses was mainly due to the increase in research and development investment in projects on intelligent, electric and new vehicle models during the Reporting Period.

(Note 3) The decrease in financial expenses was mainly due to an increase in exchange rate during the Reporting Period.

(Note 4) The decrease in income tax expenses was mainly due to the decrease in income tax expenses for the period resulting from the decrease in taxable income during the Reporting Period.

(Note 5) The increase in net profit attributable to shareholders of the Company was mainly due to the increase in gross profit owing to the increase in the unit price of vehicles as a result of the Company's optimization of its product mix, as well as an increase in exchange rate during the Reporting Period.

Section 3 Management Discussion and Analysis

Current assets and current liabilities

Unit: RMB Currency: RMB

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Current Assets	114,144,917,487.40	108,365,607,198.99
Including:		
Cash and bank balances	43,054,650,740.29	33,047,560,929.36
Held-for-trading financial assets	4,807,356,360.10	6,046,493,154.78
Accounts Receivable	5,776,608,364.47	5,421,996,764.84
Receivables financing	23,562,430,931.01	31,499,637,236.45
Prepayments	2,457,550,288.73	1,748,896,425.13
Other receivables	1,247,675,573.37	1,121,872,592.52
Inventories	20,251,496,512.10	13,966,418,723.46
Non-current assets due within one year	1,987,291,136.05	2,240,394,116.43
Other current assets	8,740,255,755.36	9,812,817,672.24
Current Liabilities	90,388,514,045.37	95,596,984,528.01
Including:		
Short-term borrowings	4,481,121,600.68	5,204,463,651.75
Accounts payable	25,285,929,834.13	37,083,081,730.25
Notes payable	39,336,494,980.84	26,809,308,822.40
Contract liabilities	5,256,226,448.48	7,387,904,382.08
Employee benefits payable	973,906,888.85	3,215,215,491.04
Taxes payable	1,617,553,981.59	2,818,110,266.16
Other payable	5,343,163,986.05	4,867,094,523.67
Other current liabilities	4,374,815,139.53	4,542,933,786.57

Gearing ratio

Unit: RMB Currency: RMB

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Total liabilities	117,448,173,760.89	113,279,537,815.09
Total equity	69,699,892,358.37	62,128,482,772.84
Gearing ratio	168.51%	182.33%

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

Section 3 Management Discussion and Analysis

Acquisition and disposal of assets

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

Capital structure

The Group primarily finances its day-to-day operations with its own cash and bank borrowings. As at 30 June 2022, the Company secured short-term borrowings of RMB4,481,121,600.68, mainly used to replenish daily working capital. The Company secured long-term borrowings of RMB20,103,223,346.39 (including long-term borrowings due within one year), mainly used for the construction of domestic and overseas plants and replenishment of daily working capital. For details of interest rates of the borrowings, please refer to the relevant descriptions of Notes to the financial statements in this interim report.

Exposure to foreign exchange risk

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

Unit: RMB Currency: RMB

Item	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Cash and bank balances	1,293,272,367.65	651,194,616.09
Held-for-trading financial assets	295,881,740.00	414,131,200.00
Accounts receivable	432,714,840.80	696,876,534.03
Other receivables	3,837,262,197.19	2,533,479,173.35
Accounts payable	-4,800,060,737.84	-4,302,917,064.72
Other payables	-1,574,948,385.62	-645,802,501.05
Long-term borrowings	-1,580,377,375.57	-1,582,441,235.47

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

Employment, training and development

As at 30 June 2022, the Group employed a total of 84,664 employees (30 June 2021: 66,574 employees). Employees were remunerated by the Group based on their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed on a regular basis. As an incentive for employees, bonuses and cash awards may also be given to employees based on individual performance evaluation. Total staff cost accounted for 10.57% of the Group's total operating revenue as at 30 June 2022 (30 June 2021: 8.08%).

Section 3 Management Discussion and Analysis

Segment information

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

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

	For the six months ended 30 June	
	2022 RMB (Unaudited)	2021 RMB (Unaudited)
China	52,833,568,320.09	55,295,426,727.95
Russia	2,291,479,360.98	2,006,752,169.62
South Africa	1,437,926,884.61	1,109,381,034.60
Australia	1,211,177,196.64	1,124,337,980.42
Thailand	1,072,188,557.45	12,545,292.12
Saudi Arabia	797,479,359.39	560,875,928.87
Other overseas countries	2,490,296,328.69	1,819,049,782.59
Total	62,134,116,007.85	61,928,368,916.17

Unit: RMB Currency: RMB

Item	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Non-current assets located in China	57,731,888,441.97	52,555,571,667.97
Non-current assets located in other countries	5,297,148,558.62	3,999,057,674.04
Total	63,029,037,000.59	56,554,629,342.01

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

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

Section 3 Management Discussion and Analysis

Business Review

Product sales

Unit: unit

Car classification	Item	Sales volume			Production volume		
		Total for the Reporting Period	Total for the corresponding period of last year	Cumulative year-on-year increase/decrease (%)	Total for the Reporting Period	Total for the corresponding period of last year	Cumulative year-on-year increase/decrease (%)
Pick-up truck	Domestic sales	78,296	92,903	-15.72	101,030	119,674	-15.58
	Export	21,211	21,451	-1.12			
	Sub-total	99,507	114,354	-12.98			
SUV	Domestic sales	310,902	407,295	-23.67	379,299	442,568	-14.30
	Export	45,797	39,898	14.79			
	Sub-total	356,699	447,193	-20.24			
Sedan and others (mainly NEV)	Domestic sales	54,941	52,632	4.39	57,457	52,796	8.83
	Export	1,406	210	569.52			
	Sub-total	56,347	52,842	6.63			
Total	Domestic sales	444,091	552,830	-19.66	537,786	615,038	-12.56
	Export	68,414	61,559	11.14			
	Sub-total	512,553	614,389	-16.58			

The Group has five major automobile brands, namely Haval, WEY, ORA, Great Wall Pickup and TANK, as well as a mecha technology brand – Saloon, which targets the pure electric luxury vehicle market. Its product portfolio covers three main categories, namely SUVs, sedans and pick-up trucks. With respect to product by power type, it offers traditional energy vehicles and new energy vehicles. In the first half of the year, the Group, with “user-orientation” as its focus and determination to achieve category innovation, accelerated its transformation into a global intelligent technology company.

In the first half of the year, owing to the pandemic, spare parts supply and logistics disruptions, as well as rising cost of raw materials, the production and sales of automobiles were affected to a certain extent. In response, the Group had adopted various measures. Sales volume in the first half of the year amounted to 512,553 units, representing a year-on-year decrease of 16.58%. Overseas sales volume, on the other hand, continued to reach record high; overseas sales volume in the first half of the year amounted to 68,414 units, up by 11.14% year-on-year.

Section 3 Management Discussion and Analysis

(1) *Haval brand*

In 2022, the Haval brand continued to step up market development efforts. It had adopted an open approach, by co-creating stylish and new products with users worldwide to achieve co-development of global Haval. In the first half of the year, the Group launched two new models, namely a hunting version of Haval Big Dog with enhanced performance, and a Haval Shenshou hybrid DHT version equipped with Ningmeng hybrid DHT. As at July 2022, the total global sales volume of Haval had surpassed 7.50 million units. With Shenshou, 3rd Gen H6, H6S and Chitu, Haval has already established a hybrid DHT product line. Looking ahead, the Haval brand will begin to head in the direction of new energy segment.

(2) *WEY brand*

On 14 January 2022, supported by industry-leading technologies such as intelligent DHT and NOH smart navigation-aided driving system, WEY released a new category of “zero anxiety smart electric vehicle” and aimed to fully transform into a “high-end intelligent new energy” vehicle brand. With “sincerity, innovation and persistence” rooted in its DNA, WEY has successively launched Mocha DHT-PHEV and Latte DHT-PHEV, and is committed to providing users with a comfortable experience with zero anxiety in all scenarios. In the third quarter of the year, Mocha Lidar will be officially released. The new car will be equipped with urban NOH high-level smart driving assistance technology. Urban NOH will become the first mass-produced urban driving assistance system in China and help turn WEY into a high-end intelligent new energy vehicle brand.

(3) *Great Wall Pickup*

As the leader of pick-up truck, Great Wall Pickup continued to rank first in domestic and export sales volume for 24 consecutive years. Its total global sales volume has surpassed 2 million units. In the first half of 2022, sales volume amounted to 99,507 units, of which overseas sales amounting to 21,211 units. Great Wall POER’s monthly sales volume in 24 months exceeded 10,000 units, continuing to rank first in China’s high-end pickup truck market in terms of sales volume. Great Wall POER strives to develop more environmental-friendly, smarter and safer products, and will put great emphasis on in the development of the new energy sector including hybrid, pure electric and hydrogen energy.

Section 3 Management Discussion and Analysis

(4) ORA brand

As a brand that loves women more, ORA creates a new category targeting women and becomes a pioneer in developing cars for women. In the first half of the year, the brand's sales volume reached 56,299 units, up by 7.0% year-on-year. On 12 July, Balei Mao, ORA's first exclusive car for women, was officially launched. Inspired by the thousand-year Song porcelain color aesthetics, Balei Mao adopted an elegant, retro and stylish design, introducing a new fashion trend. ORA also made a public disclosure to global car makers of the patent for its "emergency alert system", which was developed exclusively for women. Such was the first of its kind in the industry.

(5) TANK brand

TANK positions itself as stylish off-road SUV, aimed to cater to the new mobility needs of the new generation consumers. With a brand proposition that combines toughness and soft-riding features, TANK strives to develop itself as a world leading off-road brand. In March, TANK 500, the mid to large-size business luxury SUV was officially launched. From January to June, the TANK brand recorded total sales volume of 55,839 units, up by 62.6% year-on-year, leading in the high-end off-road vehicle market in China. With a foothold in the China market, the TANK brand will quickly expand internationally. Middle East is the first target market for TANK 300 in TANK's globalization strategy.

(6) Saloon brand

The Saloon brand positioning is "the world's first warm yet cool mecha technology brand". It made its global debut in 2021 and created a new mecha technology category. The official launch of the first model, Mecha Dragon, will take place this year. Saloon Mecha Technology Company Limited adopts an internet-based business operating model, and has defined its corporate positioning as higher-end, luxury and more intelligent. The saloon brand includes a full range of classic categories such as sedans, SUVs and sports cars.

Complete layout for new energy power solution, create green supply chain

To support the state's achieving the vision and strategic goals of 3060 carbon peaking and carbon neutrality, Great Wall Motor has set creating a green supply chain ecology as its top priority and comprehensively planned for new energy technology. It has now formed a complete technology layout, ranging from hybrid power to pure electric drive system and fuel cell power system. In respect of hybrid power, Ningmeng hybrid DHT offers users optimal solution – high efficiency and high performance at all speeds and for different driving scenarios – with its "fast, smooth, quiet, and economical" outstanding features. On the front of pure electric drive system, Great Wall Motor's new generation three-in-one electric drive system, with motor power range covering 35kW-200kW, which can be applied in different class of new energy vehicle models. In terms of hydrogen energy, Great Wall Motor has completed the core technology layout for hydrogen energy industrial chain, and will establish a world-class vertically integrated supply chain ecology (production, storage, transportation, fueling, applications), thereby creating a clean energy system aimed to achieve carbon neutrality.

Section 3 Management Discussion and Analysis

In-house capability for entire supply chain development, accelerate transformation into global intelligent technology company

Great Wall Motor's COFFEE Intelligence's upgrade to 2.0 version has been completed, signifying the Group has advanced from "perceptual intelligence" to "cognitive intelligence". With COFFEE Intelligence 2.0, the electrical/electronic architecture, chassis by wire, intelligent driving, smart cockpits and other technologies can achieve full upgrade, thus realizing higher degree of autonomy in vehicles. Apart from coordinated development of automobile intelligent technologies, Great Wall Motor also possesses the comprehensive research and development capability of various technologies from low-level hardware to top-level software. As a car company with strong fundamentals and years of experience, Great Wall Motor possesses huge user data advantage, providing sturdy support to intelligent technology upgrade and development. In the first half of the year, Great Wall Motor had achieved breakthroughs in the layout of core intelligent technologies such as autonomous driving, rapidly advancing its transformation into a global intelligent technology company.

With respect to intelligent technology, Great Wall Motor self-developed IDC3.0, which is deemed to be the world's highest energy efficient, mass-produced intelligent assisted driving computing platform. The computing power of a single board reaches 360T and can be continuously upgraded to 1440T through cascading between boards, which can meet the requirements for Level 3 and Level 4 and above autonomous driving in various scenarios. COFFEE Intelligence will also be upgraded. GEEP 4.0, the next generation of electrical/electronic architecture, will be officially launched this year. User-oriented, GEEP 4.0 adopts SOA design concept, has an open standard API interface, supports functional growth and vehicle-cloud integration, integrates functional experience innovation and software platform development, thereby fully meeting users' needs for intelligent driving.

In terms of smart cockpit, Great Wall Motor, through deep integration of domain, pluggable hardware and reusable software, creates a scalable smart cockpit ecosystem. In 2022, Great Wall Motor will gradually complete the development of multi-domain software capability, including voice, visual, navigation and scene engine. With software capability, the Group can reinvent the value of cockpit, thus achieving product differentiation.

At the same time, Great Wall Motor also continued to enhance the core intelligent technology layout. The Group will set up a high-end automotive intelligent core components base in Wuxi. It will serve as Great Wall Motor's research and production centres for high-end vehicles' intelligent core components in the East China region as well as lay a solid foundation for Great Wall Motor's providing better services to users and achieving globalization strategy.

Section 3 Management Discussion and Analysis

Cooperation, crowd wisdom and crowd creation

Co-creation with staff, stimulate new vitality

On 29 April 2022, the Company held the 38th meeting of the seventh session of the Board and the 35th meeting of the seventh session of the Supervisory Committee, at which the Resolution regarding the Grant of Reserved Restricted Shares to Incentive Recipients was considered and approved and 29 April 2022 was determined as the date of granting the Company's Reserved Restricted Shares. The Company granted 8.6 million Restricted Shares to 275 incentive participants at a price of RMB12.73 per share.

On 29 April 2022, pursuant to the authorization granted by the Company's fourth extraordinary general meeting in 2021, the second H shareholders class meeting in 2021 and the second A shareholders class meeting in 2021, the Company convened the 38th meeting of the seventh session of the Board and the 35th meeting of the seventh session of the Supervisory Committee, at which the Resolution on the Grant of Reserved Share Options to Incentive Recipients was considered and approved and 29 April 2022 was determined as the date of granting the Company's Reserved Share Options. The Company granted 78.3 million Share Options to 6,790 incentive participants at a price of RMB25.45 per share.

As at the date of this report, the total number of grantees of the two equity incentive schemes of Great Wall Motor for the years of 2020 and 2021 exceeded 10,000, covering over 50% of its core employees. Through building an innovative long-term incentive mechanism, the Company has formed new "common interests", turning employees from "workers doing work" to "partners doing business", thereby facilitating the Company's long-term healthy development.

A new mobility ecosystem through co-creation with users

Leveraging industrial internet, Great Wall Motor accelerated the transition of the user operation model from B2B to C2B; facilitated the downstream expansion along the value chain by establishing a brand-new business model of "product + software + service"; tapped into the various value chain activities covering the entire process of automobile purchase, so as to continue to create value for users, thereby achieving win-wins for users through collaboration and sharing of benefits.

With the mission and vision of "Enjoy Life Ecologically and Smartly", Great Wall Motor has built a new mobility ecosystem that encompasses environmental protection and carbon neutrality, cognitive AI development, global stylish brand and product development, as well as cooperation, crowd wisdom and crowd creation. While upholding the concept of low-carbon and environmental protection in the entire industry chain, the Company has insisted on research, development and investment of green and clean energy. The Company provided users with new driving experience, by integrating all-scenario intelligent features into each transportation device; captured fashion trend to create personalised and creative products and services; reinvented products, so as to initiate social interaction through mobility and enable global users to enjoy new mobility through empowerment technologies.

Section 3 Management Discussion and Analysis

Co-creation with partners, build a forest-like ecological system

Great Wall Motor has established a win-win, multi-dimensional forest-like ecological system through continued co-creation with upstream and downstream partners within the supply chain. Facing developers worldwide, Great Wall Motor has built an open platform for crowd creation, to realise crowd creation and development of intelligent driving, smart cockpit, smart service capabilities. Leveraging its customer management ability, the Group opened up the entire middle platform to users, in order to enhance users' experience and value, carry out more cross-sector collaboration, link up more resources, and construct a deep user ecology of "people – vehicle – family – life". With the use of new generation technologies such as big data, cloud computing, artificial intelligence, the Group is transforming itself into an industrial internet company, with an aim to create greater value for the entire industrial ecology by enabling the relevant stakeholders in the industrial chain to connect, coordinate and make quick response.

With million overseas sales as a new starting point, enter a new phase of globalization

While consolidating its development in the China market, Great Wall Motor perseveres with its globalization strategy. As of now, the Group has exported its automobiles to over 170 countries and regions across the world, with overseas distribution channels comprising nearly 700 participants. Its sales covered the core cities and central business districts of Russia, Thailand, Australia, South Africa, Chile, Saudi Arabia and United Arab Emirates. The Group has established overseas spare parts centres in major markets including Russia, Thailand, Australia, South Africa, in order to meet end users' demand in a timely and efficient manner, thereby enhancing brand image and customer satisfaction.

The Group accelerated its planning for market expansion in Europe, the birthplace of automobiles. On 8 August, Great Wall Motor and Emil Frey Group, the largest car dealer in Europe, organized a contract signing ceremony, signifying Great Wall Motor's expansion into Europe, the birthplace of automobiles and further expansion of its global presence. It also signifies Great Wall Motor's intensifying its globalization strategy.

Section 3 Management Discussion and Analysis

Major New Models Launched in the First Half of 2022



Tank 500

As the first model of the TANK brand's business luxury series, Tank 500 is positioned as a medium-to-large business luxury SUV. With the strong powertrain of 3.0T V6 + 9AT and strong product strength, it can deliver a supreme driving experience of the kind seen in a RMB1 million car to break the cost-effective ceiling, and will become a role model among medium-to-large luxury off-road SUVs in the world.



Haval Beast DHT

As a new member of the "new technology flagship SUV" club, Haval Beast Hybrid DHT will challenge the traditional alliance of giants in the hybrid market with the technological advantages of "full speed range & all scenarios, high efficiency & high performance", so as to give the public a clearer picture of Haval's technological strengths in the hybrid field and the product vision of "making hybrid more than fuel-efficient from now on".



ORA Ballet Cat

As a new masterpiece of ORA to fulfill its brand positioning of "Love Women More", ORA Ballet Cat is dedicated to creating an exclusive and elegant car for women. In the name of treasure bestie, it leads a new standard for women's cars and epitomizes the female friendly nature of ORA. ORA Ballet Cat is designed with a lot of curves. The overall shape of the car body is a wonderful combination of classic and fashion. It is full of smooth and stretched lines from the front to the rear and from the waist line of the car body to the surface of the wheels, embodying a retro and elegant style.

Section 3 Management Discussion and Analysis



WEY Mocha DHT-PHEV

Mocha DHT-PHEV is the first flagship model of WEY under the new category of “smart electric vehicles with zero anxiety”, and is also a cross-generational product that disrupts the new energy vehicle market. The new model, which is made up of a highly integrated intelligent DHT system, a series of COFFEE Intelligence features, and a range of luxury, high-tech functions, hits the high-end new energy vehicle market. It brings users a new set of “zero-anxiety” travel solutions with “zero range anxiety, zero intelligence anxiety, and zero performance anxiety”.



WEY Latte DHT-PHEV

Latte DHT-PHEV is another blockbuster model of WEY under its shift to high-end new energy vehicles. Its two-wheel drive version has a pure electric range of 184km, a combined fuel consumption of 0.48L/100km, a fuel consumption of 5.4L/100km when the battery is low, and a combined range of over 1,000km. It mainly targets the new generation of families. Based on the brand’s two core technologies – intelligent DHT series-parallel technology and COFFEE Intelligence, it takes the lead in proposing the development and design concept of being family-friendly and child-friendly, and sets new standards for “family cars” with 26 child-friendly functions in all dimensions.



King Kong Cannon

King Kong Cannon, created according to global automotive standards and positioned as a “a fashionable commercial pickup”, officially hit the market in March 2022. King Kong Cannon offers diesel and gasoline engines, two-wheel drive and four-wheel drive versions, and three types of cargo boxes – standard box, long box and flat-bottom cargo box, to meet the diverse needs of users. As the latest product in the evolution of Great Wall POER’s commercial models, King Kong Cannon boasts fashionable styling, intelligent technology, comfort & convenience, and versatile functions. It is designed to facilitate industry upgrading, develop a new business segment, and create a new business driver.

OUTLOOK

Empowered with its forest-like ecosystem, Great Wall Motor will continue to engage in category innovation and speed up the development of electrification and intelligence, and launch more competitive new models. In the second half of the year, Great Wall Motor will launch a number of blockbuster new products, including Haval H6 Hybrid, WEY Yuanmeng, ORA Lightning Cat and Punk Cat, with a view to ushering in a new round of rapid growth and accelerating the transformation into a “global intelligent technology company”.

Section 3 Management Discussion and Analysis

The Group will continue to introduce more competitive models



Haval Cool Dog

As a three-quarter cool car for the “daring youth”, Haval Cool Dog is the second model of the Dog series. It has been available since 10 August 2022. Starting as a Haval X DOG concept car, the new model, embedded with co-creation DNA, is a stylish and cool car co-created with many young users to best meet their needs, thus opening a new chapter for user co-creation.



Tank 700

The TANK brand will launch a flagship model based on mecha technology, namely Tank 700, which is positioned as a luxury off-road totem. With strong off-road strength and luxurious comfort, the new model will enable users to lead a better life of car ownership with great personality and unlimited freedom.



WEY Yuanmeng

In 2022, the WEY brand will launch WEY Yuanmeng, a retro model designed with a unique retro artistic look to break through the fierce homogeneous competition, cater to the personalized consumption trend, and lead the retro trend in the automobile industry. The model adopts intelligent DHT technology and delivers a comfortable experience, and creates a new category of retro cars. Positioned as a retro stylish car, Yuanmeng targets the high-end automobile market as a unique category and aims to be a star product of WEY that can compete with luxury brands. In addition, WEY will launch new MPV models and new SUV models.

Section 3 Management Discussion and Analysis



ORA Lightning Cat

ORA Lightning Cat is a new-generation new energy vehicle created by Great Wall Motor based on global R&D, supporting and manufacturing standards and systems. It will be available in a number of countries and regions including China, EU and ASEAN. Being good-looking, high-performance, highly smart and female-friendly, ORA Lightning Cat will deliver an excellent product experience to users.



ORA Punk Cat

ORA Punk Cat is a new flagship model of ORA with the design concept of “classic retro aesthetics”. It integrates retro art and light luxury technology, and consolidates its core competitiveness by delivering an exquisite, artistic and emotional car-owning experience. Its overall appearance adopts circular design elements to fully embody the design concept of classic retro. The interior adopts the triple-screen design and a new emotional cockpit system to bring users a warm driving experience. The interior also has multi-color rhythmic atmosphere lights, electroplating and crystal texture decoration, and details in relief, which, coupled with the design concept for appearance, highlight an exquisite artistic beauty. Punk Cat is created as a “mobile artwork” to promote the development of the ORA brand.



Saloon Mecha Dragon

On 19 November 2021, the Saloon brand made its global debut at the Guangzhou Auto Show with its first “high-performance mecha sports car” – Mecha Dragon, which attracted much fanfare in the industry. The brand not only got a lot of buzz at the Guangzhou Auto Show, but also witnessed a miracle of selling out the 101 limited edition units of Mecha Dragon priced at RMB488,000 on site in 3.5 hours. The new model will officially hit the market in 2022. Positioned as a high-performance battery electric mecha sports car, it will target China’s luxury battery electric vehicle market and lead the new category based on mecha technology.

Section 3 Management Discussion and Analysis

Tax Incentives for High-tech Enterprises

In accordance with the Notice Regarding the Announcement of the First Batch of the List of Hightech Enterprises to be Identified in Hebei Province in 2019 (關於公示河北省2019年第一批擬認定高新技術企業名單的通知) issued by the Torch High-tech Industry Development Center of the Ministry of Science and Technology (科技部火炬高技術產業開發中心) on 10 September 2019, the Company was re-accredited as a high-tech enterprise in 2019 (valid for three years) and hence was entitled to an applicable income tax rate of 15% from 2019 to 2021. The Company is working on the re-accreditation according to the Administrative Measures for the Accreditation of High-tech Enterprises and the Guidelines for the Accreditation and Management of High-tech Enterprises.

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

Applicable Not applicable

Section 3 Management Discussion and Analysis

IV. PRINCIPAL OPERATION DURING THE REPORTING PERIOD

(I) Analysis of principal business

1 Analysis of changes of relevant items in the financial statements

Unit: RMB Currency: RMB

Item	Amount for the Current Period	Amount for the corresponding period of last year	Changes (%)
Total operating revenue	62,134,116,007.85	61,928,368,916.17	0.33
Operating revenue	62,134,116,007.85	61,928,368,916.17	0.33
Operating costs	50,713,870,192.71	51,864,433,297.01	-2.22
Selling expenses	2,216,143,959.74	2,444,423,361.02	-9.34
Administrative expenses	2,213,421,425.12	1,341,218,155.72	65.03
Financial expenses	-2,932,658,992.04	-306,464,724.90	-
Research and development expenses	3,176,619,531.12	1,857,755,050.88	70.99
Net cash flow from operating activities	8,164,218,672.39	15,109,778,752.15	-45.97
Net cash flow from investing activities	-4,809,028,540.78	-4,945,518,474.86	-
Net cash flow from financing activities	-3,027,669,704.18	-2,640,623,661.44	-

Reasons for changes in administrative expenses: mainly due to the increase in the number of management personnel and the increase in share-based payments during the Reporting Period.

Reasons for changes in financial expenses: mainly due to the increase in exchange gains during the Reporting Period.

Reasons for changes in research and development expenses: mainly due to the increase in research and development investment in projects on intelligent, electric and new vehicle models during the Reporting Period.

Reasons for changes in net cash flow from operating activities: mainly due to the increase in the payment of notes falling due as affected by the payment cycle of materials during the Reporting Period, resulting in an increase in the cash paid for purchasing goods and receiving services.

Reasons for changes in net cash flow from investing activities: mainly due to the decrease in the purchase of financial products during the Reporting Period.

Reasons for changes in net cash flow from financing activities: mainly due to the increase in restricted funds during the Reporting Period.

Section 3 Management Discussion and Analysis

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

Applicable Not applicable

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

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

Applicable Not applicable

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

(III) Analysis of assets and liabilities

Applicable Not applicable

1. Assets and liabilities

Currency: RMB Unit: RMB

Item	Amount as at the end of the Current Period	Amount as at the end of the Current Period as a percentage of total assets (%)	Amount as at the end of the corresponding period of last year	Amount as at the end of the corresponding period of last year as a percentage of total assets (%)	Changes in the amount as at the end of the Current Period compared with the end of the corresponding period of last year (%)	Description
Cash and bank balances	43,054,650,740.29	23.01	33,047,560,929.36	18.84	30.28	The change in cash and bank balances was mainly due to funds reserved for the purpose of the Company's strategy during the Reporting Period
Derivative financial assets	20,283,277.11	0.01	5,554,185.76	0.00	265.19	The change in derivative financial assets was mainly due to the change in the fair value of the forward foreign exchange contracts signed by the Group during the Reporting Period
Accounts receivable	5,776,608,364.47	3.09	5,421,996,764.84	3.09	6.54	
Prepayments	2,457,550,288.73	1.31	1,748,896,425.13	1.00	40.52	The change in prepayments was mainly due to the increase in prepayments for materials during the Reporting Period
Inventories	20,251,496,512.10	10.82	13,966,418,723.46	7.96	45.00	The change in inventories was mainly due to the increase in raw materials and finished goods at the end of the Reporting Period
Contract assets	11,278,815.00	0.01	272,035,125.82	0.16	-95.85	The change in contract assets was due to the decrease in the new energy subsidy of the Group pending approval of the government department during the Reporting Period and expected to be collected within one year

Section 3 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Amount as at the end of the Current Period as a percentage of total assets (%)	Amount as at the end of the corresponding period of last year	Amount as at the end of the corresponding period of last year as a percentage of total assets (%)	Changes in the amount as at the end of the Current Period compared with the end of the corresponding period of last year (%)	Description
Other equity instrument investments	1,360,711,646.06	0.73	813,215,710.00	0.46	67.32	The change in other equity instrument investments was mainly due to the increase in equity investments during the Reporting Period
Other non-current financial assets	96,528,692.28	0.05	58,247,041.15	0.03	65.72	The change in other non-current financial assets was mainly due to the increase in the investment of the Company during the Reporting Period
Investment properties	379,119,412.75	0.20	326,236,381.33	0.19	16.21	
Long-term equity investments	9,980,292,714.60	5.33	9,524,314,026.06	5.43	4.79	
Fixed assets	27,288,509,031.55	14.58	27,441,388,875.44	15.64	-0.56	
Construction in progress	7,173,242,862.15	3.83	4,467,242,861.76	2.55	60.57	The change in construction in progress was mainly due to the increase in investment in plant construction
Right-of-use assets	883,361,858.78	0.47	226,764,213.96	0.13	289.55	The change in right-of-use assets was mainly due to the increase in long-term leases during the Reporting Period
Development expenditure	9,408,181,041.93	5.03	7,144,904,022.66	4.07	31.68	The change in development expenditure was mainly due to the increase in research and development investment in projects on more intelligent and electrical new models during the Reporting Period
Short-term borrowings	4,481,121,600.68	2.39	5,204,463,651.75	2.97	-13.90	
Derivative financial liabilities	10,779,295.65	0.01	1,006,607.03	0.00	970.85	The change in derivative financial liabilities was mainly due to the change in the fair value of the forward foreign exchange contracts signed by the Group during the Reporting Period
Notes payable	39,336,494,980.84	21.02	26,809,308,822.40	15.28	46.73	The change in notes payable was mainly due to the increase in payment size as affected by the payment cycle of materials
Accounts payable	25,285,929,834.13	13.51	37,083,081,730.25	21.14	-31.81	The change in accounts payable was mainly due to the decrease in accounts payable resulting from the decrease in material procurement during the Reporting Period as compared to the end of last year
Contract liabilities	5,256,226,448.48	2.81	7,387,904,382.08	4.21	-28.85	
Employee benefits payable	973,906,888.85	0.52	3,215,215,491.04	1.83	-69.71	The change in employee benefits payable was mainly due to payment of employee bonuses provided in December 2021 during the Reporting Period
Taxes payable	1,617,553,981.59	0.86	2,818,110,266.16	1.61	-42.60	The change in taxes payable was mainly due to the decrease in taxes payable as a result of decrease in sales in June during the Reporting Period as compared to December last year
Long-term borrowings	17,112,887,548.38	9.14	8,656,160,276.64	4.93	97.70	The change in long-term borrowings was due to the increase in long-term borrowings obtained from banks during the Reporting Period
Lease liabilities	969,970,698.87	0.52	475,905,412.35	0.27	103.82	The change in lease liabilities was mainly due to the increase in long-term leases during the Reporting Period

Section 3 Management Discussion and Analysis

Item	Amount as at the end of the Current Period	Amount as at the end of the Current Period as a percentage of total assets (%)	Amount as at the end of the corresponding period of last year	Amount as at the end of the corresponding period of last year as a percentage of total assets (%)	Changes in the amount as at the end of the Current Period compared with the end of the corresponding period of last year (%)	Description
Capital reserve	6,991,456,458.48	3.74	4,871,909,273.63	2.78	43.51	The change in capital reserve was mainly due to the increase in the vesting period expenses for equity incentives during the Reporting Period
Treasury shares	1,527,927,738.47	0.82	642,035,492.50	0.37	137.98	The change in treasury shares was mainly due to repurchase of H Shares during the Reporting Period
Other comprehensive income	1,084,818,972.44	0.58	-247,369,962.28	-0.14		The change in other comprehensive income was mainly due to the change in the translation differences of foreign currency statements of overseas subsidiaries
Minority interests	23,530,633.08	0.01	4,100,634.23	0.00	473.83	The change in minority interests was mainly due to the increase in investment from minority shareholders of the Company's subsidiaries during the Reporting Period

Description of other matters

None

2. Overseas assets

Applicable Not applicable

(1) Asset scale

Of which: overseas assets 18,215,056,792.66 (Unit: RMB Currency: RMB), accounting for 9.73% of total assets.

(2) Relevant explanation of overseas assets accounting for a higher proportion

Applicable Not applicable

Section 3 Management Discussion and Analysis

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

Applicable Not applicable

Item	Carrying amount at the end of the Period	Reasons for the restrictions
Cash and bank balances	14,884,538,832.63	Security and margin deposits for bank acceptances, L/C, letter of guarantee deposits and others
Notes receivable	1,406,131,415.55	Used for issuance of notes payable and security over borrowings
Financing with receivables	18,844,842,306.59	
Intangible assets	187,944,540.92	Used for security over borrowings
Long-term receivables	2,721,694,760.42	Used for security over borrowings and asset-backed securities
Total	38,045,151,856.11	

4. Description of other matters

Applicable Not applicable

(IV) Analysis of investments

1. Overall analysis of external equity investment

During the Reporting Period, the total equity investment of the Group was RMB1,527,555,100, representing a year-on-year increase of 39.52% as compared with RMB1,094,829,200 in the corresponding period of last year.

Section 3 Management Discussion and Analysis

(1) Major equity investment

√ Applicable □ Not applicable

Unit: 0'000 Currency: RMB

Name of investee	Principal business	Investment amount	Percentage of shareholding
Tianjin Jolion Shuju Information Technology Co., Ltd. (天津初戀數聚信息科技有限公司)	General items: development of network and information security software; information consultancy services (excluding information consultancy services subject to licensing); technology services, technology development, technology consultancy, technology exchange, technology transfer, technology promotion; computer system services; information system integration services; software development; sales of software; marketing planning; file management services; business agency and agent services; sales of new vehicles; sales of new energy vehicles; dealing in second-hand vehicles; brokerage for second-hand vehicles; sales of old vehicles; wholesale of automotive parts and accessories; retail of automotive parts and accessories; data processing and storage support services; big data services; agency sales of single-purpose commercial prepaid cards; sales agency; repair and maintenance of motor vehicles, rental operations and services for small and micro passenger vehicles. Licensed item: Class II value-added telecommunications services.	297.00	100.00%
Great Wall Linghun Technology Co., Ltd. (長城靈魂科技有限公司)	Engineering and technology research, testing and development. Research and development, manufacturing and sales of and technology consultancy and technology services for motorcycles, motorcycle parts and accessories; repair and maintenance of motorcycles; cultural activity services; production and sales of motorcycle helmets, modified parts, clothing, shoes, hats and decorations; sales of daily necessities, craft and gifts, electronic products and lubricants; import and export of goods or technology (except those prohibited by the state or involving administrative approval); leasing of self-owned flats and equipment.	2,820.00	100.00%
Tianjin Great Wall Investment Co., Ltd. (天津長城投資有限公司)	General items: engaging in investment activities with self-owned funds; engaging in equity investment, investment management, asset management and other activities with private equity funds (business activities can only be carried out after completion of filing and registration with the Asset Management Association of China); business management consultancy.	35,050.00	100.00%

Section 3 Management Discussion and Analysis

Name of investee	Principal business	Investment amount	Percentage of shareholding
Mind Electronics Company Limited (曼德電子電器有限公司)	Research and development, design, manufacturing, sales and after-sales service of auto parts and accessories, refrigeration and air-conditioning equipment, power electronic components, lighting fixtures, wires and cables, transportation equipment and counting instruments for production, moulds, industrial automatic control system devices and mechanical parts; road transport of general goods and special transport (van); import and export of goods or technologies (except those prohibited by the state or subject to administrative examination and approval); technical advisory services; enterprise management consulting services; lease of self-owned buildings, venues and equipment.	41,000.00	100.00%
Ruguo Technology Co., Ltd. (如果科技有限公司)	Engineering and technology research, testing and development. Software development, technology promotion services, technology transfer, information technology consultancy services; industrial and professional design and other professional technology services; general warehousing (excluding dangerous goods), transport of cargoes by road (excluding dangerous goods); information system integration services; machinery and equipment operations and leasing; sales of vehicles and second-hand vehicles; retail of automotive parts and accessories, computers, software and ancillary equipment; insurance agency services; manufacturing, design and research and development of vehicles, automotive parts and accessories and cutting tools; vehicle licensing and ownership transfer agency services.	1,946.00	100.00%
Great Wall Motor Zhixing (Chongqing) Technology Co., Ltd. (長城智行(重慶)科技有限公司)	Licensed item: catering services. General items: technology services, technology development, technology consultancy, technology exchange, technology transfer, technology promotion; information technology consulting services; sales of new vehicles; sales of used vehicles; retail of auto parts and accessories; manufacturing of auto parts, components and accessories; wholesale of auto parts and accessories; advertising design and agency; advertising production; marketing planning; sales of daily necessities; sales of metal products; sales of metal materials; sales of mechanical equipment; sales of automotive decorations; sales of instruments and meters; wholesale of electronic components; information consulting services (excluding information consulting services subject to licensing); conference and exhibition services; car washing services; sales of charging piles; vehicle charging services; Repair and maintenance of motor vehicles; brokerage of second-hand vehicles; business agency and agent services; ticket agency services; online sales (excluding sales of goods subject to licensing); retail of clothing; retail of shoes and hats; retail of jewelry; retail of cosmetics; sales of personal hygiene products; enterprise management consulting; import and export agency; import and export of technologies; import and export of goods.	11,473.00	100.00%

Section 3 Management Discussion and Analysis

Name of investee	Principal business	Investment amount	Percentage of shareholding
Saloon Mecha Technology Company Limited (沙龍機甲科技有限公司)	General items: technology services, technology development, technology consultancy, technology exchange, technology transfer, technology promotion; manufacturing of auto parts and accessories; manufacturing of metal tools; sales of metal tools; research and development of auto parts; manufacturing of motorcycle parts and accessories; wholesale of motorcycles, parts and accessories; retail of motorcycles, parts and accessories; research and development of motorcycles, parts and components; sales of charging piles; manufacturing of power transmission, distribution and control equipment; vehicle charging services; leasing of charging control equipment; sales of electric accessories of new energy vehicles; operation of charging infrastructure for electric vehicles; manufacturing of electronic physical equipment and other electronic equipment; manufacturing of special equipment (excluding manufacturing of professional equipment subject to licensing); manufacturing of moulds; manufacturing metal components; manufacturing of general parts and components; manufacturing of metal chains and other metal products; casting of ferrous metal; warehousing services of general goods (excluding hazardous chemicals and other items subject to licensing and approval); domestic freight transportation agency; domestic trade agency; trade brokerage; sales agency; import and export agency; import and export of goods; import and export of technologies; leasing of machinery and equipment; sales of lubricants; sales of automotive decorations; online sales (excluding sales of goods subject to licensing); retail of clothing; retail of shoes and hats; appraisal and evaluation of second-hand vehicles; wholesale of hardware products; retail of hardware products; sales of instruments and meters; sales of electronic products; distribution of second-hand vehicles; brokerage of second-hand vehicles; sales of used vehicles; sales of batteries; enterprise management consulting; supply chain management services; warehousing equipment leasing service; sales of intelligent warehousing equipment; information technology consulting services; manufacturing of wooden containers; sales of wooden containers; manufacturing of toys; sales of toys; sales of toys, animation and entertainment products; sales of power exchange facilities for new energy vehicles; centralized fast-charging stations; sales of daily necessities; sales of facial masks (non-medical); sales of outdoor products; retail of sports products and equipment; sales of intelligent on-board equipment; sales of off-highway recreational vehicles, parts and accessories; retail of stationery; computer system services; information system integration services; sales of new vehicles; sales of electrical equipment; sales of audio equipment; retail of auto parts and accessories; software development; conference and exhibition services; advertising; advertising design and agency; advertising production; information consulting services (excluding information consulting services subject to licensing); professional design services; industrial Internet data services; data processing and storage supporting services. Licensed items: production of motor vehicles; transport of cargoes by road (excluding dangerous goods); sales of food; auction of second-hand vehicles; management of hazardous wastes; Class II value-added telecommunications services.	7,882.00	100.00%

Section 3 Management Discussion and Analysis

Name of investee	Principal business	Investment amount	Percentage of shareholding
Beijing Great Automotive Components Co., Ltd. (北京格瑞特汽車零部件有限公司)	Production of automotive electrical appliances, parts and components; sales of self-produced products.	1,000.00	100.00%
Haval Motor Manufacturing Russia Limited Liability Company (俄羅斯哈弗汽車製造有限責任公司)	Marketing, sales, promotion and manufacturing of automobiles, automotive parts and components and automotive accessories as well as other related operating activities including trade intermediary activities and foreign trading activities; technical maintenance and repair of automobiles and provision of technical maintenance services for other vehicles; engagement in financial intermediary activities in sales of automobiles.	49,000.00	65.05%
Tide Technology and Trade Company Limited (泰德科貿有限公司)	International trade, equity investment, investment and financing services.	2,287.51	100.00%

(2) Major investment in non-equity interest

Applicable Not applicable

(3) Financial assets measured at fair value

Applicable Not applicable

Name of item	Balance at the beginning of the Period	Balance at the end of the Period	Changes in the Current Period	Effect on profit for the Current Period
Financial assets classified as at fair value through profit or loss				
Including: Equity instrument	414,131,200.00	295,881,740.00	-118,249,460.00	-118,249,460.00
Wealth management products	5,632,361,954.78	4,511,474,620.10	-1,120,887,334.68	-5,887,334.68
Derivative financial assets	5,554,185.76	20,283,277.11	14,729,091.35	20,283,301.37
Other non-current financial assets	58,247,041.15	96,528,692.28	38,281,651.13	-1,718,348.87
Financial assets at fair value through other comprehensive income				
Including: Financing with receivables	31,499,637,236.45	23,562,430,931.01	-7,937,206,305.44	
Financial assets designated as at fair value through other comprehensive income				
Other equity instrument investments	813,215,710.00	1,360,711,646.06	547,495,936.06	
Financial liabilities at fair value through profit or loss				
Including: Derivative financial liabilities	-1,006,607.03	-10,779,295.65	-9,772,688.62	-16,333,481.41
Total	38,422,140,721.11	29,836,531,610.91	-8,585,609,110.20	-121,905,323.59

Section 3 Management Discussion and Analysis

(V) Disposal of major assets and equity interest

Applicable Not applicable

(VI) Analysis of major subsidiaries and investees

Applicable Not applicable

Unit: RMB Currency: RMB

Major subsidiaries and investees	Business nature	Registered capital	Proportion of shareholding (%)	Proportion of voting rights (%)	Total assets as at the end of the Reporting Period	Total net assets as at the end of the Reporting Period	Operating revenue for the Reporting Period	Operating profit for the Reporting Period	Net profit for the Reporting Period
Chongqing Yongchuan Great Wall Automotive Parts Co., Ltd.	Sale of vehicles and automotive parts and components	30 million	100	100	24,190,428,478.58	1,009,505,054.94	25,794,989,127.39	1,156,357,721.16	982,611,986.62
Chongqing Haval Automobile Co., Ltd.	Auto selling	5 million	100	100	13,299,704,589.52	553,305,101.82	17,278,512,183.95	636,633,039.57	550,491,207.98

(VII) Structured entities under the control of the Company

Applicable Not applicable

V. OTHER DISCLOSURES

(I) Exposure to potential risks

Applicable Not applicable

Set out below are the four major potential risks that the Company may be exposed to:

1. Global economic recovery and control over COVID-19 is still subject to instabilities and uncertainties, and on-going efforts are required to cement the foundation for continuous business reopening in the PRC;
2. Chip short supply still has pronounced impact on business production, and the surge in raw material price further intensifies cost pressure for business operations;
3. A new round of technological revolution represented by the development of 5G, AI, cloud computing, big data and communications equipment drives the in-depth integration of traditional automobiles and technologies, accelerating the development of intelligent network-connected automobiles;
4. The automobile industry is shifting from boosting production to de-stocking. With intensified market competition, the period for effortless business success is over and elimination has been triggered, which leads to a sharp shrink in the error-tolerance potential for businesses, and a slight carelessness may result in performance slump.

Section 3 Management Discussion and Analysis

In light of the above potential risks, the Company has taken the following major measures:

1. **Going global aggressively:** The Company consolidated its global production system, launched a number of global models in overseas markets, and increased presence in key strategic markets such as Thailand, Russia, Australia, South America and the Middle East, thus expanding its global network and pushing up sales in overseas markets.
2. **Increasing investment in the chip industry:** Great Wall Motor regards building a future-oriented industrial ecosystem as its top priority. From BEV technology to hybrid technology, Great Wall Motor has invested extensively in innovative technology companies including Honeycomb Yichuang, making it one of the companies with the most extensive presence in China's new energy industry chain. In addition, Great Wall Motor has made a foray into the fields of large computing power chips and silicon carbide by strategically investing in cutting-edge technology companies, in a drive to accelerate its transformation into a "global intelligent technology company".
3. **Intensifying new energy and intelligence development:** By building a smart ecosystem as a first-mover, Great Wall Motor has laid a solid foundation for its brand building and transformation. The Company has capabilities in the full-stack self-development of core smart technologies such as smart driving, smart cockpit and smart services, and can provide users with leading smart products and digital services. In the second half of the year, Great Wall Motor will accelerate the development of electrification and intelligence under its forest-like ecosystem, and launch a number of blockbuster new products, including Haval H6 Hybrid, WEY Yuanmeng, ORA Lightning Cat and Punk Cat, so as to usher in a new round of rapid growth.
4. **Faced with the personalized consumption trends of users,** Great Wall Motor upholds the user-centric philosophy and practices the development strategy of "building brands based on category innovation", and has established a fledgling category-brand portfolio which will develop rapidly and diversify. In addition, Great Wall Motor proactively followed the vehicle purchase tax reduction policy to facilitate the recovery in the automotive market.

(II) Other disclosures

Applicable Not applicable

Interim Dividend

The Board did not recommend the distribution of any interim dividend for the six months ended 30 June 2022.

Purchase, Sale or Redemption of the Company's Listed Securities

On 25 April 2022, the Company held a general meeting, at which the Resolution on Granting the General Mandate to the Board to Repurchase A Shares and H Shares was considered and approved. According to the general mandate, the Company can repurchase its shares within the authorized period and the numbers of H Shares and A Shares to be repurchased shall not exceed 10% of the numbers of H Shares and 10% of the numbers of A Shares in issue of the Company on the date of passing the relevant resolutions (25 April 2022).

Section 3 Management Discussion and Analysis

1. Repurchase and cancellation of H Shares

- (1) In June 2022, the Company repurchased 61,647,500 H Shares from the Hong Kong Stock Exchange, accounting for 0.67% of the Company's total issued share capital and 1.99% of the total number of H Shares in issue as at 30 June 2022. The highest purchase price was HKD16.98 per share, and the lowest price was HKD14.18 per share with a total amount of funds used of HKD986,826,178.55 (net of transaction expenses). The above repurchased shares were cancelled on 19 July 2022.
- (2) In July 2022, the Company repurchased 46,845,000 H Shares from the Hong Kong Stock Exchange, accounting for 0.51% of the Company's total issued share capital and 1.54% of the total number of H Shares in issue as at 31 July 2022. The highest purchase price was HKD13.78 per share, and the lowest price was HKD12.42 per share with a total amount of funds used of HKD607,236,082.50 (net of transaction expenses). The above repurchased shares were cancelled on 11 August 2022.

In view of the above, the Company has repurchased a total of 108,492,500 H Shares of the Company, accounting for 1.18% of the Company's total issued share capital and 3.57% of the total number of H Shares in issue as at 31 July 2022. The highest purchase price was HKD16.98 per share, and the lowest price was HKD12.42 per share with a total amount of funds used of HKD1,594,062,261.05.

2. Repurchase of A Shares

- (1) On 15 July 2022, the Company held the 44th meeting of the seventh session of the Board and the 40th meeting of the seventh session of the Supervisory Committee, at which the Plan on Repurchase of A Shares by Way of Centralized Bidding was considered and approved, pursuant to which the Company can use its own funds to repurchase the Company's shares through centralized bidding, with a repurchase amount not less than 10 million shares (inclusive) and not more than 15 million shares (inclusive). The repurchase price shall not exceed RMB45 per share (inclusive), and the repurchase period shall not exceed 12 months from the date when the Board considered and approved the share repurchase plan (subject to the authorized period of the general mandate for A Shares). The repurchased shares will be used for the Company's employee share ownership scheme and/or share incentive scheme. If the Company did not use all the repurchased shares within 36 months after the completion of share repurchase, the unutilized repurchased shares will be cancelled.
- (2) On 29 July 2022, the Company repurchased 5,552,958 A Shares from the Shanghai Stock Exchange for the first time through centralized bidding. The repurchased A Shares accounted for 0.06% of the Company's total share capital and 0.09% of the Company's total A Shares. The highest repurchase price was RMB35.04 per share, and the lowest repurchase price was RMB33.57 per share, with a total amount paid of RMB190,145,539.05 (net of transaction expenses).

During the Reporting Period, the Company repurchased and cancelled its restricted A Shares. For details, please refer to section 7 "Changes in Shares and Shareholders" of this report.

Corporate Governance

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

Code provision F.2.2 in the Corporate Governance Code provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Wei Jian Jun was unable to attend the annual general meeting held on 25 April 2022, due to other important business engagement. In his absence, the annual general meeting was chaired by Ms. Li Hong Shuan (with sufficient caliber for answering questions at the annual general meeting), who liaised with Mr. Wei Jian Jun on all key matters prior to the meeting. Mr. Wei Jian Jun was also debriefed on the meeting and any matters arising to ensure any matters raised at the annual general meeting were followed up and considered by the Board.

Section 3 Management Discussion and Analysis

Audit Committee

The Company has set up the Audit Committee for the purposes of reviewing and supervising the financial reporting process and internal control of the Group. The Audit Committee comprises three independent non-executive directors and one non-executive director of the Company. At the meeting held on 29 August 2022, the Audit Committee reviewed the 2022 interim results announcement, interim report and interim financial report of the Group and gave their opinions and recommendations to the Board. The Audit Committee is of the opinion that the 2022 interim results announcement, interim report and interim financial report of the Company comply with the applicable accounting standards and the Company has made appropriate disclosure thereof.

Remuneration Committee

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

Nomination Committee

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

Strategy and Sustainable Development Committee

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

Compliance with the Model Code

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

Save as disclosed in this report, information with respect to the Group's other matters as set out in paragraph 32 of Appendix 16 to the Hong Kong Listing Rules has not changed materially from that included in the Company's 2021 annual report.

Section 4 Corporate Governance

I. SUMMARY OF THE GENERAL MEETINGS

Session	Convening date	Designated website on which the resolution was published	Publication date of the resolution	Resolution approved
2022 first extraordinary general meeting	18 March 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	18 March 2022	The Resolution in Relation to the Amendments to 2022 Ordinary Related Party Transactions with Spotlight Automotive, the Resolution in Relation to Deposits with the Great Wall Binyin Automotive Finance Company Ltd. and Other Ordinary Related Party Transactions, the Resolution in Relation to the Amendments to the Rules of Procedures of the Board of Directors of Great Wall Motor Company Limited, the Resolution in Relation to the Estimated 2022-2024 Ordinary Related Party Transactions, the Resolution in Relation to the Connected Transactions Related to the Purchase of Products and the 2022-2024 Proposed Annual Caps, the Resolution in Relation to the Amendments to the Articles of Association of the Company, and the Resolution in Relation to the Election of Directors were considered and approved.
2021 annual general meeting	25 April 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	25 April 2022	The Resolution in Relation to the Audited Financial Report for the Year 2021, the Resolution in Relation to the Report of the Board for the Year 2021, the Resolution in Relation to the Profit Distribution Proposal for the Year 2021, the Resolution in Relation to the Annual Report of the Company for the Year 2021 and Its Summary, the Resolution in Relation to the Report of the Independent Directors for the Year 2021, the Resolution in Relation to the Report of the Supervisory Committee for the Year 2021, the Resolution in Relation to the Operating Strategies of the Company for the Year 2022, the Resolution in Relation to the Re-appointment of Auditors, the Resolution in Relation to the Plan of Guarantees to be Provided by the Company for the Year 2022, the Resolution in Relation to the Bill Pool Business to be Carried Out by the Company for the Year 2022, the Resolution in Relation to General Mandate to the Board to Issue A Shares and H Shares, and the Resolution in Relation to General Mandate to the Board to Repurchase A Shares and H Shares were considered and approved.
2022 first H shareholders' class meeting	25 April 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	25 April 2022	The Resolution in Relation to General Mandate to the Board to Repurchase A Shares and H Shares was considered and approved.

Section 4 Corporate Governance

Session	Convening date	Designated website on which the resolution was published	Publication date of the resolution	Resolution approved
2022 first A shareholders' class meeting	25 April 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	25 April 2022	The Resolution in Relation to General Mandate to the Board to Repurchase A Shares and H Shares was considered and approved.
2022 second extraordinary general meeting	17 June 2022	Shanghai Stock Exchange www.sse.com.cn; Hong Kong Stock Exchange www.hkexnews.hk	17 June 2022	The Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Chun Lai, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Zhang De Hui, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Meng Xiang Jun, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Cui Kai, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Zheng Li Peng, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Chen Biao, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Mr. Zhang Li, a Connected Person of the Company and the Connected Transaction, the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Ms. Wang Feng Ying, a Connected Person of the Company and the Connected Transaction, and the Resolution in Relation to the Grant of 2021 Reserved Restricted Shares to Ms. Yang Zhi Juan, a Connected Person of the Company and the Connected Transaction were considered and approved

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

Applicable Not applicable

Description of General Meetings

Applicable Not applicable

Section 4 Corporate Governance

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

Applicable Not applicable

Name	Position	Change
Wang Feng Ying	Director, General Manager	Resigned
Yang Zhi Juan	Director	Resigned
Zhao Guo Qing	Director	Appointed
Li Hong Shuan	Director	Appointed
Mu Feng	General Manager	Appointed

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

Applicable Not applicable

- (I) On 23 January 2022, Ms. Wang Feng Ying applied for resignation as an executive Director, the vice chairman and a member of Strategy and Sustainable Development Committee of the Company due to work arrangements. Ms. Wang Feng Ying would continue to serve as the general manager of the Company. The above resignation became effective on 18 March 2022.
- (II) On 23 January 2022, Ms. Yang Zhi Juan, an executive Director of the Company, applied for resignation as an executive director of the Company due to work arrangements. Ms. Yang Zhi Juan would continue to serve as assistant to the general manager of the production technology development center of the Company. The above resignation became effective on 18 March 2022.
- (III) Upon recommendation by Baoding Innovation Great Wall Asset Management Company Limited, the Company's controlling shareholder, the seventh session of the Board of the Company reviewed and approved at its 31st meeting the nomination of Mr. Zhao Guo Qing as a candidate for the executive director of the seventh session of the Board. The term of office shall start from the date of approval at the first extraordinary general meeting in 2022 and end upon the expiry of the seventh session of the Board. On 18 March 2022, the Company's first extraordinary general meeting in 2022 reviewed and approved the above resolution, pursuant to which Mr. Zhao Guo Qing was appointed as the executive Director of the Company. On 18 March 2022, the Company held the 33rd meeting of the seventh session of the Board, at which Mr. Zhao Guo Qing was appointed as the vice chairman of the Company.

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- (IV) Upon recommendation by Baoding Innovation Great Wall Asset Management Company Limited, the Company's controlling shareholder, the seventh session of the Board of the Company reviewed and approved at its 31st meeting the nomination of Ms. Li Hong Shuan as a candidate for the executive Director of the seventh session of the Board. The term of office shall start from the date of approval at the first extraordinary general meeting in 2022 and end upon the expiry of the seventh session of the Board. On 18 March 2022, the Company's first extraordinary general meeting in 2022 reviewed and approved the above resolution, pursuant to which Ms. Li Hong Shuan was appointed as the executive Director of the Company.
- (V) On 24 July 2022, the Board received a written resignation from Ms. Wang Feng Ying, the general manager of the Company, stating that Ms. Wang Feng Ying applied for resignation as the general manager of the Company due to work arrangements. Ms. Wang Feng Ying will continue to serve at the Company engaging in strategy management-related work. Upon nomination at its fourth meeting by the Nomination Committee of the seventh session of the Board of the Company and consideration by the Directors of the Company, the Board approved the appointment of Mr. Mu Feng as the general manager of the Company. The term of office will start from 24 July 2022 and end upon the expiration of the seventh session of the Board.

III. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALISATION OF CAPITAL RESERVE

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

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

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

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

Applicable Not applicable

Event summary	Inquiry index
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 6 January 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-002), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Indicative Announcement of Great Wall Motor Company Limited on Exercise Restriction Period of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 8 January 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-004), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 10 February 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-013), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	For details, please refer to the announcements dated 23 February 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-018), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 4 March 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-023), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)

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Second Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 4 March 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-022), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Third Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 5 March 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-024), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 31 March 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-043), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	For details, please refer to the announcements dated 31 March 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-044), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Cancellation of Certain Share Option under the First Grant and Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company	For details, please refer to the announcements dated 31 March 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-045), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 2 April 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-046), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Implementation of the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Incentive Scheme	For details, please refer to the announcements dated 13 April 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-048), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Completion of the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Incentive Scheme	For details, please refer to the announcements dated 19 April 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-051), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Unlocking and Listing of the Second Tranche of Restricted Shares under the First Grant and the First Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 22 April 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-052), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Fulfillment of Exercise Conditions of The Second Exercise Period of Share Options Under the First Grant and the First Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 27 April 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-059), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Second Exercise Period of Share Options under the First Grant and the First Exercise Period of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 29 April 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-060), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Grant of 2021 Reserved Share Options to Participants	For details, please refer to the announcements dated 30 April 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-063), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Grant of 2021 Reserved Restricted Shares to Participants	For details, please refer to the announcements dated 30 April 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-064), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)

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<p>Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the First Exercise Period of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme</p>	<p>For details, please refer to the announcements dated 6 May 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-065), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)</p>
<p>Announcement of Great Wall Motor Company Limited on Adjustments to the Repurchase Price of Restricted Shares under the First Grant and Exercise Price of Share Options under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company</p>	<p>For details, please refer to the announcements dated 16 May 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-070), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)</p>
<p>Announcement of Great Wall Motor Company Limited on Adjustments to the Re-purchase Price of Restricted Shares under the Reserved Grant and Exercise Price of Share Options under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company</p>	<p>For details, please refer to the announcements dated 16 May 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-071), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)</p>
<p>Announcement of Great Wall Motor Company Limited on Adjustments to the Re-purchase Price of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme and Exercise Price of Share Options under the First Grant of the 2021 Share Option Incentive Scheme of the Company</p>	<p>For details, please refer to the announcements dated 16 May 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-072), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)</p>
<p>Announcement of Great Wall Motor Company Limited on Adjustments to the Grant Price of Restricted Shares under the Reserved Grant of the 2021 Restricted Share Incentive Scheme and Exercise Price of Share Options under the Reserved Grant of the 2021 Share Option Incentive Scheme of the Company</p>	<p>For details, please refer to the announcements dated 16 May 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-073), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)</p>

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Announcement of Great Wall Motor Company Limited on Resolutions of the Fortieth Meeting of the Seventh Session of Board of Directors	For details, please refer to the announcements dated 21 May 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-078), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 21 May 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-080), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company	For details, please refer to the announcements dated 21 May 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-081), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 6 June 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-085), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Results of the Reserved Grant of the 2021 Restricted Share Incentive Scheme	For details, please refer to the announcements dated 24 June 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-088), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Cancellation of Certain Share Options Under the First Grant of the 2021 Share Options Incentive Scheme of the Company	For details, please refer to the announcements dated 25 June 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-092), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 5 July 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-093), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)

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Indicative Announcement of Great Wall Motor Company Limited on Restriction of the Second Exercise Period of Share Options under the First Grant and the First Exercise Period of Share Options under the Reserved Grant	For details, please refer to the announcements dated 5 July 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-094), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Resolutions of the Forty-second Meeting of the Seventh Session of Board of Directors	For details, please refer to the announcements dated 9 July 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-095), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Notice to Creditors on Repurchase and Cancellation of Certain Restricted Shares	For details, please refer to the announcements dated 9 July 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-097), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company	For details, please refer to the announcements dated 15 July 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-098), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Implementation of the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Incentive Scheme and the 2021 Restricted Share Incentive Scheme	For details, please refer to the announcements dated 15 July 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-102), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Completion of the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Incentive Scheme and the 2021 Restricted Share Incentive Scheme	For details, please refer to the announcements dated 21 July 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-106), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Unlocking and Listing of the First Tranche of Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme	For details, please refer to the announcements dated 22 July 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-110), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)

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Announcement of Great Wall Motor Company Limited on Conversion of Convertible Corporate Bonds and Independent Exercise Results and Share Changes of the 2020 Restricted Share and Share Option Incentive Scheme	For details, please refer to the announcements dated 3 August 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-114), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Results of the Reserved Grant of the 2021 Share Option Incentive Scheme	For details, please refer to the announcements dated 3 August 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-116), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Correction of the Number of Persons with Exercisable Share Options under the First Grant of the 2021 Share Option Incentive Scheme Within the First Exercise Period	For details, please refer to the announcements dated 12 August 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-119), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)
Announcement of Great Wall Motor Company Limited on Fulfillment of Exercise Conditions of the First Exercise Period of Share Options under the First Grant of the 2021 Share Option Incentive Scheme	For details, please refer to the announcements dated 24 August 2022 on the websites of Shanghai Stock Exchange (http://www.sse.com.cn) (Ann No.:2022-125), Hong Kong Stock Exchange (https://www.hkex.com.hk) and the Company (https://www.gwm.com.cn)

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

Share Incentive Scheme

Applicable Not applicable

Other descriptions

Applicable Not applicable

Employee Share Ownership Scheme

Applicable Not applicable

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Other incentives

Applicable Not applicable

- 1. No share options were granted under the Company's 2020 share option incentive scheme during the Reporting Period. Details of the share options exercised, outstanding, cancelled or lapsed under the scheme during the Reporting Period were as follows:**

In respect of the first grant of the 2020 share option incentive scheme, all share options of which have been granted prior or subsequent to the Reporting Period, (1) at the beginning of the Reporting Period, the number of outstanding options was 57,066,428, which were granted on 27 April 2020, valid for a maximum period of no more than 48 months and shall be exercised from 27 April 2021 to 26 April 2024 at an exercise price of RMB7.90. At the end of the Reporting Period, the number of outstanding options was 30,877,730, which were granted on 27 April 2020, valid for a maximum period of no more than 48 months and shall be exercised from 7 May 2021 to 26 April 2024 at an exercise price of RMB7.83; (2) during the Reporting Period, the number of options exercised was 25,171,969, and the exercise price was RMB7.83; (3) during the Reporting Period, the number of options cancelled was 1,016,723, and the exercise price of these cancelled options was RMB7.90; and (4) during the Reporting Period, the number of lapsed options was 6. For the information on the first grant of the 2020 share option incentive scheme, please refer to the Company's relevant announcement dated 27 April 2020.

In respect of the reserved grant of the 2020 share option incentive scheme, all share options of which have been granted prior or subsequent to the Reporting Period, (1) at the beginning of the Reporting Period, the number of outstanding options was 15,721,000, which were granted on 28 January 2021, valid for a maximum period of no more than 36 months and shall be exercised from 28 January 2022 to 27 January 2024 at an exercise price of RMB41.57. At the end of the Reporting Period, the number of outstanding options was 14,986,103, which were granted on 27 April 2020, valid for a maximum period of no more than 48 months and shall be exercised from 5 May 2021 to 26 April 2024 at an exercise price of RMB41.50; (2) during the Reporting Period, the number of options exercised was 9,397, and the exercise price was RMB41.50; (3) during the Reporting Period, the number of options cancelled was 725,500, and the exercise price of these cancelled options was RMB41.57; and (4) during the Reporting Period, the number of lapsed options was 0. For the information on the reserved grant of the 2020 share option incentive scheme, please refer to the Company's relevant announcement dated 28 January 2021.

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2. Details of the share options granted, exercised, outstanding, cancelled or lapsed under the Company's 2021 share option incentive scheme during the Reporting Period were as follows:

(1) At the beginning of the Reporting Period, the number of outstanding options was 300,594,000, which were granted on 22 July 2021, valid for a maximum period of no more than 48 months and shall be exercised from 22 July 2022 to 21 July 2025 at an exercise price of RMB33.56. At the end of the Reporting Period, the number of outstanding options was 261,947,748, which were granted on 22 July 2021, valid for a maximum period of no more than 48 months and shall be exercised from 31 August 2022 to 21 July 2025 at an exercise price of RMB33.19; (2) during the Reporting Period, reserved share options under the incentive scheme were granted. The number of options granted was 78,300,000, which were granted on 29 April 2022, valid for a maximum period of no more than 36 months and shall be exercised from 29 April 2023 to 28 April 2025 at an exercise price of RMB25.45. The closing price of the Company's A Shares immediately before the grant date of these share options was RMB22.89; (3) during the Reporting Period, the number of options exercised was 0, and the exercise price was RMB33.19; (4) during the Reporting Period, the number of options cancelled was 38,646,252, and the exercise price of these cancelled options was RMB33.19; and (5) during the Reporting Period, the number of lapsed options was 0.

During the Reporting Period, the Company granted the share options reserved under the 2021 share option incentive scheme. Pursuant to the Accounting Standards for Business Enterprises No. 11 – Share-based Payment and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Company did not carry out accounting treatment on these share options on the grant date. The Company will use the binomial option pricing model to determine the fair value of the Share Options on the Grant Date.

Based on the data as at 29 April 2022, the fair value of 78,300,000 Share Options under reserved grant of the Company was estimated by using such model. The theoretical value of 78,300,000 Share Options under reserved grant of the Company is RMB654,146,000. The specific valuation parameters comprised the following: target share price (RMB24.82/Share (closing price reserved on the grant date of 29 April 2022)), exercise price of share options (RMB25.45/Share (set according to the Measures Governing Equity Incentives)), validity period (2 years and 3 years respectively (using the period from the grant date to the exercise date of each period respectively)), historical volatility (60.17% and 53.36%, respectively (the volatility rate of the Company for the latest two and three years before the announcement)), and risk-free interest rates (2.35% and 2.43% respectively (using the yields of Chinese government bonds for 2 years and 3 years respectively)). The results from the calculation of the value of these share options were based on the option pricing model chosen and on several assumptions about the parameters used, and therefore the estimated value of these share options might be subjective and uncertain. For the purpose of the incentive scheme, the Company has set performance appraisal requirements at the company level and individual level. The actual exercisable portion of a participant for the year shall be determined according to the achievement rate of the Company's performance objectives in each appraisal year and the individual annual performance appraisal results of the participant. The share options not exercisable in each appraisal year will be cancelled by the Company. For further information on the share options granted during the Reporting Period, please refer to the Company's relevant announcement dated 29 April 2022.

Section 5 Environmental and Social Responsibility

I. ENVIRONMENTAL INFORMATION

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

√ Applicable Not applicable

1. Pollutant discharge

√ Applicable Not applicable

Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Great Wall Motor Company Limited	Sewage	Intermittent emission	2	The discharge outlet on the factory site of Great Wall Motor Company Limited located at Chaoyang South Avenue	8.2	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Yindingzhuang Sewage Station	—	—	Nil
					62.4mg/L		1.98	39.14	Nil
					31.76mg/L		0.77	13.5	Nil
					3.3mg/L		0.09	1.41	Nil
					50.17mg/L		0.58	23.5	Nil
					14mg/L		0.45	—	Nil
					20.8mg/L		0.71	—	Nil
					0.16mg/L		0.006	0.009	Nil
	Exhaust gas	Regular emission	8	Main exhaust outlet of waste gas from spraying and drying in coating workshops	2.87mg/m ³	Integrated Emission Standards of Air Pollutants (GB16297-1996); Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	6.26	124.464	Nil
					ND		—	1.49	Nil
					12mg/m ³		0.95	26.914	Nil
					2.5mg/m ³		5.04	28.46	Nil
	Soil	812.34 tons of hazardous waste was generated in the first half of 2022							Nil
	Xushui Branch of Great Wall Motor Company Limited	Sewage	Intermittent emission	3	Main discharge outlets of No. 1 plant and No. 2 plant of Xushui Branch	7.8	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Dawangdian Treatment Sewage Station	—	—
44.19mg/L						17.11		37.03	Nil
4.46mg/L						1.35		2.382	Nil
0.34mg/L						0.11		1.427	Nil
29.91mg/L						6.67		—	Nil
14mg/L						5.32		—	Nil
25.4mg/L						7.05		—	Nil
0.16mg/L						0.002		—	Nil
3mg/L						0.81		—	Nil

Section 5 Environmental and Social Responsibility

Name of company or subsidiary	Name of major pollutants or specific pollutants		Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Tianjin Haval Branch of Great Wall Motor Company Limited	Sewage	PH	Intermittent emission	2	West side of the factory site	7.4	Integrated Wastewater Discharge Standards (DB12/356-2018)	—	—	Nil
		Chemical oxygen demand				42mg/L		2.93	96.313	Nil
		Ammonia nitrogen				0.72mg/L		0.19	5.85	Nil
		Total phosphorus				1.08mg/L		0.04	1.541	Nil
		Total nitrogen				16.9mg/L		0.90	13.484	Nil
		Particulate matter				12mg/L		0.33	—	Nil
		Five-day BOD				16.3mg/L		1.12	—	Nil
	Exhaust gas	VOCs	Regular emission	55	Around the factory	18.9mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB12/524-2020)	4.27	398.29	Nil
		Sulfur dioxide				3	Integrated Emission Standards of Air Pollutants (GB16297-1996)	0.02	—	Nil
		Nitrogen oxides				228mg/m ³	11.33	—	Nil	
		Particulates				3.1mg/m ³	0.0095	—	Nil	
	Solid and hazardous waste	286.48 tons of hazardous waste and 25 boxes of ordinary solid waste were generated in the first half of 2022								Nil
	Chongqing Branch of Great Wall Motor Company Limited	Exhaust gas	VOCs	Regular emission	23	Around the factory	1.13mg/m ³	Integrated Emission Standards of Air Pollutants (DB50/418-2016); Emission Standards of Air Pollutants from Boilers in Chongqing (DB50/658-2016)	0.26	35.85
Sulfur dioxide			11mg/m ³				0.17		8.63	Nil
Nitrogen oxides			33mg/m ³				2.42		74.08	Nil
Particulates			9.3mg/m ³				1.57		19.51	Nil
Soil		1,318.56 tons of hazardous waste was generated in the first half of 2022								Nil
Jingmen Branch of Great Wall Motor Company Limited	Sewage	PH	Intermittent emission	2	Main discharge outlet of domestic/industrial sewage	8	Integrated Wastewater Discharge Standards (GB8978-1996)	—	—	Nil
		Chemical oxygen demand				46.15mg/L		1.39	6.73	Nil
		Ammonia nitrogen				0.458mg/L		0.01	0.673	Nil
		Total phosphorus				1.011mg/L		0.03	0.067	Nil
	Exhaust gas	VOCs	Regular emission	41	Within the factory	2.13mg/m ³	Emission Standards of Volatile Organic Compounds from Surface Coating (Automobile Manufacturing) DB42_1539-2019; Integrated Emission Standards of Air Pollutants (GB16297-1996)	1.83	39.05	Nil
		Sulfur dioxide				35.3mg/m ³		0.05	1.65	Nil
		Nitrogen oxides				105mg/m ³		0.93	18.21	Nil
		Particulates				1.43mg/m ³		0.75	10.22	Nil

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Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Rizhao Weipai Automobile Co., Ltd. (日照魏牌汽車有限公司)	Sewage	Intermittent emission	1	Main discharge outlet of the Company	8.22	Quality Standards for Sewage Discharged into Urban Sewers (GB/T31962-2015); Water intake requirements for the sewage treatment plant in the Development Zone of Rizhao Water Group Sewage Treatment Co., Ltd.	—	—	Nil
					19.8mg/L		0.45	10.18	Nil
					2.42mg/L		0.04	1.02	Nil
					0.21mg/L		0.22	—	Nil
					0.05mg/L		2.46	—	Nil
					10mg/L		0.21	—	Nil
	Exhaust gas	Regular emission	16	Within the factory	3.9mg/m ³	Emission Standards of Volatile Organic Compounds Part 1: Automobile Manufacturing Industry (DB37/2801.1-2016)	0.31	18.33	Nil
					2.9mg/m ³		1.12	—	Nil
					1.5mg/m ³		0.33	—	Nil
					19mg/m ³		0.46	—	Nil
					8mg/m ³		0.24	—	Nil
Soil	75.7407 tons of hazardous waste was generated in the first half of 2022							Nil	
Baoding Yixin Automotive Parts Company Limited	Sewage	Intermittent emission	1	Domestic sewage outlet	7.4	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Yindingzhuang Sewage Station	—	—	Nil
					26mg/L		0.17	10.719	Nil
					2.05mg/L		0.01	—	Nil
					0.07mg/L		0.00012	—	Nil
					16mg/L		0.01	—	Nil
					7.6mg/L		0.03	—	Nil
	Exhaust gas	Intermittent emission	4	Around the factory	2.34mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	1.4787	7.534	Nil
					ND		—	1.9136	Nil
					16mg/m ³		0.69496	2.8704	Nil
	Soil	213.464 tons of hazardous waste was generated in the first half of 2022							Nil
Baoding Xushui Branch of Nobo Automotive Systems Co., Ltd.	Soil	423.91 tons of hazardous waste was generated in the first half of 2022							Nil
Baoding Xushui Vehicle Seats Branch of Nobo Automotive Systems Co., Ltd.	Soil	111.98 tons of hazardous waste was generated in the first half of 2022							Nil

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Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission	
Tianjin Branch of Nuobo Automotive System Co., Ltd.	Sewage	Intermittent emission	1	West side of the factory site	7.2	Integrated Wastewater Discharge Standards (DB12/356-2018)	—	—	Nil	
					16mg/L		0.34	183.8031	Nil	
					0.31mg/L		0.01	13.3454	Nil	
					0.36mg/L		0.03	30.227	Nil	
					20.8mg/L		0.23	3.455	Nil	
					6mg/L		0.14	—	Nil	
					5.2mg/L		0.09	—	Nil	
	Exhaust gas	Regular emission	10	Around the factory	1.59mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB12/524-2020)	2.02	18.66	Nil	
					ND		0.61	—	Nil	
					ND		0.62	—	Nil	
					9.6mg/m ³		0.49	—	Nil	
	Solid and hazardous waste	195.82 tons of hazardous waste and 101 boxes of ordinary solid waste (length*width*height: 3.45m*2.2m*1m) were generated in the first half of 2022							Nil	
	Baoding Nuobo Rubber Production Co., Ltd.	Sewage	Intermittent emission	1	West side of the factory site	7.6	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Yindingzhuang Sewage Station	7.65	—	Nil
						22mg/L		65	—	Nil
0.12mg/L						0.36		—	Nil	
0.2mg/L						0.6		—	Nil	
0.06mg/L						0.6		—	Nil	
13mg/L						39		—	Nil	
6.4mg/L						19.23		—	Nil	
Exhaust gas		Regular emission	3	Around the factory	2.5mg/m ³	Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016), Emission Standards for Industrial Pollutants of Rubber Products (GB27632-2011) and Integrated Emission Standards of Air Pollutants (GB16297-1996)	0.09	—	Nil	
					2.8mg/m ³		0.04	—	Nil	

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Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission	
Jingcheng Engineering Automotive Systems Co., Ltd.	Sewage	Intermittent emission	1	Main discharge outlets of the plant	PH	Integrated Wastewater Discharge Standards (GB8978-1996)	—	—	Nil	
					Chemical oxygen demand		7.73	0.890	4.066	Nil
					Ammonia nitrogen		61.66mg/L	0.01	0.675	Nil
					Total phosphorus		1.52mg/L	0.01	0.0813	Nil
					Total nitrogen		0.82mg/L	0.07	—	Nil
					Particulate matter		10mg/L	0.13	—	Nil
					Five-day BOD		42mg/L	0.17	—	Nil
					Total nickel		20.5mg/L	0.0058	0.0085	Nil
	Soil	63.46 tons of hazardous waste was generated in the first half of 2022							Nil	
Baoding Xushui Chassis Branch of Jingcheng Engineering Automotive Systems Co., Ltd.	Sewage	Intermittent emission	2	Main discharge outlet of phase 1, main discharge outlet of No. 2 plant	PH	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Dawangdian Treatment Sewage Station	—	—	Nil	
					Chemical oxygen demand		7.6	2.03	4.534	Nil
					Ammonia nitrogen		39mg/L	0.9	1.814	Nil
					Total phosphorus		24.5mg/L	0.06	0.503	Nil
					Total nitrogen		1.55mg/L	1.9	3.022	Nil
					Particulate matter		30.4mg/L	1.15	—	Nil
Baoding Exquisite Automotive Mould Technology Co., Ltd.	Sewage	Intermittent emission	2	The discharge outlet at the Chaoyang South Avenue, the discharge outlet of Jiaozhuang Sewage Station	PH	Integrated Wastewater Discharge Standards (GB8978-1996)	—	—	Nil	
					Chemical oxygen demand		7.4	0.33	—	Nil
					Ammonia nitrogen		34mg/L	0.05	—	Nil
					Total phosphorus		19.1mg/L	0.002	—	Nil
					Total nitrogen		0.95mg/L	0.05	—	Nil
					Particulate matter		24.3mg/L	0.07	—	Nil
					Five-day BOD		13mg/L	0.07	—	Nil
Baoding Great Machinery Company Limited (保定市格瑞機械有限公司)	Sewage	Intermittent emission	1	Main discharge outlets of the plant	PH	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality standard for Lugang Sewage Treatment Plant	—	—	Nil	
					Chemical oxygen demand		8.1	0.29	3.563	Nil
					Ammonia nitrogen		130mg/L	0.01	0.2	Nil
					Particulate matter		3.23mg/L	0.04	1.723	Nil
					Five-day BOD		17mg/L	0.08	—	Nil
					29.4mg/L					

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Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission		
Shunping Precision Die Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd.	Sewage	Intermittent emission	1	Main discharge outlet of the sewage station in the plant (share with Precision Casting Branch)	PH	7.4	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Shunping Qingyuan Sewage Treatment Co., Ltd.	—	—	Nil	
					Chemical oxygen demand	37mg/L		4.44	—	Nil	
					Ammonia nitrogen	1.56mg/L		0.14	—	Nil	
					Total phosphorus	0.36mg/L		0.03	—	Nil	
					Total nitrogen	10.7mg/L		0.996	—	Nil	
					Particulate matter	15mg/L		1.39	—	Nil	
					Five-day BOD	11.4mg/L		1.06	—	Nil	
	Exhaust gas	Regular emission	6	Around the factory	VOCs	3.49mg/m ³	Integrated Emission Standards of Air Pollutants (GB16297-1996); Emission Standards of Industrial Furnace Kiln Air Pollutants (DB13/1640-2012)	1.03	—	Nil	
					Sulfur dioxide	ND		—	—	Nil	
					Nitrogen oxides	12mg/m ³		0.48	—	Nil	
					Particulates	2.9mg/m ³		0.47	—	Nil	
	Shunping Precision Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd.	Sewage	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	PH	7.8	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Shunping Qingyuan Sewage Treatment Co., Ltd.	—	—	Nil
						Chemical oxygen demand	65mg/L		7.81	—	Nil
Ammonia nitrogen						4.98mg/L	0.55		—	Nil	
Total phosphorus						0.18mg/L	0.02		—	Nil	
Particulate matter						14mg/L	0.92		—	Nil	
Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited	Sewage	Intermittent emission	1	Main discharge outlet of the sewage station in the plant	PH	7.9	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Dawangdian Industrial Park Sewage Treatment Station	/	—	Nil	
					Chemical oxygen demand	38mg/L		1.520	—	Nil	
					Ammonia nitrogen	1.09mg/L		0.03	—	Nil	
					Total phosphorus	0.33mg/L		0.03	—	Nil	
					Total nitrogen	23.7mg/L		0.61	—	Nil	
					Particulate matter	17mg/L		0.21	—	Nil	
	Exhaust gas	Regular emission	5	Around the factory	Non-methane hydrocarbons	3.35mg/m ³	Emission Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016); Integrated Emission Standards of Air Pollutants (GB16297-1996)	0.12	3.272	Nil	
					Sulfur dioxide	ND		—	—	Nil	
					Nitrogen oxides	ND		—	—	Nil	
					Particulates	2.5mg/m ³		0.09	1.444	Nil	
Baoding Heating System Branch of Mind Electronics Company Limited	Soil	114.9615 tons of hazardous waste was generated in the first half of 2022							Nil		
Baoding Optoelectronics Branch of Mind Electronics Company Limited	Soil	34.785 tons of hazardous waste was generated in the first half of 2022							Nil		

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Name of company or subsidiary	Name of major pollutants or specific pollutants	Way of emission	Number of discharge outlet	Location of discharge outlet	Emission concentration	Adopted emission standards for pollutants	Total emissions (t)	Verified total emissions (t/a)	Excessive emission
Dingxing Branch of Great Wall Motor Company Limited	Exhaust gas	Regular emission	17	Around the factory	0.55mg/m ³	Integrated Emission Standards of Air Pollutants (DB50/418-2016); Emission Standards of Industrial Furnace Kiln Air Pollutants (DB13/1640-2012); Control Standards of Volatile Organic Compounds for Industrial Enterprises (DB13/2322-2016)	0.007	—	Nil
					3.995mg/m ³		0.12	—	Nil
					ND		—	—	Nil
					31mg/m ³		0.1	0.702	Nil
					4.19mg/m ³		5.59	—	Nil
Honeycomb Power System (Jiangsu) Co., Ltd.	Soil	50.33 tons of hazardous waste was generated in the first half of 2022							Nil
Xushui Branch of Honeycomb Transmission Technology Hebei Co., Ltd.	Sewage	Intermittent emission	1	Main discharge outlet of the sewage station	6.66mg/L	Integrated Wastewater Discharge Standards (GB8978-1996); import water quality requirements for Dawangdian Treatment Sewage Station	—	—	Nil
					37.75mg/L		0.15	—	Nil
					0.90mg/L		0.0035	—	Nil
					0.17mg/L		0.0006	—	Nil
					17.85mg/L		0.069	—	Nil
					16.5mg/L		0.063	—	Nil

Noise: There are no cultural, educational or other noise-sensitive sites around the factory sites. The noise emitted was lower than the requirements stipulated in Boundary Noise Emission Standards for Industrial Enterprises (GB12348-2008).

In the first half of 2022, a total of 7,272 tonnes of hazardous waste consisting mainly of sludge, paint waste and contaminated waste was produced, representing a unit production of 0.017 tonne per vehicle. Such waste was transferred in accordance with the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), Notice on the Application of Dynamic Solid Waste Information Management Platform (《固體廢物動態信息管理平台應用有關工作的通知》), the Notice on the Relevant Procedures of Launching Tianjin's Hazardous Waste Online Transfer Supervision Platform for the Transfer of Hazardous Wastes in the City of Tianjin (《關於啟動天津市危險廢物在線轉移監管平台辦理危險廢物市內轉移相關手續的通知》), Notice of Chongqing Ecological Environment Bureau on Strengthening Information Management of Solid Waste (《重慶市生態環境局關於強化固體廢物信息化管理有關工作的通知》) and the procedures for obtaining approval of transfer established by the competent authorities in Tianjin, Baoding, Chongqing, Rizhao and Jingmen. Hazardous waste in Tianjin was transferred to Tianjin Hejia Veolia Environmental Services Co., Ltd. (天津合佳威立雅環境服務有限公司), Tianjin Binhai Hejia Veolia Environmental Services Co., Ltd. (天津濱海合佳威立雅環境服務有限公司), Qinhuangdao Xushankou Hazardous Waste Treatment Co., Ltd. (秦皇島市徐山口危險廢物處理有限公司), Tianjin Sanyi Langzhong Environmental Protection Technology Co., Ltd. (天津三一朗眾環保科技有限公司), Hengshui Ruitao Environmental Protection Technology Co., Ltd. (衡水睿韜環保技術有限公司) and other companies for disposal. Hazardous waste in Baoding was transferred to Baoding Kexiong Environmental Protection Technology Co., Ltd. (保定市科雄環保科技有限公司), Henan Fengda Renewable Energy Technology Co., Ltd. (河南豐達再生能源科技有限公司), Hebei Fenghua Environmental Protection Technology Co.,

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Ltd. (河北風華環保科技股份有限公司), Cangzhou Jihuan Veolia Environmental Services Co., Ltd. (滄州冀環威立雅環境服務有限公司), Tangshan Youyi Shengxing Renewable Resources Co., Ltd. (唐山優藝勝星再生資源有限公司), Qinhuangdao Xushankou Hazardous Waste Treatment Co., Ltd. (秦皇島市徐山口危險廢物處理有限公司) and other companies for disposal. Hazardous waste in Chongqing was transferred to Chongqing Lite Juxin Resource Recycling Technology Co., Ltd. (重慶利特聚欣資源循環科技有限責任公司), Chongqing Yunxin Environmental Protection Industry Development Co., Ltd. (重慶雲鑫環保產業發展有限公司) and Chongqing Herun Zhongtian Environmental Protection Technology Co., Ltd. (重慶市禾潤中天環保科技有限公司) and other companies for disposal. Hazardous waste in Shandong was transferred to Rizhao Kairun Development and Use of Renewable Resources Co., Ltd. (日照凱潤再生資源開發利用有限公司), Taian Dezheng Haizhong Environmental Protection Technology Co., Ltd. (泰安德正海中環保科技有限責任公司), Jining Hailuo Chuangye Environmental Technology Co., Ltd. (濟寧海螺創業環境科技有限責任公司) and Zibo Zutian Environmental Protection Technology Co., Ltd. (淄博祖天環保科技有限公司) for disposal. Hazardous waste in Jingmen was transferred to Beikong Urban Environmental Resources (Yichang) Co., Ltd. (北控城市環境資源(宜昌)有限公司), Jingzhou Changsheng Environmental Protection Engineering Co., Ltd. (荊州市昌盛環保工程有限公司) and Hubei Lühe Renewable Resources Co., Ltd. (湖北綠合再生資源有限公司) for disposal. In the first half of 2022, a total of 8,960 tonnes of general solid waste was produced, representing a unit production of 0.014 tonne per vehicle, which was disposed of by the qualified waste recycling service providers engaged by the Company.

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

Applicable Not applicable

In compliance with national laws and regulations as well as emissions standards, the waste emissions indicators of the Company and its major subsidiaries adhered to the most stringent domestic requirements currently in force. Emissions levels of sewage, exhaust gas, noise and solid waste complied with requirements. ①Sewage: sewage from plant sites was fully treated at sewage treatment plants of the Company, undergoing pre-treatment, biochemical treatment, filtering and disinfection procedures, with the treated grey water used for flushing and greening. Licensed discharge of the remaining grey water was made through the municipal sewage network, and the levels of sewage pollutants discharged were much lower than the emissions limits required by laws and regulations. ②Exhaust gas: VOCs and RTO produced by stoving were treated by combustion, exhaust gas from spraying and coating was treated by zeolite rotor and combustion facilities on top of the existing Giovanni treatment facilities based on their characteristics, undergoing adsorption, desorption and combustion procedures so as to achieve the treatment of VOCs in exhaust gas from spraying and coating. Treated exhaust gas was discharged through exhaust vents at height after meeting the required standards. A real time monitoring system for organic exhaust gas was installed and the discharge situation of VOCs was transmitted to environmental authorities in real time, with supervision by environmental authorities. ③Noise: in order to reduce noise, the Company proactively adopted various noise prevention and mitigation measures to reduce the impact on the environment. Installation of acoustic shields and anti-vibration bases for noise-generating equipment and constructing green belts in the vicinity of noise sources were the main measures undertaken for preventing and controlling noise. Effectively keeping off and lowering noise ensured eliminating noise efficiently for meeting

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the required emissions standards. ④Waste management: the Company tackled the process of waste management at source by storing waste by type and setting up temporary storage sites for solid waste. It also placed emphasis on recycling of resources, with all useful waste of value sold to external parties or re-used and worthless waste handled by dedicated waste disposal companies for compliant disposal. Hazardous waste reduction was implemented to cut hazardous waste at source and at end. Dedicated storage sites meeting requirements, equipped with smart monitoring systems and connected with environmental authorities through the Internet, were set up for all hazardous waste. Real time supervision by government authorities round the clock during the year can ensure that waste storage and disposal meet the required standards.

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

Applicable Not applicable

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

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

4. *Emergency plan for environmental contingency*

Applicable Not applicable

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

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5. *Voluntary environmental monitoring plan*

Applicable Not applicable

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

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

6. *Administrative punishment imposed due to environmental issues during the Reporting Period*

Applicable Not applicable

7. *Other environmental information contents which require disclosure*

Applicable Not applicable

According to the relevant requirements under the Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》) and the Measures for the Disclosure of Environmental Information by Enterprises and Institutions (Order No. 31 of the Ministry of Environmental Protection) 《企業事業單位環境信息公開辦法》(環保部第31號令)), the key pollutant discharge units announced by the local environmental protection departments in the places where the Company and its major subsidiaries are located are Great Wall Motor Company Limited, Xushui Branch of Great Wall Motor Company Limited, Tianjin Haval Branch of Great Wall Motor Company Limited, Chongqing Branch of Great Wall Motor Company Limited, Jingmen Branch of Great Wall Motor Company Limited, Rizhao Weipai Automobile Co., Ltd., Baoding Yixin Automotive Parts Company Limited, Baoding Xushui Branch of Nobo Automotive System Co., Ltd, Xushui Vehicle Seats Branch of Nobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司徐水座椅分公司), Tianjin Branch of Nobo Automotive System Co., Ltd., Baoding Nobo Rubber Production Co., Ltd., Baoding Nobo Auto Decorations Company Limited (保定諾博汽車裝飾件有限公司), Jingcheng Engineering Automotive Systems Co., Ltd. Baoding Xushui Jinggong Chassis Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司保定徐水精工底盤分公

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司), Baoding Mould Technology Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司保定模具技術分公司), Baoding Great Machinery Company Limited (保定市格瑞機械有限公司), Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd., Shunping Precision Die Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工壓鑄分公司), Shunping Precision Casting Branch of Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司順平精工鑄造分公司), Tianjin Haval Branch of Great Wall Motor – Interior and Exterior Decoration and Chassis Business Department (長城汽車天津哈弗分公司內外飾和底盤事業部), Baoding Xushui Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定徐水光電分公司), Baoding Optoelectronics Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定光電分公司), Baoding Heating System Branch of Mind Electronics Company Limited (曼德電子電器有限公司保定熱系統分公司), Dingxing Branch of Great Wall Motor Company Limited, Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司), Tianjin Haval Branch of Great Wall Motor Company Limited – Power Business Department (長城汽車股份有限公司天津哈弗分公司動力事業部), Xushui Branch of Honeycomb Transmission Technology Hebei Co., Ltd. Relevant topics and sections on environmental information have been created on the Company's official website to publish the Company's environmental-related information.

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

Applicable Not applicable

1. Administrative punishment imposed due to environmental issues

Applicable Not applicable

2. Reference to other environmental information disclosed by key pollutant discharging companies

Applicable Not applicable

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

- ① They stepped up the establishment of management offices and systems to further raise basic management standards. All subsidiaries of the Company had their environmental management offices and management staff, which formed an environmental management network across the Company. Environmental management rules and regulations were formulated and enforced stringently so that environmental work was under management;

Section 5 Environmental and Social Responsibility

- ② In compliance with national laws and regulations as well as emissions standards, the waste emissions indicators of the Company and its major subsidiaries adhered to the most stringent domestic requirements currently in force. Emissions levels of sewage, exhaust gas, noise and solid waste complied with requirements, and sewage from plant sites was fully treated at sewage treatment plants of the Company, undergoing pre-treatment, biochemical treatment, filtering and disinfection procedures, with the treated grey water used for flushing and greening. Licensed discharge of the remaining grey water was made through the municipal sewage network, and the levels of sewage pollutants discharged were much lower than the emissions limits required by laws and regulations. VOCs and RTO produced by stoving were treated by combustion, exhaust gas from spraying and coating was treated by zeolite rotor and combustion facilities on top of the existing Giovanni treatment facilities based on their characteristics, undergoing adsorption, desorption and combustion procedures so as to achieve the treatment of VOCs in exhaust gas from spraying and coating. Treated exhaust gas was discharged through exhaust vents at height after meeting the required standards. In order to reduce noise, the Company proactively adopted various noise prevention and mitigation measures to reduce the impact on the environment. Installation of anti-vibration bases for noise-generating equipment, constructing green belts in the vicinity of noise sources and provision of acoustic shields (soundproof rooms) were the main measures undertaken for preventing and controlling noise. Effectively keeping off and lowering noise ensured eliminating noise efficiently for meeting the required emissions standards. The Company tackled the process of waste management at source by storing waste by type and setting up temporary storage sites for solid waste. It also placed emphasis on recycling of resources, with all useful waste of value sold to external parties or re-used and worthless waste handled by dedicated waste disposal companies for compliant disposal. Dedicated storage sites meeting requirements, equipped with smart monitoring systems and connected with environmental authorities through the Internet, were set up for all hazardous waste. Real time supervision by government authorities round the clock during the year helped ensure that waste storage and disposal could meet the required standards;
- ③ They improved the construction of various pollution control facilities by increasing financial commitment to environmental protection on an ongoing basis. All enterprises of the Company had built comprehensive pollution prevention and control facilities for the comprehensive treatment of various types of pollution such as sewage, exhaust gas and noise pollution, and for the lawful and compliant disposal of hazardous waste. In recent years, the Company kept increasing financial commitment to environmental protection, especially the prevention and control of air pollution, thus having made due contributions to improving air quality;

Section 5 Environmental and Social Responsibility

- ④ They gained access to environmental laws and regulations in a timely manner to conduct compliance evaluation. The regulations governing environmental impact assessment on construction projects were enforced stringently for the new, renovation and expansion projects of all enterprises to make sure the “Three Simultaneities” system for environmental protection was enforced. The application for pollutant discharge permit was completed and both self-monitoring and third-party monitoring were carried out;
- ⑤ They participated in more environmental exhibitions at home and abroad so as to learn and bring in new, state-of-the-art environmental technologies, and carried out whole-process control over pollutant emissions to achieve the management philosophy of waste reduction at source and treatment at the end simultaneously to raise pollution treatment standards and reduce the generation of pollutants;
- ⑥ The Company had established a sound environmental risk emergency response mechanism. All enterprises had formulated an Emergency Plan for Unexpected Environmental Pollution Incidents. Environmental training and emergency drills for unexpected environmental incidents will be conducted every year to make sure that environmental management staff are familiar with environmental-related skills and that they can handle emergency quickly, orderly and efficiently when these incidents occur.

3. *Reasons for not disclosing other environmental information*

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

The Company has proactively established sound environmental management systems and received the Environmental Management Systems Audit Certification (ISO14001:2004) since 2008. It completed the Supervisory Audit Certification (ISO14001:2015) in 2021, ensuring the suitability, adequacy and effectiveness of the environmental management system in the Company.

Section 5 Environmental and Social Responsibility

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

Applicable Not applicable

In order to actively respond to the national long-term strategic goal of achieving carbon peak by 2030 and carbon neutrality by 2060, Great Wall Motor carried out energy conservation and carbon reduction in all fields covering the entire life cycle. In the development stage, the carbon emission in the whole life cycle of products was reduced by 4.2% during the Reporting Period compared with that in 2020 through the optimization of product structure, iterative upgrading of power technology, application of recycled materials, clean energy production, lightweight design and other technologies and management means. In the manufacturing stage, the carbon emission intensity in the production stage was reduced by 8% during the Reporting Period compared with that in 2020 through measures such as process innovation, production efficiency improvement, application of energy-saving equipment, management of energy conservation, and expansion of the proportion of renewable energy application. In the scrapping and recycling stage, the Company has established a sound resource recycling system, and has taken the lead in developing businesses along the whole industrial chain of renewable resources such as the recycling and dismantling of end-of-life vehicles and the remanufacturing of auto parts, so as to take advantage of the value of circular economy, promote the sound development of the remanufacturing industry and maximize the use of resources.

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

Applicable Not applicable

- (I) In April 2022, the Company held charity activities themed "The Light of TANK", our unified brand for charity, in Beijing, Shanghai and Guangzhou, and joined hands with WAVELIB to help underprivileged children;
- (II) In June 2022, the Company synchronously carried out the activity of "escorting examinees to take the college entrance exam" for Haval car owners in 26 cities in China, providing pickup services and distributing gift packages to examinees. All Haval models were used in the activity including Big Dog, Chitu, Shenshou, H6, H9 and F7.

Section 6 Significant Events

I. PERFORMANCE OF UNDERTAKINGS

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

√ Applicable Not applicable

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

Section 6 Significant Events

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

Section 6 Significant Events

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

Section 6 Significant Events

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

Section 6 Significant Events

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

Section 6 Significant Events

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

Section 6 Significant Events

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

Applicable Not applicable

III. ILLEGAL GUARANTEES

Applicable Not applicable

IV. AUDIT FOR THE INTERIM REPORT

Applicable Not applicable

(I) APPOINTMENT OR DISMISSAL OF ACCOUNTING FIRM

Description of appointment or dismissal of accounting firm

Applicable Not applicable

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

Change of the accounting firm during the audit period

Applicable Not applicable

(II) Explanation of the Company on "non-standard auditor's report" issued by the accounting firm

Applicable Not applicable

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

Applicable Not applicable

VI. BANKRUPTCY AND RESTRUCTURING

Applicable Not applicable

VII. MATERIAL LITIGATIONS AND ARBITRATIONS

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

Section 6 Significant Events

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

Applicable Not applicable

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

Applicable Not applicable

X. MATERIAL RELATED PARTY TRANSACTIONS**(I) Related party transactions relating to daily operations****1. Matters disclosed in preliminary announcements without subsequent development or changes**

Applicable Not applicable

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

Applicable Not applicable

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

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

Section 6 Significant Events

Set out below are the ordinary related party transactions conducted as of 30 June 2022 between the Group and Great Wall Holdings (including companies directly or indirectly controlled by Great Wall Holdings and companies in which the de facto controllers of Great Wall Holdings serve as directors):

Currency: RMB Unit: 0'000

Type	Estimated cap for 2022	Actual amount for January to June 2022	Reasons for the relatively large difference between the estimated amount and the actual amount
Purchase of products	2,154,566.00	201,884.95	Mainly due to the relatively small number of battery packs purchased from related parties as a result of the small sale scale of new energy vehicles of the Company.
Sales of products	212,155.00	22,480.71	Mainly due to the relatively small number of parts, components and other products of the Company sold in the first half of the year.
Purchase of services	97,593.00	13,668.44	Mainly due to the relatively small number of service projects of the Company settled in the first half of the year.
Provision of services	13,780.00	3,246.76	—
Leasing (short-term)	91,235.00	21,125.55	Mainly due to the relatively small number of equipment leased from related parties by the Company
Leasing (long-term)	126,615.00	71,902.91	Mainly due to the relatively small number of plants leased from related parties by the Company
Provision of leases	1,048.00	746.96	—

The total amount of the ordinary related party (connected) transactions between the Group and Baoding Great Wall Holdings Company Limited (including companies directly or indirectly under its control) from January to June 2022 did not exceed the estimated cap for 2022. Transactions in relation to the provision of leases are exempt from all requirements of reporting, annual review, announcement, and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

Section 6 Significant Events

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

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

Set out below are the ordinary related party transactions conducted as of 30 June 2022 between the Group and Great Wall Binyin:

Deposits by the Group with Great Wall Binyin from January to June 2022

Currency: RMB Unit: 0'000

Type	Estimated daily cap of deposit balance for 2022	Maximum amount of single-day deposit balance in 2022 (January to June)	Reasons for the relatively large difference between the estimated amount and the actual amount
Deposit	1,270,000	776,200	Mainly due to maturity of certain fixed deposits of the Company

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

Currency: RMB Unit: 0'000

Type	Estimated cap for 2022	Actual amount in 2022 (January to June)	Reasons for the relatively large difference between the estimated amount and the actual amount
Sales of products	3,426.00	1.86	—
Purchase of services	129,549.00	16,263.80	Mainly due to the decrease in the number of contracts as the Company brought in bank discount channels through which the discount business was diverted to the bank.
Purchase of products		0.47	—
Provision of services	6,412.00	1,452.83	—
Provision of leases	68.00	11.17	—
Total	139,455.00	17,730.13	—

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

Section 6 Significant Events

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

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

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

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

As of 30 June 2022, the related party transactions between the Group and Spotlight Automotive are as follows:

1. The Group sold products to Spotlight Automotive. The actual amount of related party transactions was RMB20.7308 million.
2. The Group provided services to Spotlight Automotive. The actual amount of related party transactions was RMB-0.0601 million.
3. The Group received services from Spotlight Automotive. The actual amount of related party transactions was RMB38.9733 million.

The ordinary related party transactions between the Group and Spotlight Automotive from January to June 2022 did not exceed the corresponding estimated caps.

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

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

Section 6 Significant Events

3. *Matters undisclosed in preliminary announcements*

Applicable Not applicable

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

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

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

Applicable Not applicable

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

Applicable Not applicable

3. *Matters undisclosed in preliminary announcements*

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

3. *Matters undisclosed in preliminary announcements*

Applicable Not applicable

Section 6 Significant Events

(IV) Amounts due to or from related parties

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

Applicable Not applicable

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

Applicable Not applicable

3. Matters undisclosed in preliminary announcements

Applicable Not applicable

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

Applicable Not applicable

(VI) Other material related party transactions

Applicable Not applicable

(VII) Others

Applicable Not applicable

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

Section 6 Significant Events

XI. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

1. Trust, contracting and leasing

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB Currency: RMB

Guarantees provided by the Company for external parties (excluding those for subsidiaries)

Total amount of guarantees during the Reporting Period (excluding guarantees provided for subsidiaries)	0
Total amount of guarantees outstanding as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)	0

Guarantees provided by the Company for subsidiaries

Total amount of guarantees for subsidiaries during the Reporting Period	2,522,482,000.00
Total amount of guarantees for subsidiaries outstanding as at the end of the Reporting Period (B)	9,289,554,261.25

Total amount of guarantees
(including guarantees provided for subsidiaries) provided by the Company

Total amount of guarantees (A+B)	9,289,554,261.25
Total amount of guarantees as a percentage of the net asset value of the Company (%)	13.33
Of which:	
Amount of guarantees provided for shareholders, parties which have de facto control and their related parties (C)	0
Amount of guarantees directly or indirectly provided for parties with a gearing ratio exceeding 70% (D)	4,983,549,731.56
Total amount of guarantees in excess of 50% of net asset value (E)	0
Total amount of guarantees of the above three items (C+D+E)	4,983,549,731.56
Statement on the contingent joint liability in connection with unexpired guarantees	None

Section 6 Significant Events

Details of guarantee

1. Guarantee plans considered and approved:

- (1) In April 2020, the Company held a shareholders' general meeting, at which the Resolution on the Estimated Guarantee Amount Provided by the Company to Controlled Subsidiaries (hereinafter referred to as the "2020 Guarantee Plan") was considered and approved, pursuant to which the estimated total additional guarantee amount to controlled subsidiaries would not exceed RMB12,503.30 million. Provided that the estimated total amount was not exceeded, the guarantee amount to controlled subsidiaries can be allocated among subsidiaries within the Company;
- (2) In April 2021, the Company held a shareholders' general meeting, at which the Resolution on the 2021 Guarantee Plan (hereinafter referred to as the "2021 Guarantee Plan") was considered and approved, pursuant to which the estimated total additional guarantee amount to controlled subsidiaries would not exceed RMB6,200.00 million. Provided that the estimated total amount was not exceeded, the guarantee amount to controlled subsidiaries can be allocated among subsidiaries within the Company;
- (3) In April 2022, the Company held a shareholders' general meeting, at which the Resolution on the 2022 Guarantee Plan (hereinafter referred to as the "2022 Guarantee Plan") was considered and approved, pursuant to which the estimated total additional guarantee amount to controlled subsidiaries would not exceed RMB16,169.7240 million. Provided that the estimated total amount was not exceeded, the guarantee amount to controlled subsidiaries can be allocated among subsidiaries within the Company.

Section 6 Significant Events

2. Guarantees occurred (the companies mentioned below are all subsidiaries directly or indirectly controlled by the Company):

(1) Billion Sunny Development Co., Ltd. (億新發展有限公司)

In April 2020, the Company held a shareholders' general meeting to consider and approve guarantees of USD232,500,000 and EUR396,186,000, which were equivalent to the amounts actually provided, to Billion Sunny Development Co., Ltd.;

As at 30 June 2022, the guarantee balance was RMB2,664,634,991.17.

(2) Tianjin Oula Financial Leasing Co., Ltd. (天津歐拉融資租賃有限公司)

In November 2019, the Board of the Company considered and approved a guarantee of RMB1,000,000,000, which was equivalent to the amount actually provided, to Tianjin Oula Financial Leasing Co., Ltd.;

In August 2020, the Company provided a guarantee of RMB2,000,000,000 for Tianjin Oula Financial Leasing Co., Ltd. under the 2020 Guarantee Plan;

In August 2020, Baoding Yijian Start Automobile Sales Service Co., Ltd. (保定一見啟動汽車銷售服務有限公司), a wholly-owned subsidiary of the Company, provided a guarantee of RMB200,000,000 for Tianjin Oula Financial Leasing Co., Ltd. under the 2020 Guarantee Plan;

In April 2022, the Company provided a guarantee of RMB1,000,000,000 to Tianjin Oula Financial Leasing Co., Ltd. under the 2021 Guarantee Plan;

As at 30 June 2022, the guarantee balance was RMB1,927,957,392.56.

Section 6 Significant Events

- (3) Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司)

In April 2021, the Company provided a guarantee of RMB400,000,000 for Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. under the 2021 Guarantee Plan;

In January 2022, the Company provided a guarantee of RMB100,000,000 to Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. under the 2021 Guarantee Plan;

As at 30 June 2022, the guarantee balance was RMB500,000,000.

- (4) Honeycomb Power System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司)

In December 2019, the Board of the Company considered and approved a guarantee of RMB975,224,000 to Honeycomb Power System (Jiangsu) Co., Ltd., an indirect wholly-owned subsidiary of the Company;

In November 2021, the Company provided a guarantee of RMB300,000,000 (Part 1) to Honeycomb Power System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In November 2021, the Company provided a guarantee of RMB300,000,000 (Part 2) to Honeycomb Power System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

As at 30 June 2022, the guarantee balance was RMB1,113,312,339.

Section 6 Significant Events

(5) Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司)

In January 2020, the Company held a Board meeting to consider and approve a guarantee of RMB158,860,000, which was equivalent to the amount actually provided, to Honeycomb Transmission System (Jiangsu) Co., Ltd., an indirect wholly-owned subsidiary of the Company;

In June 2020, the Company provided a guarantee of RMB500,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2020 Guarantee Plan;

In June 2021, the Company provided a guarantee of RMB200,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In November 2021, the Company provided a guarantee of RMB200,000,000 (Part 1) for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In November 2021, the Company provided a guarantee of RMB200,000,000 (Part 2) for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In January 2022, the Company provided a guarantee of RMB100,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In February 2022, the Company provided a guarantee of RMB100,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In March 2022, the Company provided a guarantee of RMB50,000,000 for Honeycomb Transmission System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

As at 30 June 2022, the guarantee balance was RMB1,454,876,830.02.

Section 6 Significant Events

- (6) Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司)

In July 2021, the Company provided a guarantee of RMB46,492,708.50 for Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In December 2021, the Company provided a guarantee of RMB40,000,000 for Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. under the 2021 Guarantee Plan;

In May 2022, the Company provided a guarantee of RMB100,000,000 for Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. under the 2022 Guarantee Plan;

As at 30 June 2022, the guarantee balance was RMB186,492,708.50.

- (7) Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司) and Haval Sales (Thailand) Co., Ltd. (哈弗銷售泰國有限公司)

In June 2021, the Company provided a guarantee of USD50,000,000 for Great Wall Motor Manufacturing (Thailand) Co., Ltd. and Haval Sales (Thailand) Co., Ltd. under the 2021 Guarantee Plan;

In November 2021, the Company provided a guarantee of USD30,000,000 for Great Wall Motor Manufacturing (Thailand) Co., Ltd. and Haval Sales (Thailand) Co., Ltd. under the 2021 Guarantee Plan;

In January 2022, the Company provided a guarantee of USD40,000,000 for Great Wall Motor Manufacturing (Thailand) Co., Ltd. and Haval Sales (Thailand) Co., Ltd. under the 2021 Guarantee Plan;

As at 30 June 2022, the guarantee balance was RMB805,368,000.

Section 6 Significant Events

- (8) Jingcheng Engineering Auto Parts (Taizhou) Co., Ltd. (精誠工
科汽車零部件(泰州)有限公司)

In August 2021, the Company provided a guarantee of RMB100,000,000 to Jingcheng Engineering Auto Parts (Taizhou) Co., Ltd. under the 2021 Guarantee Plan;

As at 30 June 2022, the guarantee balance was RMB100,000,000.

- (9) Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城
汽車製造(泰國)有限公司), Hycet Engine System (Thailand)
Company Limited (蜂巢動力系統(泰國)有限公司), Mind
Automotive Parts (Thailand) Co., Ltd. (曼德汽車零部件(泰國)
有限公司), Exquisite Automotive Parts (Thailand) Co., Ltd. (精
誠工科汽車零部件(泰國)有限公司) and Nobo Automotive
Systems (Thailand) Co., Ltd. (諾博汽車系統(泰國)有限公司)

In January 2022, the Company provided a guarantee of USD80,000,000 for Great Wall Motor Manufacturing (Thailand) Co., Ltd., Hycet Engine System (Thailand) Company Limited, Mind Automotive Parts (Thailand) Co., Ltd., Exquisite Automotive Parts (Thailand) Co., Ltd. and Nobo Automotive Systems (Thailand) Co., Ltd. under the 2021 Guarantee Plan;

As at 30 June 2022, the guarantee balance was RMB5,369,120,000.

Notes:

- (1) The above incurred guarantee amount to subsidiaries during the Reporting Period refers to the utilized amount within the approved guarantee amount during the Reporting Period;
- (2) The above guarantee balance to subsidiaries (actually incurred guarantee amount) as at the end of the Reporting Period refers to the sum of the amount un-withdrawn and the amount withdrawn and not repaid among utilized amount within the approved guarantee amount;
- (3) The exchange rate of US dollar against Renminbi was based on the Renminbi central parity rate (USD1=RMB6.7114) as announced by the People's Bank of China on 30 June 2022;
- (4) the exchange rate of Euro against Renminbi was based on the Renminbi central parity rate (EUR1=RMB7.0084) as announced by the People's Bank of China on 30 June 2022.

3. Other material contracts

Applicable Not applicable

XII. OTHER SIGNIFICANT EVENTS

Applicable Not applicable

Section 7 Changes in Shares and Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Explanation for changes in shares

Unit: share

	Before		New issue	Changes (+,-) Shares transfer				After	
	Number of shares	Percentage (%)		Bonus shares	from reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Shares with selling restrictions	56,322,850	0.61	7,955,800	0	0	-14,012,975	-6,057,175	50,265,675	0.54
1. State-owned shares	0	0	0	0	0	0	0	0	0
2. State-owned legal person shares	0	0	0	0	0	0	0	0	0
3. Other domestic shares	56,322,850	0.61	7,955,800	0	0	-14,012,975	-6,057,175	50,265,675	0.54
Including: Domestic non-state-owned legal person shares	0	0	0	0	0	0	0	0	0
Domestic natural person shares	56,322,850	0.61	7,955,800	0	0	-14,012,975	-6,057,175	50,265,675	0.54
4. Foreign shares	0	0	0	0	0	0	0	0	0
Including: Overseas legal person shares	0	0	0	0	0	0	0	0	0
Overseas natural person shares	0	0	0	0	0	0	0	0	0
II. Tradable shares without selling restrictions	9,179,390,428	99.39	25,280,504	0	0	13,814,605	39,095,109	9,218,485,537	99.46
1. Ordinary shares denominated in RMB	6,079,850,428	65.83	25,280,504	0	0	13,814,605	39,095,109	6,118,945,537	66.02
2. Domestic listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	3,099,540,000	33.56	0	0	0	0	0	3,099,540,000	33.44
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	9,235,713,278	100.00	46,951,771	0	0	-13,913,837	33,037,934	9,268,751,212	100.00

2. Explanation for changes in shares

Applicable Not applicable

(i) Repurchase and cancellation of certain restricted shares under the first grant and reserved grant of the 2020 Incentive Scheme

On 22 February 2022, the Company held the 32nd meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel the restricted A Shares of certain participants due to the demotion or failure in the annual personal performance appraisal. The aggregate number of restricted shares under the first grant repurchased on Shanghai Stock Exchange and cancelled was 198,370 shares, with a total amount of funds used of RMB727,642.8. Cancellation of the abovementioned certain restricted shares was completed on 15 April 2022.

Section 7 Changes in Shares and Shareholders

On 30 March 2022, the Company held the 35th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2020 Restricted Shares and Share Options Incentive Scheme of the Company was considered and approved, permitting the Company to repurchase and cancel the restricted A Shares of resigned participants. The aggregate number of restricted shares under the first grant repurchased on Shanghai Stock Exchange and cancelled was 125,000 shares, with a total amount of funds used of RMB450,345.4. Cancellation of the abovementioned certain restricted shares was completed on 19 July 2022.

(II) Reserved grant under the 2021 Restricted Share Incentive Scheme

On 29 April 2022, according to the authorisation of the Company's fourth extraordinary general meeting of shareholders in 2021, the second H-share class shareholders' meeting in 2021 and the second A-share class shareholders' meeting in 2021, the Company held the 38th meeting of the seventh session of the Board and the 35th meeting of the seventh session of the Supervisory Committee, at which the Resolution on Grant of Reserved Restricted Shares to Participants was considered and approved and the Company's reserved restricted shares were determined to be granted on 29 April 2022. 8.6 million restricted shares were granted to 275 participants at the price of RMB12.73 per share. A total of 255 participants contributed capital for subscription, of which 5 participants subscribed for part of the restricted shares they were entitled to and 20 participants did not participate in the subscription due to personal reasons. As such, the Company granted a total of 7.9558 million restricted shares to 255 participants. The Company completed share registration with China Securities Depository and Clearing Corporation Shanghai Branch on 22 June 2022.

(III) Repurchase and cancellation of certain restricted shares under the first grant of the 2021 Restricted Share Incentive Scheme

On 20 May 2022, the Company held the 40th meeting of the seventh session of the Board, at which the Resolution on the Repurchase and Cancellation of Certain Restricted Shares under the First Grant of the 2021 Restricted Share Incentive Scheme of the Company was considered and approved. Pursuant to the 2021 Restricted Share Incentive Scheme, restricted shares not yet unlocked at the company level shall be repurchased and cancelled according to the fulfillment of performance at the company level. Meanwhile, due to the resignation, job rotation or demotion of certain participants of the Company, or with reference to the personal performance appraisal, the Company repurchased and cancelled certain restricted A Shares under the first grant of the 2021 Restricted Share Incentive Scheme in accordance with the relevant requirements of the Management Measures for Long-term Incentive Mechanism of Great Wall Motor Company Limited and the 2021 Restricted Share Incentive Scheme.

The total number of restricted shares under the first grant repurchased on Shanghai Stock Exchange and cancelled by the Company was 2,733,835 shares, with a total amount of funds used of RMB45,330,520.3. Cancellation of the abovementioned certain restricted shares was completed on 19 July 2022.

Section 7 Changes in Shares and Shareholders

(IV) Unlocking of the second tranche of restricted shares under the first grant and the first tranche of restricted shares under the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme

On 14 April 2022, the Company held the 36th meeting of the seventh session of the Board, at which the Resolution on the Achievement of the Unlocking Conditions of the Second Tranche of Restricted Shares under the First Grant and the First Tranche of Restricted Shares under the Reserved Grant of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the unlocking conditions of the second tranche of restricted shares under the first grant and the first tranche of restricted shares under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. The number of restricted shares under the first grant unlocked and listed is 13,245,530 shares, and the number of restricted shares under the reserved grant unlock and listed is 569,075 shares. The above shares were unlocked on 27 April 2022.

(V) Fulfilment of the exercise conditions of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Restricted Share and Share Option Incentive Scheme

On 14 April 2022, the Company held the 36th meeting of the seventh session of the Board, at which the Resolution on the Fulfilment of the Exercise Conditions of Second Exercise Period of Share Options under the First Grant and First Exercise Period of Share Options under the Reserved Granted of the 2020 Restricted Share and Share Option Incentive Scheme of the Company was considered and approved. Pursuant to the above resolution, the Board is of the view that the exercise conditions of second exercise period of share options under the first grant and first exercise period of share options under the reserved grant of the 2020 Incentive Scheme of the Company have been fulfilled. The number of exercisable shares in the second exercise period under the first grant of share options is 27,894,058 shares, and the number of exercisable shares in the first exercise period under the reserved grant of share options is 7,462,500 shares. The exercise periods of the above shares commence from 5 May 2022. As of 30 June 2022, a total of 25,039,130 share options in the second exercise period under the first grant and 9,397 share options in the first exercise period under the reserved grant were exercised.

(VI) Repurchase of the Company's shares

On 25 April 2022, the Company held a general meeting, at which the Resolution on Granting the General Mandate to the Board to Repurchase A Shares and H Shares was considered and approved. According to the general mandate, the Company can repurchase its shares within the authorized period. As of 30 June 2022, the Company has repurchased a total of 61,647,500 H shares, and such shares have been cancelled on 19 July 2022. In July 2022, the Company repurchased and cancelled 46,845,000 H shares, and such shares have been cancelled on 11 August 2022. As of 30 August 2022, the Company has repurchased and cancelled a total of 108,492,500 H shares, accounting for 3.63% of the total issued H shares and 1.18% of the total issued share capital of the Company.

Section 7 Changes in Shares and Shareholders

(VII) Conversion of the Company's convertible bonds into shares

As approved by the China Securities Regulatory Commission on the Approval of the Public Issuance of Convertible Corporate Bonds by Great Wall Motor Company Limited (CSRC Permit [2021] No. 1353), the Company publicly issued 35,000,000 convertible corporate bonds on 10 June 2021 at a par value of RMB100 each, totalling RMB3.5 billion. The bonds were listed on the Shanghai Stock Exchange from 8 July 2021. The convertible bonds publicly issued by the Company can be converted during the period from 17 December 2021 to 9 June 2027. From 17 December 2021 to 30 June 2022, "Great Wall Motor Convertible Bonds" of RMB4,392,000 in total have been converted into 115,677 shares of the Company. From 1 January 2022 to 30 June 2022, "Great Wall Motor Convertible Bonds" of RMB3,761,000 in total have been converted into 99,138 shares of the Company.

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

Applicable Not applicable

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

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

Applicable Not applicable

(II) Changes in shares with selling restrictions

Applicable Not applicable

Unit: share

Name of shareholder	Number of shares with selling restriction at the beginning of the Period	Number of shares with selling restrictions removed during the Reporting Period	Increase in the number of shares with selling restrictions during the Reporting Period	Number of shares with selling restriction at the end of the Reporting Period	Reason for the selling restriction	Date of removal of the selling restriction
Restricted shares for employees	13,518,900	13,245,530	-198,370	75,000	Share incentive	27 April 2022 – 26 April 2023
Restricted shares for employees	9,012,600	0	0	9,012,600	Share incentive	27 April 2023 – 26 April 2024
Restricted shares for employees	569,075	569,075	0	0	Share incentive	27 April 2022 – 27 January 2023
Restricted shares for employees	569,075	0	0	569,075	Share incentive	28 January 2023 – 27 January 2024

Section 7 Changes in Shares and Shareholders

Name of shareholder	Number of shares with selling restriction at the beginning of the Period	Number of shares with selling restrictions removed during the Reporting Period	Increase in the number of shares with selling restrictions during the Reporting Period	Number of shares with selling restriction at the end of the Reporting Period	Reason for the selling restriction	Date of removal of the selling restriction
Restricted shares for employees	13,061,280	0	0	13,061,280	Share incentive	22 July 2022 – 21 July 2023
Restricted shares for employees	9,795,960	0	0	9,795,960	Share incentive	22 July 2023 – 21 July 2024
Restricted shares for employees	9,795,960	0	0	9,795,960	Share incentive	22 July 2024 – 21 July 2025
Restricted shares for employees	0	0	3,977,900	3,977,900	Share incentive	29 April 2022 – 28 April 2023
Restricted shares for employees	0	0	3,977,900	3,977,900	Share incentive	29 April 2023 – 28 April 2024
Total	56,322,850	13,814,605	7,757,430	50,265,675		/ /

II. SHAREHOLDERS

(I) Total number of shareholders:

Total number of shareholders as at the end of Reporting Period (person) 242,322

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

Unit: share(s)

Name of shareholder (full name)	Increase/decrease during the Reporting Period	Shareholding of the top 10 shareholders			Pledged, earmarked or frozen Condition of shares	Number	Type of shareholder
		Number of shares held at the end of the period	Percentage (%)	Number of shares held with selling restrictions			
Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司)	0 (A Shares)	5,115,000,000 (A Shares)	55.19	0 (A Shares)	Pledged	779,500,000 (A Shares)	Domestic non-state-owned legal person
HKSCC NOMINEES LIMITED	-1,971,010 (H Shares)	3,083,398,741 (H Shares)	33.27	—	Unknown	—	Overseas legal person
China Securities Finance Corporation Limited	0 (A Shares)	196,889,089 (A Shares)	2.12	—	Unknown	—	Others

Section 7 Changes in Shares and Shareholders

Name of shareholder (full name)	Increase/ decrease during the Reporting Period	Shareholding of the top 10 shareholders					Type of shareholder
		Number of shares held at the end of the period	Percentage (%)	Number of shares held with selling restrictions	Pledged, earmarked or frozen Condition of shares	Number	
Hong Kong Securities Clearing Company Limited	-12,222,066 (A Shares)	47,495,839 (A Shares)	0.51	—	Unknown	—	Others
National Social Security Fund Portfolio 103	11,800,000 (A Shares)	47,000,000 (A Shares)	0.51	—	Unknown	—	Others
China Minsheng Banking Corp., Ltd. – GF Industry Selection Mixed Securities Investment Fund with Three-year Holding Period (中國民生銀行股份有限公司 —廣發行業嚴選三年持有期 混合型證券投資基金)	7,126,383 (A Shares)	24,617,126 (A Shares)	0.27	—	Unknown	—	Others
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund	-2,553,500 (A Shares)	16,533,892 (A Shares)	0.18	—	Unknown	—	Others
Industrial and Commercial Bank of China Limited – GF Double- Engine Advanced Mixed Securities Investment Fund (中國工商銀行股份有限公司 —廣發雙擎升級混合型證券 投資基金)	870,100 (A Shares)	13,236,051 (A Shares)	0.14	—	Unknown	—	Others
China Construction Bank Corporation – GF CSI All Share Auto Index Initiated Securities Investment Fund (中國建設銀行股份有限公司 —廣發中證全指汽車指數型 發起式證券投資基金)	3,386,026 (A Shares)	10,795,397 (A Shares)	0.12	—	Unknown	—	Others
China Construction Bank Corporation – GF Technology Pioneer Mixed Securities Investment Fund (中國建設銀行股份有限公司 —廣發科技先鋒混合型證券 投資基金)	3,947,000 (A Shares)	10,107,613 (A Shares)	0.11	—	Unknown	—	Others

Section 7 Changes in Shares and Shareholders

Shareholding of the top 10 shareholders holding shares without selling restrictions

Name of shareholder	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
Baoding Innovation Great Wall Asset Management Company Limited	5,115,000,000 (A Shares)	RMB-denominated ordinary shares	5,115,000,000 (A Shares)
HKSCC NOMINEES LIMITED	3,083,398,741 (H Shares)	Overseas listed foreign shares	3,083,398,741 (H Shares)
China Securities Finance Corporation Limited	196,889,089 (A Shares)	RMB-denominated ordinary shares	196,889,089 (A Shares)
Hong Kong Securities Clearing Company Limited	47,495,839 (A Shares)	RMB-denominated ordinary shares	47,495,839 (A Shares)
National Social Security Fund Portfolio 103	47,000,000 (A Shares)	RMB-denominated ordinary shares	47,000,000 (A Shares)
China Minsheng Banking Corp., Ltd. – GF Industry Selection Mixed Securities Investment Fund with Three-year Holding Period	24,617,126 (A Shares)	RMB-denominated ordinary shares	24,617,126 (A Shares)
China Construction Bank Corporation – Huaxia Energy Reform Equity Securities Investment Fund	16,533,892 (A Shares)	RMB-denominated ordinary shares	16,533,892 (A Shares)
Industrial and Commercial Bank of China Limited – GF Double-Engine Advanced Mixed Securities Investment Fund	13,236,051 (A Shares)	RMB-denominated ordinary shares	13,236,051 (A Shares)
China Construction Bank Corporation – GF CSI All Share Auto Index Initiated Securities Investment Fund	10,795,397 (A Shares)	RMB-denominated ordinary shares	10,795,397 (A Shares)
China Construction Bank Corporation – GF Technology Pioneer Mixed Securities Investment Fund	10,107,613 (A Shares)	RMB-denominated ordinary shares	10,107,613 (A Shares)
Description of special buyback accounts of the top 10 shareholders	—		
Description of the above shareholders' proxy voting right, entrusted voting right and abandonment of voting right	—		
Description of the related party relationship or acting in concert among the above shareholders	There is no related party relationship between Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), the controlling shareholder of the Company, and other shareholders. In addition, the Company is not aware of any related party relationship among the other shareholders mentioned above.		
Description of the shareholders holding preference shares with restored voting rights and their shareholding	—		

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

Applicable Not applicable

Section 7 Changes in Shares and Shareholders

Shares Held by Substantial Shareholders (SFO Requirements)

As at 30 June 2022, the following shareholders (excluding the directors, supervisors and chief executives of the Company) had interests or short positions in shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Number of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Baoding Innovation Great Wall Asset Management Company Limited (Note 1)	5,115,000,000 (L) (A Shares)	82.91	—	55.19
Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) (Note 2)	5,115,000,000 (L) (A Shares)	82.91	—	55.19
Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司) (Note 3)	5,115,000,000 (L) (A Shares)	82.91	—	55.19
BlackRock, Inc.	218,773,074 (L) (H Shares)	—	7.06 (L)	2.36
	214,500 (S) (H Shares)	—	0.01 (S)	0.002
Schroders PLC	192,339,000 (L) (H Shares)	—	6.21 (L)	2.08
Han Xue Juan (Note 4)	5,115,000,000 (L) (A Shares)	82.91	—	55.19
Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經營中心) (Note 5)	5,115,000,000 (L) (A Shares)	82.91	—	55.19

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

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

(P) denotes shares available for lending

Section 7 Changes in Shares and Shareholders

Notes:

- (1) Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) (formerly known as Baoding Woerte Management Consultant Company Limited (保定市沃爾特管理諮詢有限公司)) was established on 1 December 2005. Its place of incorporation is Baoding, Hebei Province, the PRC and its registered address is 2066 Chaoyang South Street, Lianchi District, Baoding. Its business scope covers investments in manufacturing, real estate and horticulture industries, as well as corporate planning and management consultancies (operations that require pre-approvals according to laws and administrative regulations or as prescribed by the State Council can only be conducted after obtaining approvals). As at 30 June 2022, 62.854%, 0.125%, 0.001% and 37.02% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) were held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), Mr. Wei Jian Jun, Ms. Han Xue Juan and Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經營中心) respectively, while 58.2%, 0.6% and 41.2% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) were held by Mr. Wei Jian Jun, Ms. Han Xue Juan and Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司), a company held as to 99% and 1% by Mr. Wei Jian Jun and Ms. Han Xue Juan, respectively. Therefore, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) is a company controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which is in turn controlled by Mr. Wei Jian Jun, and Mr. Wei Jian Jun is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) pursuant to the SFO.
- (2) As at 30 June 2022, Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) held 62.854% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) pursuant to the SFO.
- (3) As at 30 June 2022, Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司) held 41.2% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司), which in turn held 62.854% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) pursuant to the SFO.
- (4) As at 30 June 2022, Ms. Han Xue Juan, the spouse of Mr. Wei Jian Jun, held 0.001% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司), 0.6% equity interest in Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) and 1% equity interest in Beijing Lvzhi Chaowan Technology Co., Ltd. (北京綠智潮玩科技有限公司). Ms. Han Xue Juan is deemed to be interested in all the shares of the Company in which Mr. Wei Jian Jun is interested pursuant to the SFO.
- (5) As at 30 June 2022, Management Centre of Collective Assets of Nandayuan Town, Lianchi District, Baoding (保定市蓮池區南大園鄉集體資產經營中心) (formerly known as Management Centre of Collective Assets of Nandayuan Town, Nanshi District, Baoding (保定市南市區南大園鄉集體資產經營中心)) held 37.02% equity interest in Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and is deemed to be interested in all the shares of the Company held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) pursuant to the SFO.

Save as disclosed above, as at 30 June 2022, so far as the directors, supervisors and chief executives of the Company are aware, no other person (excluding the directors, supervisors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Section 7 Changes in Shares and Shareholders

Directors' and supervisors' interests in securities

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

Name of director/supervisor	Capacity/nature of interest	Number of shares	Approximate percentage of A Shares (%)	Approximate percentage of H Shares (%)	Approximate percentage of total number of shares (%)
Mr. Wei Jian Jun	Interests in controlled companies	5,115,000,000 (L) (A Shares)	82.91	—	55.19
Mr. Wei Jian Jun	Interests in controlled companies	37,998,500 (L) (H Shares)	—	1.23	0.41
Total		5,152,998,500 (L) (A Shares + H Shares)	—	—	55.60
Ms. Wang Feng Ying	Beneficial owner	2,475,000 (L) (A Shares)	0.04	—	0.03
Mr. Zhao Guo Qing	Beneficial owner	1,035,000 (L) (A Shares)	0.02	—	0.01
Ms. Li Hong Shuan	Beneficial owner and interests of spouse	262,100 (L) (A Shares)	0.004	—	0.003

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

Note:

As at 30 June 2022, Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) was controlled by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司) which was in turn controlled by Mr. Wei Jian Jun. Accordingly, pursuant to the SFO, Mr. Wei Jian Jun is deemed to be interested in the 5,115,000,000 A Shares held by Baoding Innovation Great Wall Asset Management Company Limited (保定創新長城資產管理有限公司) and 37,998,500 H Shares held by Baoding Great Wall Holdings Company Limited (保定市長城控股集團有限公司).

As at 30 June 2022, Ms. Li Hong Shuan held 180,000 A Shares of the Company and her spouse Mr. Wang Xiao Zu held 53,066 A Shares and 29,034 A Share options of the Company. Pursuant to the SFO, Ms. Li Hong Shuan is deemed to be interested in 262,100 A Shares.

Save as disclosed above, so far as the directors of the Company are aware, as at 30 June 2022, none of the directors, supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in section 352 of the SFO or were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. For this purpose, the relevant provisions of the SFO shall be construed as if they were applicable to the supervisors.

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

Applicable Not applicable

Section 7 Changes in Shares and Shareholders

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

Applicable Not applicable

Unit: share(s)

Name	Position	The number of shares held at the beginning of the period	The number of shares held at the end of the period	Increase/decrease of shares during the Reporting Period	Reasons for such changes
Wang Feng Ying	Director, Senior Management	0	2,475,000	2,475,000	Share incentive implementation
Yang Zhi Juan	Director	0	40,000	40,000	Share incentive implementation

Other explanation

Applicable Not applicable

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

1. Share options

Applicable Not applicable

2. Restricted shares

Applicable Not applicable

Unit: share(s)

Name	Position	Number of restricted shares held at the beginning of the period	Number of restricted shares newly granted during the Reporting Period	Unlocked shares	Locked shares	Number of restricted shares held at the end of the period
Wang Feng Ying	Director, Senior Management	0	2,475,000	0	2,475,000	2,475,000
Total	/	0	2,475,000	0	2,475,000	2,475,000

(III) Other Explanations

Applicable Not applicable

IV. CHANGES IN CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

Applicable Not applicable

Section 8 Description of Preference Shares

Applicable Not applicable

Section 9 Description of Corporate Bonds

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

Applicable Not applicable

II. CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

(I) Issuance of convertible bonds

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

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

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

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

Unit: RMB0'000

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

Section 9 Description of Corporate Bonds

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

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

Total proceeds and details of utilisation:

Unit: RMB0'000

Total proceeds from the issuance of A share convertible corporate bonds (RMB0'000)	Planned use of proceeds previously disclosed	Proceeds utilized as of 30 June 2022 (RMB0'000)	Proceeds unutilized as of 30 June 2022 (RMB0'000)	Expected timeline for utilisation of unutilised proceeds
350,000.00	New models R&D project	121,526.96	233,895.86	On or before 31 December 2023
	GDC project	0	0	On or before 31 December 2025

Note: As of 30 June 2022, the unutilized proceeds included interest income from funds raised.

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

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

Name of convertible corporate bonds	2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited
Number of holders of convertible bonds at the end of period	19,482
Guarantors of convertible bonds of the Company	Nil
Significant changes in the profitability, assets and credit status of the guarantors	Nil

Section 9 Description of Corporate Bonds

The top ten convertible bond holders are as follows:

Name of holders of convertible corporate bonds	Convertible bonds held as at the end of the period (RMB)	Proportion (%)
Special accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China) (登記結算系統債券回購質押專用賬戶(中國工商銀行))	473,134,000	13.54
Special accounts for bonds repurchase and pledge under the registration and settlement system (CITIC Securities Co., Ltd.) (登記結算系統債券回購質押專用賬戶(中信證券股份有限公司))	245,435,000	7.02
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Construction Bank) (登記結算系統債券回購質押專用賬戶(中國建設銀行))	198,825,000	5.69
China Foreign Economy and Trade Trust Co., Ltd. – Foreign Investment Trust – Ruijun Wenxiang Private Security Investment Fund (中國對外經濟貿易信託有限公司－外貿信託－睿郡穩享私募證券投資基金)	110,552,000	3.16
CITIC Securities Co., Ltd. (中信證券股份有限公司)	100,322,000	2.87
Special accounts for bonds repurchase and pledge under the registration and settlement system (Bank of Communications) (登記結算系統債券回購質押專用賬戶(交通銀行))	95,790,000	2.74
Shanghai Wisdomshire Asset Management Co., Ltd. – Ruijun Ruixiang Private Security Investment Fund (上海睿郡資產管理有限公司－睿郡睿享私募證券投資基金)	87,447,000	2.50
Special accounts for bonds repurchase and pledge under the registration and settlement system (Bank of China) (登記結算系統債券回購質押專用賬戶(中國銀行))	84,391,000	2.41
Bank of China – E Fund Stable Income Bond Securities Investment Fund (中國銀行－易方達穩健收益債券型證券投資基金)	66,796,000	1.91
China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司)	54,772,000	1.57

Section 9 Description of Corporate Bonds

(III) Changes in convertible bonds during the Reporting Period

Unit: RMB Currency: RMB

Name of convertible corporate bond	Before this change	Increase/decrease for this change			After this change
		Conversion	Redemption	Buyback	
2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited	3,499,369,000	171,000	0	0	3,499,198,000
2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited	3,499,198,000	153,000	0	0	3,499,045,000
2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited	3,499,045,000	98,000	0	0	3,498,947,000
2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited	3,498,947,000	74,000	0	0	3,498,873,000
2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited	3,498,873,000	60,000	0	0	3,498,813,000
2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited	3,498,813,000	3,205,000	0	0	3,495,608,000

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

Name of convertible corporate bond	2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited
Amount of conversion during the Reporting Period (RMB)	3,761,000
Number of conversion shares during the Reporting Period (share)	99,138
Cumulative conversion shares (share)	115,677
Percentage of cumulative conversion shares to total issued shares of the Company before conversion (%)	0.001253%
Amount of shares not converted (RMB)	3,495,608,000
Ratio of convertible bonds not converted to total issued convertible bonds (%)	99.87%

Section 9 Description of Corporate Bonds

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

Name of convertible corporate bond			2021 Publicly Issued A Share Convertible Corporate Bonds of Great Wall Motor Company Limited	
Adjustment date of conversion price	Conversion price after adjustment	Disclosure date	Disclosure media	Description on conversion price adjustment
13 May 2022	37.89	13 May 2022	China Securities Journal, Shanghai Securities News	Due to the independent exercise of the share options under the 2020 Incentive Scheme, the repurchase and cancellation of certain restricted shares under the first grant of the 2020 Incentive Scheme and the implementation of 2021 annual equity distribution, the conversion price was adjusted to RMB37.89 per share
23 June 2022	37.84	23 June 2022	China Securities Journal, Shanghai Securities News	Due to the independent exercise of the share options under the 2020 Incentive Scheme and the completion of registration for the grant of reserved restricted shares of the 2021 Incentive Scheme, the conversion price was adjusted to RMB37.84 per share
Latest conversion price as at the end of the Reporting Period				RMB37.84 per share

Section 9 Description of Corporate Bonds

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

According to the Ongoing Credit Rating Report of Great Wall Motor Company Limited for Public Issuance of A Share Convertible Corporate Bonds (2022) issued by China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) on 26 May 2022, the Company's issuer credit rating is AAA with stable rating outlook, and the credit rating of the bonds is also AAA. The rating results remained unchanged compared with the previous results. The rating results showed that the Company's overall credit strength was underpinned by its leading market position, solid independent capability to manufacture key parts, continuously improved business performance and smooth financing channels.

As of 30 June 2022, the total liabilities of the Company were RMB117.448 billion, and the gearing ratio was 62.76%. The Company maintains an excellent issuer credit rating and sound solvency indicators. Meanwhile, the Company generates stable profitability and has desirable development prospects with strong solvency and risk aversion to ensure the capital requirements for repaying the principal and interest of the current tranche of convertible corporate bonds.

(VII) Other information of convertible bonds

Nil

Section 10 Financial Report (Unaudited) Review Report

De Shi Bao (Yue) Zi (22) No. R00062

(Page 1 of 1)

TO THE SHAREHOLDERS OF GREAT WALL MOTOR COMPANY LIMITED:

We have reviewed the accompanying financial statements of Great Wall Motor Company Limited (hereinafter "Great Wall Motor"), which comprise of the consolidated and the Company's balance sheets as at 30 June 2022, and the consolidated and the Company's income statements, the consolidated and the Company's statements of changes in shareholders' equity and the consolidated and the Company's cash flow statements for the six months then ended, and the notes to the financial statements. The management is responsible for the preparation of these interim consolidated financial statements. Our responsibility is to issue a review report on these interim consolidated financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the above interim financial statements of the Company which comprised the consolidated and the Company's financial position as at 30 June 2022, and the consolidated and the Company's operating results and cash flows for the six months then ended are not prepared, in all material aspects, in accordance with the "*Accounting Standards for Business Enterprises*".

Deloitte Touche Tohmatsu CPA LLP.

Shanghai, China

Chinese Certified Public Accountants:

(Engagement Partner)

Tong Chuan Jiang

Chen Yan Ping

August 30, 2022

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

Consolidated Balance Sheet

At 30 June 2022

Items	Notes	RMB	
		30/06/2022 (Unaudited)	31/12/2021 (Audited)
Current Assets:			
Cash and bank balances	(VI)1	43,054,650,740.29	33,047,560,929.36
Held-for-trading financial assets	(VI)2	4,807,356,360.10	6,046,493,154.78
Derivative financial assets		20,283,277.11	5,554,185.76
Notes receivable	(VI)4	2,228,039,733.81	3,181,930,272.20
Accounts receivable	(VI)3	5,776,608,364.47	5,421,996,764.84
Financing with receivables	(VI)4	23,562,430,931.01	31,499,637,236.45
Prepayments	(VI)5	2,457,550,288.73	1,748,896,425.13
Other receivables	(VI)6	1,247,675,573.37	1,121,872,592.52
Inventories	(VI)7	20,251,496,512.10	13,966,418,723.46
Contract assets	(VI)8	11,278,815.00	272,035,125.82
Non-current assets due within one year	(VI)10	1,987,291,136.05	2,240,394,116.43
Other current assets	(VI)9	8,740,255,755.36	9,812,817,672.24
Total Current Assets		114,144,917,487.40	108,365,607,198.99
Non-Current Assets:			
Long-term receivables	(VI)10	1,938,393,586.84	2,290,581,929.95
Long-term equity investments	(VI)11	9,980,292,714.60	9,524,314,026.06
Other equity instrument investments		1,360,711,646.06	813,215,710.00
Other non-current financial assets		96,528,692.28	58,247,041.15
Investment properties	(VI)12	379,119,412.75	326,236,381.33
Fixed assets	(VI)13	27,288,509,031.55	27,441,388,875.44
Construction in progress	(VI)14	7,173,242,862.15	4,467,242,861.76
Right-of-use asset	(VI)15	883,361,858.78	226,764,213.96
Intangible assets	(VI)16	7,566,841,135.48	7,090,635,584.53
Development expenditure	(VI)17	9,408,181,041.93	7,144,904,022.66
Goodwill	(VII)1(2)	27,763,359.77	27,763,359.77
Long-term prepaid expenses		218,870,379.97	202,597,485.53
Deferred tax assets	(VI)18	2,929,330,573.22	2,776,617,707.07
Other non-current assets	(VI)19	3,752,002,336.48	4,651,904,189.73
Total Non-current Assets		73,003,148,631.86	67,042,413,388.94
TOTAL ASSETS		187,148,066,119.26	175,408,020,587.93
Current Liabilities:			
Short-term borrowings	(VI)20	4,481,121,600.68	5,204,463,651.75
Derivative financial liabilities		10,779,295.65	1,006,607.03
Notes payable	(VI)21	39,336,494,980.84	26,809,308,822.40
Accounts payable	(VI)22	25,285,929,834.13	37,083,081,730.25
Contract liabilities	(VI)23	5,256,226,448.48	7,387,904,382.08
Employee benefits payable	(VI)24	973,906,888.85	3,215,215,491.04
Taxes payable	(VI)25	1,617,553,981.59	2,818,110,266.16
Other payables	(VI)26	5,343,163,986.05	4,867,094,523.67
Non-current liabilities due within one year	(VI)27	3,708,521,889.57	3,667,865,267.06
Other current liabilities	(VI)28	4,374,815,139.53	4,542,933,786.57
Total Current Liabilities		90,388,514,045.37	95,596,984,528.01

Consolidated Balance Sheet

At 30 June 2022

Items	Notes	RMB	
		30/06/2022 (Unaudited)	31/12/2021 (Audited)
Non-current Liabilities:			
Long-term borrowings	(VI)20	17,112,887,548.38	8,656,160,276.64
Bonds payable	(VI)29	3,294,336,024.77	3,476,276,681.02
Lease liabilities	(VI)30	969,970,698.87	475,905,412.35
Deferred income	(VI)31	4,758,649,662.24	4,112,912,347.76
Deferred tax liabilities	(VI)18	812,286,678.76	845,451,906.71
Long-term employee benefits payable		60,240,425.65	60,320,099.24
Other non-current liabilities		51,288,676.85	55,526,563.36
Total Non-current Liabilities		27,059,659,715.52	17,682,553,287.08
TOTAL LIABILITIES		117,448,173,760.89	113,279,537,815.09
SHAREHOLDERS' EQUITY:			
Share capital	(VI)32	9,268,751,212.00	9,235,713,278.00
Other equity instruments	(VI)33	335,590,732.86	335,951,802.16
Capital reserve	(VI)34	6,991,456,458.48	4,871,909,273.63
Less: Treasury shares	(VI)35	1,527,927,738.47	642,035,492.50
Other comprehensive income	(VI)55	1,084,818,972.44	(247,369,962.28)
Surplus reserve	(VI)36	6,677,491,183.05	6,677,505,529.86
Undistributed profits	(VI)37	46,846,180,904.93	41,892,707,709.74
Total Equity Attributable to Shareholders of the Company		69,676,361,725.29	62,124,382,138.61
Minority Interests		23,530,633.08	4,100,634.23
TOTAL SHAREHOLDERS' EQUITY		69,699,892,358.37	62,128,482,772.84
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		187,148,066,119.26	175,408,020,587.93

The accompanying notes form part of the financial statements.

The financial statements on pages 115 to 282 were signed by:

Wei Jianjun

Legal Representative

Li Hongshuan

Chief Financial Officer

Wang Haiping

Head of the Finance Section

Balance Sheet of the Company

At 30 June 2022

RMB

Items	Notes	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Current Assets:			
Cash and bank balances	(XVI)1	21,505,410,897.46	21,281,259,904.65
Held-for-trading financial assets		4,010,648,746.45	5,316,473,248.90
Derivative financial assets		—	4,280,204.82
Notes receivable		2,068,066,068.04	3,077,704,668.01
Accounts receivable	(XVI)2	23,549,221,185.56	18,269,181,321.31
Financing with receivables		16,639,958,462.78	20,690,106,005.49
Prepayments		1,055,834,875.57	411,427,904.73
Other receivables	(XVI)3	8,230,544,613.62	6,073,269,937.30
Inventories		8,280,095,723.78	5,671,584,301.19
Contract assets		11,278,815.00	272,035,125.82
Non-current assets due within one year		208,220,978.38	265,922,983.26
Other current assets		7,488,742,145.53	8,918,818,733.15
Total Current Assets		93,048,022,512.17	90,252,064,338.63
Non-Current Assets:			
Long-term receivables		547,950,101.95	573,687,016.50
Long-term equity investments	(XVI)4	26,720,100,797.20	23,781,423,381.23
Other equity instrument investments		7,700,000.00	7,700,000.00
Other non-current financial assets		96,528,692.28	58,247,041.15
Investment properties		2,603,726,523.06	2,381,055,580.18
Fixed assets		14,102,320,206.14	15,117,306,064.45
Construction in progress		3,730,747,049.48	2,353,797,439.28
Right-of-use asset		411,672,361.59	123,721,224.19
Intangible assets		5,175,134,284.17	5,279,047,345.56
Development expenditure		6,931,225,567.73	4,884,419,367.95
Long-term prepaid expenses		39,444,655.55	44,518,861.10
Deferred tax assets		1,961,589,238.51	1,967,152,876.77
Other non-current assets		1,573,194,027.33	2,392,456,654.53
Total Non-Current Assets		63,901,333,504.99	58,964,532,852.89
TOTAL ASSETS		156,949,356,017.16	149,216,597,191.52

Balance Sheet of the Company

At 30 June 2022

Items	Notes	RMB	
		30/06/2022 (Unaudited)	31/12/2021 (Audited)
Current Liabilities:			
Short-term borrowings		1,884,742,100.00	3,593,886,572.22
Derivative financial liability		10,779,295.65	—
Notes payable		26,871,714,773.17	15,762,775,809.24
Accounts payable		23,121,141,838.87	40,027,727,892.18
Contract liabilities		15,107,817,413.04	13,642,543,714.54
Employee benefits payable		443,037,335.26	1,743,193,832.10
Taxes payable		706,036,210.72	1,408,770,586.01
Other payables		5,167,521,773.93	4,623,342,959.37
Non-current liabilities due within one year		2,102,342,256.15	2,036,486,497.53
Other current liabilities		2,193,533,472.52	2,397,985,616.66
Total Current Liabilities		77,608,666,469.31	85,236,713,479.85
Non-current Liabilities:			
Long-term borrowings		13,940,800,000.04	5,463,523,819.40
Bonds payable		3,260,269,348.88	3,214,954,734.68
Lease liabilities		632,309,548.44	403,701,947.53
Deferred income		3,160,451,529.00	2,968,367,041.77
Other non-current liabilities		19,981,106.19	18,556,946.90
Total Non-current Liabilities		21,013,811,532.55	12,069,104,490.28
TOTAL LIABILITIES		98,622,478,001.86	97,305,817,970.13
SHAREHOLDERS' EQUITY:			
Share capital		9,268,751,212.00	9,235,713,278.00
Other equity instruments		335,590,732.86	335,951,802.16
Capital reserve		6,995,929,671.35	4,874,960,778.98
Less: Treasury shares		1,527,927,738.47	642,035,492.50
Other comprehensive income		(53,138,662.24)	(105,936,120.13)
Surplus reserve		4,890,446,242.43	4,890,446,242.43
Undistributed profits		38,417,226,557.37	33,321,678,732.45
TOTAL SHAREHOLDERS' EQUITY		58,326,878,015.30	51,910,779,221.39
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		156,949,356,017.16	149,216,597,191.52

Consolidated Income Statement

For the period from 1 January to 30 June 2022

Items	Notes	RMB	
		For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
V. Net other comprehensive income after taxes	(VI)55	1,332,188,934.72	(12,928,868.42)
Net other comprehensive income attributable to shareholders of the Company after taxes		1,332,188,934.72	(12,928,868.42)
(I) Other comprehensive income that cannot be reclassified into profit or loss in the future		141,072,252.05	—
1. Re-measure and set the amount of change in benefit plan		—	—
2. Changes in fair value of other equity instrument investments		141,072,252.05	—
(II) Other comprehensive income that will be reclassified to profit or loss		1,191,116,682.67	(12,928,868.42)
1. Translation difference of financial statements denominated in foreign currency		1,082,685,192.53	(56,673,665.08)
2. Changes in fair value of financial assets classified as at fair value through other comprehensive income		108,431,490.14	43,744,796.66
Net other comprehensive income attributable to minority interests		—	—
VI. Total comprehensive income		6,924,070,835.05	3,515,688,156.42
Total comprehensive income attributable to shareholders of the Company		6,932,690,836.20	3,515,688,156.42
Total comprehensive income attributable to minority interests		(8,620,001.15)	—
VII. Earnings per share:			
(I) Basic earnings per share	(VI)54	0.61	0.39
(II) Diluted earnings per share	(VI)54	0.60	0.38

Consolidated Cash Flow Statement

For the period from 1 January to 30 June 2022

RMB

Items	Notes	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
I. Cash Flows from Operating Activities:			
Cash receipts from the sales of goods and rendering of services		83,284,205,668.96	77,721,927,397.39
Receipts of tax refunds		1,984,600,656.47	844,700,599.62
Other cash receipts relating to operating activities	(VI)56(1)	2,896,670,088.09	1,589,361,073.91
Sub-total of cash inflow from operating activities		88,165,476,413.52	80,155,989,070.92
Cash payments for goods purchased and services received		60,989,141,632.37	50,852,873,973.21
Cash payments to and on behalf of employees		7,522,856,045.44	5,928,962,340.27
Payments of various types of taxes		5,247,184,449.58	5,416,525,028.46
Other cash payments relating to operating activities	(VI)56(2)	6,242,075,613.74	2,847,848,976.83
Sub-total of cash outflow from operating activities		80,001,257,741.13	65,046,210,318.77
Net Cash Flows from Operating Activities	(VI)57(1)	8,164,218,672.39	15,109,778,752.15
II. Cash Flows from Investing Activities:			
Cash receipts from disposal of investments		10,701,009,630.00	17,309,096,321.53
Cash receipts from investment income		261,649,982.26	292,347,968.24
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		191,840,634.69	121,675,840.48
Other cash receipts relating to investing activities	(VI)56(3)	100,000,000.00	53,000,000.00
Sub-total of cash inflow from investing activities		11,254,500,246.95	17,776,120,130.25
Cash payments to purchase and construct fixed assets, intangible assets and other long-term assets		7,108,528,787.73	3,832,385,765.11
Cash payments to acquire investments		8,955,000,000.00	18,889,252,840.00
Sub-total of cash outflow from investing activities		16,063,528,787.73	22,721,638,605.11
Net Cash Flow from Investing Activities		(4,809,028,540.78)	(4,945,518,474.86)

Consolidated Cash Flow Statement

For the period from 1 January to 30 June 2022

Items	Notes	RMB	
		For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		327,062,057.41	209,805,495.80
Cash receipts from borrowings		14,700,240,947.70	5,468,446,455.11
Cash receipts from issue of bonds		—	4,837,000,000.00
Sub-total of cash inflow from financing activities		15,027,303,005.11	10,515,251,950.91
Cash repayments of borrowings		6,030,683,310.81	7,875,803,898.01
Cash payments for distribution of dividends or profits or settlement of interest expenses		941,540,694.50	2,796,042,954.49
Cash repayments of bonds		490,962,600.00	2,257,671,700.00
Other cash payments relating to financing activities	(VI)56(4)	10,591,786,103.98	226,357,059.85
Sub-total of cash outflow from financing activities		18,054,972,709.29	13,155,875,612.35
Net Cash Flow from Financing Activities		(3,027,669,704.18)	(2,640,623,661.44)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(65,262,671.63)	(50,982,451.60)
V. Net Increase in Cash and Cash Equivalents		262,257,755.80	7,472,654,164.25
Add: Opening balance of cash and cash equivalents		27,907,854,151.86	13,591,491,005.23
VI. Closing balance of cash and cash equivalents	(VI)57(2)	28,170,111,907.66	21,064,145,169.48

Cash Flow Statement of the Company

For the period from 1 January to 30 June 2022

RMB

Items	Notes	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
I. Cash Flows from Operating Activities:			
Cash receipts from the sales of goods and rendering of services		72,971,747,851.69	73,513,230,044.37
Receipts of tax refunds		1,249,651,332.56	825,906,213.06
Other cash receipts relating to operating activities		1,189,210,908.09	795,284,229.56
Sub-total of cash inflow from operating activities		75,410,610,092.34	75,134,420,486.99
Cash payments for goods purchased and services received		71,882,862,535.88	58,141,383,347.24
Cash payments to and on behalf of employees		2,839,260,656.56	3,196,632,706.69
Payments of various types of taxes		3,140,516,437.12	2,957,860,243.62
Other cash payments relating to operating activities		3,319,134,747.55	2,326,119,775.70
Sub-total of cash outflow from operating activities		81,181,774,377.11	66,621,996,073.25
Net Cash Flows from Operating Activities	(XVI)7(1)	(5,771,164,284.77)	8,512,424,413.74
II. Cash Flows from Investing Activities:			
Cash receipts from disposal of investments		9,321,009,630.00	14,441,543,927.17
Cash receipts from investment income		3,077,041,074.35	3,818,604,867.91
Net cash receipts from disposal of subsidiaries and other business units		37,728,667.00	1,500,000.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		240,170,181.99	150,406,456.87
Other cash receipts relating to investing activities		843,400,000.00	514,670,970.15
Sub-total of cash inflow from investing activities		13,519,349,553.34	18,926,726,222.10
Cash payments to purchase and construct fixed assets, intangible assets and other long-term assets		3,538,725,068.93	1,869,126,914.08
Cash paid for investments		8,704,011,031.56	17,531,688,608.71
Other cash payments relating to investing activities		1,509,455,035.00	—
Sub-total of cash outflow from investing activities		13,752,191,135.49	19,400,815,522.79
Net Cash Flow from Investing Activities		(232,841,582.15)	(474,089,300.69)

Cash Flow Statement of the Company

For the period from 1 January to 30 June 2022

Items	Notes	RMB	
		For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		299,012,057.41	209,805,495.80
Cash receipts from borrowings		11,459,742,100.00	4,805,148,000.00
Cash receipts from issue of bonds		—	3,500,000,000.00
Other cash receipts relating to financing activities		26,000,000.00	7,336,222.63
Sub-total of cash inflow from financing activities		11,784,754,157.41	8,522,289,718.43
Cash payments for repayments of borrowings		4,055,000,000.00	6,145,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		814,570,346.77	2,722,021,676.53
Cash repayments of bonds		—	2,000,000,000.00
Other cash payments relating to financing activities		7,524,818,767.95	153,206,310.63
Sub-total of cash outflow from financing activities		12,394,389,114.72	11,020,227,987.16
Net Cash Flow from Financing Activities		(609,634,957.31)	(2,497,938,268.73)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		23,896,847.04	(3,376,535.76)
V. Net Increase in Cash and Cash Equivalents		(6,589,743,977.19)	5,537,020,308.56
Add: Opening balance of cash and cash equivalents		20,288,128,849.56	8,728,034,521.63
VI. Closing balance of cash and cash equivalents	(XVI)7(2)	13,698,384,872.37	14,265,054,830.19

Consolidated Statement of Changes in Shareholders' Equity

For the period from 1 January to 30 June 2022

RMB

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

Consolidated Statement of Changes in Shareholders' Equity

For the period from 1 January to 30 June 2022

RMB

For the period from 1 January to 30 June 2021 (Unaudited)

Item	Attributable to the shareholders of the Company								Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	
I. Balance at the beginning of the period	9,175,953,300.00	—	1,779,310,235.25	200,773,416.00	(582,862,109.97)	6,175,434,747.88	40,994,784,827.03	—	57,341,847,584.19
II. Changes in the current period	23,207,269.00	336,012,380.39	699,783,395.53	(84,393,145.00)	(12,928,868.42)	—	959,520,057.84	—	2,089,987,379.34
(I) Total comprehensive income	—	—	—	—	(12,928,868.42)	—	3,528,617,024.84	—	3,515,688,156.42
(II) Owners' contributions and reduction in capital	23,207,269.00	336,012,380.39	288,145,587.82	(70,931,498.00)	—	—	—	—	718,296,735.21
1. Capital contributions from owners	23,820,269.00	—	185,985,226.80	23,902,320.00	—	—	—	—	185,903,175.80
2. Conversion options of convertible bonds classified as equity instruments	—	336,012,380.39	—	—	—	—	—	—	336,012,380.39
3. Amount of share-based payments included in owners' equity	—	—	104,226,171.02	—	—	—	—	—	104,226,171.02
4. Cancellation of restricted stock and unlocking of restricted shares	(613,000.00)	—	(2,065,810.00)	(94,833,818.00)	—	—	—	—	92,155,008.00
(III) Profit distribution	—	—	—	(13,461,647.00)	—	—	(2,569,096,967.00)	—	(2,555,635,320.00)
1. Distribution to shareholders	—	—	—	(13,461,647.00)	—	—	(2,569,096,967.00)	—	(2,555,635,320.00)
(IV) Transfers within owners' equity	—	—	—	—	—	—	—	—	—
(V) Others	—	—	411,637,807.71	—	—	—	—	—	411,637,807.71
III. Balance at the end of the period	9,199,160,569.00	336,012,380.39	2,479,093,630.78	116,380,271.00	(595,790,978.39)	6,175,434,747.88	41,954,304,884.87	—	59,431,834,963.53

Statement of Changes in Shareholders' Equity of the Company

For the period from 1 January to 30 June 2022

RMB

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

Statement of Changes in Shareholders' Equity of the Company

For the period from 1 January to 30 June 2022

RMB

Item	For the period from 1 January to 30 June 2021 (Unaudited)							
	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
I. Balance at the beginning of the period	9,175,953,300.00	—	1,826,846,471.39	200,773,416.00	(213,330,570.55)	4,890,446,242.43	34,684,946,477.93	50,164,088,505.20
II. Changes in the current period	23,207,269.00	336,012,380.39	667,749,627.61	(84,393,145.00)	86,509,960.00	—	1,774,050,109.74	2,971,922,491.74
(I) Total comprehensive income	—	—	—	—	86,509,960.00	—	4,343,147,076.74	4,429,657,036.74
(II) Owners' contributions and reduction in capital	23,207,269.00	336,012,380.39	288,145,587.82	(70,931,498.00)	—	—	—	718,296,735.21
1. Capital contributions from owners	23,820,269.00	—	185,985,226.80	23,902,320.00	—	—	—	185,903,175.80
2. Conversion options of convertible bonds classified as equity instruments	—	336,012,380.39	—	—	—	—	—	336,012,380.39
3. Amount of share-based payments included in owners' equity	—	—	104,226,171.02	—	—	—	—	104,226,171.02
4. Cancellation of restricted stock shares and unlocking of restricted shares	(613,000.00)	—	(2,065,810.00)	(94,833,818.00)	—	—	—	92,155,008.00
(III) Profit distribution	—	—	—	(13,461,647.00)	—	—	(2,569,096,967.00)	(2,555,635,320.00)
1. Distributions to shareholders	—	—	—	(13,461,647.00)	—	—	(2,569,096,967.00)	(2,555,635,320.00)
(IV) Others	—	—	379,604,039.79	—	—	—	—	379,604,039.79
III. Balance at the end of the period	9,199,160,569.00	336,012,380.39	2,494,596,099.00	116,380,271.00	(126,820,610.55)	4,890,446,242.43	36,458,996,587.67	53,136,010,996.94

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

I. BASIC CORPORATE INFORMATION

1. Company overview

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

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

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

2. The scope of consolidated financial statements

The Company’s and consolidated financial statements have been approved by the Board of Directors on 30 August 2022.

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

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

Basis of accounting and principle of measurement

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

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

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

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

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

Going concern

The Group has evaluated its ability of going concern for the next 12 months since 30 June 2022. There is no indication of major events that may affect the ability of going concern. Thus, the financial statements have been prepared under the assumption of going concern.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance with the ASBEs

The financial statements have been prepared in compliance with the ASBEs to truly and completely reflect the Company's and consolidated financial position of the Company as At 30 June 2022, the Company's and consolidated statement of changes in shareholders' equity, the Company's and consolidated operating results and cash flows For the period from 1 January to 30 June 2022.

2. Accounting year

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

3. Operating cycle

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

4. Functional currency

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

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

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

5.1 Business combinations involving enterprises under common control

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

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

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

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

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

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

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

5.3 *Acquisition of assets by way of acquisition of subsidiaries*

For the acquisition of a subsidiary that has not formed a business, the acquisition cost is allocated to a single identifiable asset and liability based on the fair value of the relevant assets and liabilities on the acquisition date, without generating goodwill or purchase gains.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of consolidated financial statements

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of consolidated financial statements (continued)

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

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

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

8. Recognition criteria of cash and cash equivalents

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

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

9.1 Transactions denominated in foreign currencies

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

9.2 Translation of financial statements denominated in foreign currency

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

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

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

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

10. Financial instruments

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

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

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

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

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

10.1 Classification, recognition and measurement of financial assets

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

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

10.1.1 Financial assets at amortized cost

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

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

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

10.1.2 Financial assets at FVTOCI

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

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

10.1.3 Financial assets at FVTPL

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

10.2 Impairment of financial instruments and other items

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

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.2 Impairment of financial instruments and other items (continued)

10.2.1 Significant increase in credit risk

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

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.2 Impairment of financial instruments and other items (continued)

10.2.2 Credit-impaired financial assets

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

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

10.2.3 Recognition of expected credit losses

The Group adopts individual or portfolio evaluation methods to recognize the credit loss on related financial instruments and other items. For those financial instruments whose credit losses are recognized by impairment matrix on the basis of portfolio evaluation methods, the Group can group financial instruments on the basis of shared credit risk characteristics. Examples of shared credit risk characteristics may include, but are not limited to, the:

- (a) Instrument type;
- (b) Credit risk ratings;
- (c) Collateral type;
- (d) Date of initial recognition;
- (e) Remaining term to maturity;
- (f) Industry of the borrower;
- (g) Geographical location of the borrower; and
- (h) The value of collateral relative to the financial asset.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.2 Impairment of financial instruments and other items (continued)

10.2.3 Recognition of expected credit losses (continued)

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

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

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

10.2.4 Written-off of financial assets

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.3 Transfer of financial assets

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

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

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

10.4 Classification of financial liabilities and equity instruments

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

10.4.1 Classification, recognition and measurement of financial liabilities

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.4 Classification of financial liabilities and equity instruments (continued)

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

10.4.1.1 Financial liabilities at fair value through profit or loss

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

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

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

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

10.4.1.2 Other financial liabilities

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.4 Classification of financial liabilities and equity instruments (continued)

10.4.2 Derecognition of financial liabilities

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

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

10.4.3 Equity instruments

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

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

For the Restricted Shares Incentive Plan implemented by the Group, the repurchase obligation of the restricted stock granted by the Group to incentive objects shall be recognized as liability and treated as repurchase of treasury stock.

10.5 Derivatives

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

10.6 Offsetting a financial asset and a financial liability

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial instruments (continued)

10.7 Convertible bonds

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

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

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

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

11. Financing with receivables

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

12. Inventories

12.1 Classification of inventories

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

12.2 Valuation method of inventories upon delivery

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Inventories (continued)

12.3 Recognition basis of net realizable value of inventories

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

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

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

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

12.4 Inventory count system

The inventory count system shall be on a perpetual basis.

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Contract assets

13.1 Recognition method and criteria of contract assets

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

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

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

14. Long-term equity investments

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

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

14.2 Determination of initial investment cost

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

14.2 Determination of initial investment cost (continued)

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

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

14.3 Method for subsequent measurement and profit or loss recognition

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

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

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

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

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

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

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

14.3.3 Disposal of long-term equity investments

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

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

15. Investment properties

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

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

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

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

When the Group has evidence indicating the self-occupied land, houses and buildings are converted to leasing, the carrying amount of such fixed assets and intangible assets before the conversion are transferred to investment properties.

When the Group has evidence indicating the property held to earn rentals or for capital appreciation are converted to self-occupation, the carrying amount of such properties before the conversion are transferred to fixed assets.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Fixed assets

16.1 Recognition criteria

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

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

16.2 Depreciation method

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

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

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

16.3 Other explanations

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

17. Construction in progress

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

18. Borrowing costs

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Intangible assets

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

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

An intangible asset shall be measured initially at cost.

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

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

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

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

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

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Intangible assets (continued)

19.2 Research and development expenditure

The internal research and development expenditures of the Group are classified into research phase expenditure and development phase expenditure.

Expenditure arising from the research phase is accounted for in profit or loss for the current period when incurred.

Expenses incurred during the development phase that satisfy the following conditions are recognized as intangible assets, while those that do not satisfy the following conditions are accounted for in the profit or loss for the current period:

- (1) It is technically feasible that the intangible asset can be used or sold upon completion;
- (2) There is intention to complete the intangible asset for use or sale;
- (3) The intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset;
- (4) There is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) The expenses attributable to the development phase of the intangible asset can be measured reliably.

If the expenses incurred during the research stage and the development stage cannot be distinguished separately, all development expenditure incurred are accounted for in the profit or loss for the current period.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Impairment of long-term assets

The Group assesses at each balance sheet date whether there is any indication that any long-term equity investments, investment properties measured at cost, fixed assets, construction in progress and intangible assets and right-of-use assets with a finite useful life may be impaired. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for the individual asset.

The recoverable amount should be estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset is determined at the higher of the net amount after deducting the disposal expenses from the assets' fair value and the current value of the assets' estimated future cash flow.

If the recoverable amount of an asset or an asset group is less than its carrying amount, a provision for impairment loss of the asset will be made for the reduction and is charged to profit or loss for the current period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

An impairment loss once recognized shall not be reversed in a subsequent year.

21. Long-term prepaid expenses

Long-term prepaid expenses are expenses which have incurred but shall be amortized over the current period and subsequent years of more than one year. Long-term prepaid expenses are amortized evenly over the estimated benefit year.

22. Contract liabilities

Contract liabilities refers to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Contract assets and contract liabilities under common contract are presented as net.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Employee benefits

23.1 Accounting treatment of short-term employee benefits

In the accounting year in which employees have rendered services, the Group shall recognize the short-term employee benefits that actually occurred as liability, and charged to profit or loss for the current period or cost of relevant assets. The Group shall recognize the amount of employee welfare that actually occurred and charged to profit or loss for the current period or cost of relevant assets.

During the accounting year which employees rendered service, medical insurance, work-related injury insurance, maternity insurance and other social security contributions and housing provident fund paid by the Group, as well as labor union funds and employees' education expenses extracted by requirement. Based on the required accrual basis and proportions in order to determine the appropriate amount of employee benefits, such employee benefits shall be recognized as corresponding liabilities, and charged to profit or loss during current year or cost of relevant assets.

23.2 Accounting treatment of post-employment benefits

Post-employment benefits within the Group are defined contribution plans and defined benefit plans.

In the accounting year which employees rendered services, the amount of the defined contribution plans shall be recognized as liability and charged to profit or loss during current year or cost of relevant assets.

For defined benefit plans, the Group assigns the benefit obligations generated by the defined benefit plan to the period during which employees provide services according to a formula determined by the expected cumulative benefit unit method, and includes them in the current profit and loss or the cost of related assets. The employee compensation cost incurred by the defined benefit plan is divided into the following components:

- (1) Service costs (including current service costs, past service costs, and settlement gains and losses);
- (2) The net interest of the net liabilities of the defined benefit plan (including the interest income of the plan assets, the interest expense of the defined benefit plan obligations, and the interest affected by the asset ceiling); and
- (3) Re-measure the changes in the net liabilities of the defined benefit plan.

Service costs and the net interest of the net liabilities of the defined benefit plan are included in the current profit and loss or the cost of related assets. Re-measurement of changes in defined benefit plan net liabilities (including actuarial gains or losses, return on plan assets deducted from the amount included in the net debt of the defined benefit plan net assets, changes in the impact of the asset ceiling Excluding the amount included in the net interest of the defined benefit plan's net liabilities or) is included in other comprehensive income.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money.

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

25. Share-based payment

A share-based payment is a transaction which the Group grants equity instruments in return for services rendered by employees. All of the Group's share-based payments are equity-settled share-based payments.

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognized as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest, with a corresponding increase in capital reserve.

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognized as related costs or expenses, with a corresponding adjustment to capital reserve.

Recognition and measurement of restricted stock repurchase obligations

Under the Group's stock incentive plan of restricted stock, the Group grants non-publicly issued shares of the Company for a restricted sale period (the "Restricted Stock") to incentive objects. During the restricted sale period, restricted shares shall be restricted for sale and shall not be transferred, use to guarantee or repay debts. When the agreed unlocking conditions are met, the restricted stock will be unlocked. If all or part of the shares expire or be cancelled due to unlocking, the Group will repurchase the shares at the agreed price.

On the grant date, the Group recognizes the share capital and capital reserve according to the subscription payment received from incentive objects. Meanwhile, for the Group obligation of restricted stock repurchase, recognized liabilities calculated by the number of restricted stock and the repurchase price, treat as the acquisition of treasury stock. Recognizing the relevant liabilities in accordance with ASBEs No. 22 – recognition and measurement of financial instruments.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Revenue

The revenue from the Group are mainly from selling automobiles and components and parts of automobiles; processing and manufacturing of models; providing services and so on.

The Group recognizes revenue based on the transaction price allocated to such performance obligation when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents the commitment that a good and service that is distinct shall be transferred by the Group to the customer. Transaction price refers to the consideration that the Group is expected to charge due to the transfer of goods or services to the customer, but it does not include payments received on behalf of third parties and amounts that the Group expects to return to the customer.

Should one of the following conditions is satisfied, it is a performance obligation performed within a certain period of time. The Group recognizes revenue within a period of time in accordance with the progress of contract performance. The conditions are: (1) The customer obtains and consumes the economic benefits brought by the contract at the same time performing the contract; (2) The customer is able to control the products under construction during the Group's performance; (3) The products of the Group have irreplaceable uses, and the Group has the right to ask for payment for the cumulative part that has been completed so far during the entire contract period. Otherwise, the Group recognizes revenue at the point the customer obtains control of the relevant goods or services.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to single performance obligation according to relative proportion of the stand-alone selling prices of the goods or services promised by single performance obligation. However, where there is conclusive evidence that the contract discount or variable consideration is only related to one or more (not all) performance obligations in the contract, the Group shall allocate the contract discount or variable consideration to relevant one or more performance obligations. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximize the use of observable inputs and apply estimation methods consistently in similar circumstances.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either the expected value method or the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Group updates the estimated transaction price.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Revenue (continued)

Consideration payable to customers

If there is a consideration payable to customers in the contract, unless the consideration is to obtain other clearly distinguishable goods or services from customers, the Group will offset the transaction price with the consideration payable, and offset the current income at the later of the recognition of relevant income and the payment (or commitment) of customer consideration.

Warranties

For sales with quality assurance terms, if the quality assurance provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Group will account for the quality assurance responsibility in accordance with the No. 13 – Contingencies.

27. Government grants

Government grants are monetary assets and non-monetary assets gratuitous acquired from the government. Government grants are recognized when they meet the requirements of government grants and is receivable.

Government grants are measured in accordance with the amount received or receivable if they are monetary assets.

27.1 Judgement criteria and accounting treatment of government grants related to asset

A government grant related to an asset is charged against carrying amount of related assets or recognized as deferred income and evenly included in profit or loss over the useful life of the related asset.

27.2 Judgement criteria and accounting treatment of government grants related to income

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent years, the grant is recognized as deferred income, and recognized in profit or loss over the period in which the related costs are recognized. If the grant is a compensation for related expenses and losses already incurred, the grant is recognized immediately in profit or loss for the current period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Deferred tax assets and deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

28.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods shall be measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

28.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Deferred tax assets and deferred tax liabilities (continued)

28.2 Deferred tax assets and deferred tax liabilities (continued)

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the year in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

For the expenses related to share based payment, during the period when the costs and expenses are recognized in accordance with the ASBEs, the Group estimates the amount that can be deducted before tax according to the information obtained at the end of the accounting period, calculates and determines its tax basis and the resulting temporary differences, and recognizes the relevant deferred income tax when the recognition conditions are met. If the amount that can be deducted before tax in the future period is expected to exceed the costs and expenses related to share based payment recognized in the ASBEs, the income tax impact of the excess part will be directly included in the owner's equity.

28.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future year in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Lease

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

At inception of the contracts, the Group assesses whether the contract is, or contains, a lease. Unless the terms and conditions of the contract are changed, the Group does not reassess whether a contract is, or contains, a lease.

29.1 The Group as lessee

29.1.1 Separation of a lease

For a contract that contains one or more lease or non-lease components at the same time, the Group separates the individual lease component and non-lease component of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

29.1.2 Right-of-use asset

Except for short-term leases and leases of low-value assets, the Group recognizes right-of-use assets at the commencement date of the lease. The commencement date of a lease is the date that the underlying asset leased out by the lessor is available for use by the Group. Right-of-use assets are initially measured at cost, which includes the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received (if any);
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, exclusive of the cost incurred for production of inventories.

Right-of-use assets is depreciated by the Group in accordance with relevant regulations on depreciation in ASBEs No.4 – Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life of the leased assets. Otherwise, right-of-use assets are depreciated over the shorter of lease term and the remaining useful life of the leased assets.

The Group determines whether a right-of-use asset is impaired and makes accounting treatments in accordance with relevant regulations in ASBEs No.8 – Impairment of Assets, and account for the identified impairment loss.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Lease (continued)

29.1 The Group as lessee (continued)

29.1.3 Lease liabilities

At the commencement date of a lease, except for short-term lease and leases of low-value assets, the Group initially measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. The Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refers to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- fixed payments and in substance fixed payments, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Group.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognized in profit or loss, or in the cost of relevant assets, in the period of those payments.

After the commencement date of a lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate and recognizes the expenses in profit or loss or cost of related assets.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Lease (continued)

29.1 The Group as lessee (continued)

29.1.3 Lease liabilities (continued)

Subsequent to the commencement date of a lease, in case of any of the following circumstances, the Group re-measures lease liabilities and makes a corresponding adjustment to the related right-of-use assets, if the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group calculates the difference in the current profit and loss:

- the Group re-measures the lease liabilities at the present value of revised lease payment discounted at revised discount rate due to the changes of lease term or results of assessment on purchase option.
- the Group re-measures the lease liabilities at the present value of revised lease payment discounted at original discount rate due to the changes in amount payable estimated based on guaranteed residual value or the index or ratio used to determine the amount of lease payment.

29.1.4 Short-term leases and leases of low-value assets

The Group elects not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of transportation vehicle, machinery and electronic equipment. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset, is a lease that the single underlying asset, when is new, is of low value. The Group shall recognize the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

29.1.5 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the scope of increase which is adjusted based on circumstances of such contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the revised contract consideration, re-determines the lease term and re-measures the lease liabilities at the present value of the revised lease payments discounted using the revised discount rate.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Lease (continued)

29.1 The Group as lessee (continued)

29.1.5 Lease modifications (continued)

If the scope of the lease is narrowed or the lease term is shortened as a result of the lease modification, the Group reduces the carrying amount of the right-of-use assets accordingly, and record the relevant gains or losses of partial or complete termination of the lease into the current profit and loss. In case of re-measurement of lease liabilities due to other lease modifications, the Group adjusts the carrying amount of the right-of-use assets accordingly.

29.2 The Group as lessor

29.2.1 Separation of a lease

For a contract that contains lease and non-lease components simultaneously, the Group applies the Revenue Standard to allocate consideration in a contract to lease and non-lease components. The basis of the allocation is the separately stand-alone price of the lease component and the non-lease component.

29.2.2 Classification of lease

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Other leases which are not finance leases are operating leases.

29.2.2.1 The Group as lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

The variable receipts of lease received by the Group that are related to operating leases and not included in receipts of lease are recognized in profit or loss for the period when they are incurred.

29.2.2.2 The Group as lessor under finance lease

At the commencement date, the Group uses the net lease investment as the accounting value of the finance lease receivables and derecognizes the finance lease assets. The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received at the commencement date, discounted at the interest rate embedded in the lease.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Lease (continued)

29.2 The Group as lessor (continued)

29.2.2 Classification of lease (continued)

29.2.2.2 The Group as lessor under finance lease (continued)

The amount of lease receivable refers to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- fixed payments and in substance fixed payments to be paid by the lessee, less any lease incentives receivable (if any);
- variable lease payments that depend on an index or rate;
- exercise price of purchase options, if it is reasonably determined that the lessee will exercise the option;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- The residual value of the guarantee provided to the Group by the lessee, a party related to the lessee and an independent third party who has the financial ability to perform the guarantee obligation.

The variable lease receipts that are not included in the measurement of net investment in the lease investment are recognized in current profit or loss when actually incurred.

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate.

29.3 Sales and leaseback transaction

29.3.1 The Group as a seller-lessee

The Group assesses whether the transfer of the asset in the sales and leaseback transaction constitutes a sale in accordance with the Revenue Standard. If the transfer of the asset is not a sale, the Group continues to recognize the transferred assets and should recognize a financial liability equal to the transfer proceeds. Such financial liability is accounted for applying ASBEs Enterprises No.22 – Recognition and Measurement of Financial Instruments. If the transfer of an asset constitutes a sale, the Group shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use and recognize only the amount of any gain or loss that relates to the rights transferred to the lessor.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Accounting treatment method of asset securitization business

The Group securitizes some financial lease receivables ("trust property") and trusts assets to specific purpose entities, which issue priority asset-backed securities to investors. The Group holds subordinated asset-backed securities, which cannot be transferred until the principal and interest of the priority asset-backed securities are paid off. As an asset service provider, the Group provides services such as asset maintenance and daily management, formulation of annual asset disposal plan, formulation and implementation of asset disposal plan, signing relevant asset disposal agreements and regularly preparing asset service reports; At the same time, as a liquidity support institution, the Group provides liquidity support when the principal of priority asset-backed securities is not paid in full to make up the difference between interest or principal. After paying the trust tax and related expenses, the trust property is preferentially used to repay the principal and interest of the priority asset-backed securities. After all the principal and interest are repaid, the remaining trust property is owned by the Group as the income of the subordinated asset-backed securities. The Group has actually retained almost all the risks and rewards related to the trust property, so it has not terminated the recognition of the trust property; At the same time, the Group has actual control over specific purpose entities and has included them in the scope of consolidated financial statements.

When applying the accounting policy of securitized financial assets, the Group has considered the risk and reward of assets transferred to other entities and the extent to which the Group exercises control over the entity:

- When the Group has transferred almost all the risks and rewards of the ownership of the financial asset, the Group will derecognize the financial asset;
- When the Group retains almost all the risks and rewards of the ownership of the financial asset, the Group continues to recognize the financial asset;
- If the Group does not transfer or retain almost all the risks and rewards of the ownership of the financial asset, the Group will consider whether there is control over the financial asset. If the Group does not retain control, the Group will derecognize the financial asset and recognize the rights and obligations generated or retained in the transfer as assets or liabilities respectively. If the Group retains control, financial assets are recognized according to the degree of continued involvement in financial assets.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IV. SIGNIFICANT JUDGEMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note III, the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgements, estimates and assumptions are based on historical experiences of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates of the Group.

The Group regularly reviews the aforesaid judgments, estimates and assumptions on the basis of continuous operation. Where the changes in accounting estimates only impact the current period, the impact shall be recognized during the current period; where such changes impact both the current and future years, the impact shall be confirmed during the current and future years when such changes occur.

Significant judgements made in the application of accounting policies

The Group has made the following important judgments in the application of accounting policies, which had a significant impact on the amounts recognized in the financial statements:

Capitalization of development expenditure

If the expenditure in the development stage meets the conditions as described in Note (III)19.2, it shall be capitalized, or included in the current profit and loss if not. Whether the expenditure in the development stage is capitalized or expensed requires significant judgment and estimates.

Determination of the lease term of lease contract with renewal option

For the lease contract signed by the Group as the lessee with the renewal option, the Group needs to use judgment to determine the lease term of the lease contract. An assessment of whether the Group is reasonably certain to exercise this option will affect the length of the lease term, which will have a significant impact on the amount of lease liabilities and right-of-use assets recognized.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IV. SIGNIFICANT JUDGEMENTS MADE IN THE APPLICATION OF ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES (continued)

Key assumptions and uncertainties in accounting estimates

The following are the critical assumptions and uncertainties which may cause material adjustments to the carrying amounts of assets and liabilities concerning the future at the date of balance sheet:

Provision for decline in value of inventories

The Group recognizes provision for decline in value of inventory according to net realizable value of the inventory. Provision for inventory impairment is required to be recognized when there is sign showing that the net realizable value is lower than cost. Recognition of net realizable value involves judgment and estimation. If the result of re-estimation differs from current estimation, such difference will impact the book value of inventory for the corresponding period.

Useful life of fixed assets

The Group estimates the useful life of fixed assets based on experience of actual useful life of fixed asset of similar nature and function. If the useful life of a fixed asset is shortened, the Company will adopt measures to accelerate the depreciation of the fixed asset or eliminate fixed assets which are idle or technologically obsolete.

Recognition of deferred tax assets

The realization of deferred tax assets is mainly determined by future actual earnings and actual tax rate of temporary difference in future utilization year. If the actual future earning is less than estimates, or the actual tax rate is lower than estimates, the recognized deferred income tax asset shall be reversed, and be recognized in the income statement in the year in which the reversal is incurred. If the actual earnings accrued in the future is more than estimates, or the actual tax rate is higher than estimates, such deferred tax asset shall be recognized in the consolidated income statement in the year in which they are incurred.

After-sales service expenses

The Group undertakes the warranty obligation for the vehicles sold within a certain warranty period, and accrues the after-sales service expenses according to the sales volume and estimated cost standards. If the actual after-sales service expenses are greater or less than the expected amount, it will affect the profit and loss of the period.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

V. TAXATION

1. Major tax types and rates

Tax type	Basis	Tax rate
Value-added tax	Sales/Purchase (<i>Note</i>)	3%, 5%, 6%, 7%, 9%, 13%, 15%, 20%.
Consumption tax	Sales	3%, 5%, 12%
City maintenance and construction tax	Value-added tax and consumption tax	5%, 7%
Education surcharge	Value-added tax and consumption tax	3%
Enterprise income tax	Taxable income (<i>Note</i>)	20%, 21%, 22%, 25%, 28%, 30%, 30.04%
Real estate tax	Original cost/rental income of the real estate	For self-occupied real estate of the Group, the tax is calculated at 70% of the original cost and a tax rate of 1.2%. For leased real estate, the tax is calculated at 12% of the rental income
Land use tax	Land use area	Relevant tax rate

Note: Excluding the tax incentives set out in Note (V) 2, the applicable tax rates or comprehensive tax rate of relevant subsidiaries of the Group for 2021 and for the period from 1 January 2022 to 30 June 2022 are listed in the above table.

2. Tax incentives and approvals

2.1 Income tax incentives

2.1.1 Income tax incentive policy for recruitment of the disabled

Pursuant to the "Notice on Granting Tax Credit and Exemption Relating to Enterprise Income Tax on the Employment of Disabled Persons" (關於安置殘疾人員就業有關企業所得稅優惠政策問題的通知) (No. 70 [2009] of the MoF) (the "Notice") issued by the MoF and the State Administration of Taxation, the Company and its subsidiaries, Baoding Great Machinery Company Limited (保定市格瑞機械有限公司) ("Baoding Great"), Baoding Yixin Automotive Parts Company Limited (保定億新汽車配件有限公司) ("Baoding Yixin"), Nuobo Rubber Production Company Limited (諾博橡膠製品有限公司) ("Nuobo Rubber"), Jingcheng Engineering Automotive Systems Co., Ltd. (精誠工科汽車系統有限公司) ("Jinggong Motor"), Nuobo Automotive Systems Co., Ltd. (諾博汽車系統有限公司) ("Nuobo Automotive"), Baoding Nuobo Automotive Decoration Co., Ltd. (保定諾博汽車裝飾件有限公司) ("Nuobo Decoration"), Nobo Automotive Parts (Pinghu) Co., Ltd. (諾博汽車零部件(平湖)有限公司) ("Pinghu Nuobo Parts"), Mind Electronics Company Limited (曼德電子電器有限公司) ("Mind Electronics"), Salon Mecha Technology Co., LTD. (沙龍機甲科技有限公司) (former "Salon Zhixing Technology Co., LTD.") ("Salon Mecha Technology"), Yunshi Chelian Technology Co., LTD (雲視車聯科技有限公司) ("Yunshi Chelian"), Shanghai Salon Zhixing Industrial Co., Ltd. (上海沙龍智行實業有限公司) ("Shanghai Salon"), Tianjin Great Wall Lean Automotive Parts Company Limited (天津長城精益汽車零部件有限公司) ("Tianjin Lean"), satisfied all conditions as prescribed in the Notice for deduction 100% of the wages paid to disabled staff from taxable income when determining income tax, and they were entitled to deduct 100% of the actual wages paid to disabled staff from the taxable income when determining enterprise income taxes.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

V. TAXATION (continued)

2. Tax incentives and approvals (continued)

2.1 Income tax incentives (continued)

2.1.2 Enterprise income tax exemption for new and high-tech enterprise

According to the “Enterprise Income Tax Law of the People’s Republic of China” and other relevant regulations, the Company and its subsidiaries, Baoding Great and Mind Electronics, were re-identified as new high-tech enterprises in 2019 with the validity term of three years; and the Company’s subsidiaries, Jinggong Motor, Nobo Automotive and Nobo Rubber, were identified as new high-tech enterprises in 2019 with the validity term of three years, subject to the applicable income tax rate of 15%. The management of the Group expects that the Company and its subsidiaries, Baodinggri, Mande Electronics, Seiko Automobile, Norbo Automobile and Norbo Rubber, will complete the renewal of the high-tech enterprise qualification filing and continue to enjoy the high-tech enterprise income tax benefits before the final settlement of income tax in 2022. Therefore, the enterprise income tax in the current period will still be paid at the rate of 15%. The Company’s subsidiaries, Honeycomb Transmission Technology Hebei Co., Ltd. (蜂巢傳動科技河北有限公司) (“Honeycomb Transmission Technology”) and Honeycomb Engine System (Jiangsu) Co., Ltd. (蜂巢動力系統(江蘇)有限公司) (“Honeycomb Engine System”), were recognized as high-tech enterprises in 2020 (valid for three years), and the applicable income tax rate for the current period is 15%.

2.1.3 Income tax credit for encouraged industry enterprises in the western region

According to the “Notice on Tax Policies of the Strategy of Further Development of Western Region” (關於深入實施西部大開發戰略有關稅收政策問題的通知) (No. 58 [2011] of the MoF) issued by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation, and the “Announcement No. 23 [2020] on Continuing Enterprise Income Tax Policies for the Large-Scale Development of Western China” (關於延續西部大開發企業所得稅政策的公告) issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, subsidiaries including Chongqing Haval Motors Co., Ltd. (重慶哈弗汽車有限公司) (“Chongqing Haval”), Chongqing Yongchuan Great Wall Automotive Parts Co., Ltd. (重慶市永川區長城汽車零部件有限公司) (“Chongqing Parts”), Chongqing Great Wall Automobile After-sales Service Co., Ltd. (重慶市長城汽車售後服務有限公司) (“Chongqing Great Wall After-sales”), Chongqing Haval Logistics Co., Ltd. (重慶哈弗物流有限公司) (“Chongqing Haval Logistics”), Jingcheng Engineering Automotive Components (Chongqing) Co., Ltd. (精誠工科汽車零部件(重慶)有限公司) (“Chongqing Jinggong Motor”), Nobo Automotive Parts (Chongqing) Co., Ltd. (諾博汽車零部件(重慶)有限公司) (“Chongqing Nobo Parts”), Mind Automotive Parts (Chongqing) Co., Ltd. (曼德汽車零部件(重慶)有限公司) (“Chongqing Mind”), Honeycomb Transmission Technology (Chongqing) Co., Ltd. (蜂巢傳動科技(重慶)有限公司) (“Honeycomb Transmission Chongqing”), Chongqing Duzi Technology Co., Ltd. (重慶度勢科技(重慶)有限公司) (“Duzi Technology”) and Honeycomb Power System (Chongqing) Co., Ltd. (蜂巢動力系統(重慶)有限公司) (“Honeycomb Power Chongqing”), comply with the provisions of the above Notice and are therefore subject to the reduced rate of 15% of the enterprise income tax from 2021 to 2030.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

V. TAXATION (continued)

2. Tax incentives and approvals (continued)

2.1 Income tax incentives (continued)

2.1.4 Income tax credit for small-scaled minimal profit enterprise

According to the “Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Small Low-Profit Enterprises” (關於實施小微企業普惠性稅收減免政策的通知) (No. 13 [2019] of the MoF) issued by the MoF and the State Administration of Taxation, and “Announcement on the Implementation of Preferential Income Tax Policies for Small Low-Profit Enterprises and Individual Industrial and Commercial Households” (No. 12 [2021]) issued by the MoF and the State Administration of Taxation, the Group’s small low-profit enterprises will halve the enterprise income tax on the part of the annual taxable income not exceeding RMB1 million from January 1, 2021 to December 31, 2022 on the basis of the preferential policies specified in Article 2 of the above No. 13 [2019] of the MoF.

2.2 Value-added tax incentives

Preferential value-added tax policies on disabled person employment

According to the requirements under the “Notice on Preferential VAT Policies for Promoting the Employment of Disabled Persons” (關於促進殘疾人就業增值稅優惠政策的通知) (No. 52 [2016] of the MoF) issued by the MoF and State Administration of Taxation, Baoding Great and Baoding Yixin, subsidiaries of the Company, met the conditions: the ratio of the disabled persons employed by the taxpayer each month to the number of in-service employees is 25% or more, the number of disabled persons employed by the taxpayer is ten or more, and “the income from production and sales of commodities or the provision of processing, repair and maintenance services accounted for 50% of the taxation income for the purposes of value added tax” as approved by relevant authorities. The tax authorities shall adopt the method of refund immediately after payment of VAT with a limit to the entities and individual industrial and commercial households employing disabled persons (hereinafter referred to as “taxpayers”) according to the number of disabled persons actually employed. The specific limit of VAT refundable to each disabled person employed by a taxpayer shall be determined by the tax authority at or above the county level as quadruple the minimum monthly wage standard applicable in the district or county (including a county-level city or banner) as approved by the people’s government of a province (including an autonomous region, municipality directly under the Central Government, or city under separate state planning).

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	<i>RMB</i>	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Cash:		
RMB	282,064.24	65,707.96
AED	38,633.84	—
THB	24,838.27	1,011,369.25
EUR	18,810.97	37,158.72
GBP	13,125.96	13,884.02
HKD	6,726.41	6,430.75
USD	4,462.14	4,238.95
JPY	2,735.89	3,085.50
SGD	1,498.09	1,467.27
ZAR	1,360.07	1,158.92
AUD	198.88	208.45
RUB	73.61	48.95
KRW	36.69	38.11
Bank balances:		
RMB	24,798,357,400.89	25,533,524,148.25
ZAR	732,714,916.02	359,046,130.07
USD	671,632,992.80	522,280,000.37
AUD	507,255,958.94	538,939,758.33
HKD	452,076,262.13	31,087.38
RUB	397,059,392.01	422,505,800.98
NZD	230,906,246.82	119,043,963.71
EUR	164,102,000.05	135,901,052.53
THB	114,646,162.53	156,755,543.84
BRL	43,918,861.54	62,284,442.34
JPY	28,223,043.51	30,348,957.33
INR	27,778,335.20	25,478,087.68
MYR	735,009.65	—
KRW	289,335.15	361,149.94
GBP	21,425.36	209,232.26
Other cash and bank balances:		
RMB	14,878,679,072.26	5,136,611,829.68
EUR	3,184,043.53	3,094,915.94
THB	2,675,707.61	—
AUD	9.23	—
USD	—	31.88
Total	43,054,650,740.29	33,047,560,929.36
Including: Overseas cash and bank balances	2,486,534,050.67	2,164,591,152.01

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Cash and bank balances (continued)

As at 30 June 2022, the restricted monetary capital used by the group was RMB14,884,538,832.63. Of which, the deposit of bank acceptance bill is RMB14,792,084,113.50; L/C deposit: RMB59,926,174.92; The guarantee deposit is RMB29,780,360.99; Other deposits are RMB2,748,183.22.

As of December 31, 2021, the restricted monetary capital used by the group was RMB5,139,706,777.50. Of which, the deposit of bank acceptance bill is RMB5,041,225,688.96; L/C deposit: RMB3,484,457.90; The guarantee deposit is RMB92,110,854.45; Other deposits are RMB2,885,776.19.

2. Held-for-trading financial assets

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Financial assets classified as at fair value through profit or loss	4,807,356,360.10	6,046,493,154.78
Including: Equity instrument	295,881,740.00	414,131,200.00
Wealth management products	4,511,474,620.10	5,632,361,954.78
Total	4,807,356,360.10	6,046,493,154.78

3. Accounts receivable

(1) Disclosed by aging:

Aging	30/06/2022 (Unaudited)			31/12/2021 (Audited)		
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)
Within 1 year	5,312,116,418.84	(75,175,137.85)	1.42	5,458,277,054.88	(39,850,844.18)	0.73
1 to 2 years	549,985,172.63	(10,318,202.71)	1.88	42,810,218.38	(39,251,329.26)	91.69
2 to 3 years	1,059,284.00	(1,059,284.00)	100.00	31,696,207.55	(31,684,650.41)	99.96
Over 3 years	365,776,884.86	(365,776,771.30)	100.00	318,907,100.16	(318,906,992.28)	100.00
Total	6,228,937,760.33	(452,329,395.86)	7.26	5,851,690,580.97	(429,693,816.13)	7.34

The analysis of aging of accounts receivable is based on the time of revenue recognition.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(2) Disclosed by classification of method of credit loss provision

RMB

Classifications	30/06/2022 (Unaudited)					31/12/2021 (Audited)				
	Carrying amount		Credit loss provision		Book value	Carrying amount		Credit loss provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Credit loss provision assessed by single	332,667,791.65	5.34	(332,667,791.65)	100.00	—	316,027,958.28	5.40	(316,027,958.28)	100.00	—
Credit loss provision assessed by portfolios	5,896,269,968.68	94.66	(119,661,604.21)	2.03	5,776,608,364.47	5,535,662,622.69	94.60	(113,665,857.85)	2.05	5,421,996,764.84
Total	6,228,937,760.33	100.00	(452,329,395.86)	7.26	5,776,608,364.47	5,851,690,580.97	100.00	(429,693,816.13)	7.34	5,421,996,764.84

Description of accounts receivable for which credit loss provision has been assessed by portfolios:

As part of the Group's credit risk management, the Group uses the credit period of receivables and overdue aging as the basis to assess the expected credit losses of various receivables.

The credit risk and expected credit loss reserves of accounts receivable with credit loss withdrawn by portfolio are as follows:

RMB

Aging	30/06/2022 (Unaudited)				31/12/2021 (Audited)			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Within credit period	0.00%-4.00%	5,734,009,226.63	(30,880,546.37)	5,703,128,680.26	0.00%-4.00%	5,415,441,836.78	(20,170,090.30)	5,395,271,746.48
1-180 days overdue	5.74%-50.00%	77,954,258.66	(4,474,574.45)	73,479,684.21	10.60%-50.00%	29,892,128.69	(3,167,110.33)	26,725,018.36
Overdue more than 180 days	100.00%	84,306,483.39	(84,306,483.39)	—	100.00%	90,328,657.22	(90,328,657.22)	—
Total		5,896,269,968.68	(119,661,604.21)	5,776,608,364.47		5,535,662,622.69	(113,665,857.85)	5,421,996,764.84

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts receivable (continued)

(3) Provision, collection or reversal of credit loss provision for the period:

RMB

Credit loss provision	30 June 2022 (Unaudited)		Total
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance at 1 January 2022	(23,337,200.63)	(406,356,615.50)	(429,693,816.13)
— Transfer to credit impairment incurred	17,631,667.38	(17,631,667.38)	—
Provision for the period	(29,649,587.57)	(18,251,502.23)	(47,901,089.80)
Reversal for the period	—	40,669,364.92	40,669,364.92
Write-off for the period	—	1,235,978.52	1,235,978.52
Exchange difference	—	(16,639,833.37)	(16,639,833.37)
Balance at 30 June 2022	(35,355,120.82)	(416,974,275.04)	(452,329,395.86)

(4) Top five entities with the largest balances of accounts receivable:

RMB

Name of entity	Closing balance	Proportion of the amount to the total accounts receivable (%)	Closing balance of credit loss provision
Customer 1	2,315,949,289.00	37.18	—
Customer 2	332,667,791.65	5.34	(332,667,791.65)
Customer 3	233,098,067.99	3.74	—
Customer 4	184,192,252.97	2.96	—
Customer 5	145,612,640.66	2.34	—
Total	3,211,520,042.27	51.56	(332,667,791.65)

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Notes receivable and Financing with receivables

4.1 Notes receivable

Classifications	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Bank acceptances	2,212,881,980.01	3,149,447,773.57
Commercial acceptances	15,157,753.80	32,482,498.63
Total	2,228,039,733.81	3,181,930,272.20

Note: The group pledged notes receivable RMB1,406,131,415.55 at the end of this period to issue notes payable and pledge loans.

4.2 Financing with receivables

(1) Classification

Category	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Bank acceptances	23,562,430,931.01	31,499,637,236.45
Total	23,562,430,931.01	31,499,637,236.45

Note: The Group classifies notes receivable as financial assets at fair value through other comprehensive income based on the business model in which the Group manages such notes receivable.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Notes receivable and Financing with receivables (continued)

4.2 Financing with receivables (continued)

(2) At the end of the period has pledged receivables financing

Project	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Bank acceptances	18,844,842,306.59	22,637,664,618.81
Total	18,844,842,306.59	22,637,664,618.81

Note: The group pledged such notes at the end of this period for issuing notes payable.

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

Project	RMB	
	The confirmation amount shall be terminated at the end of the period	The confirmation amount shall be terminated at the end of the period
Bank acceptances	24,170,293,278.11	—
Total	24,170,293,278.11	—

Note: The Group holds that its bank acceptances are not exposed to significant credit risk and will not subject to significant loss due to the default of the notes acceptor, therefore the Group has not made any provision for credit loss.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Prepayments

(1) Prepayments by aging:

Aging	30/06/2022 (Unaudited)		31/12/2021 (Audited)	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	2,343,585,141.24	95.36	1,709,284,874.60	97.73
1 to 2 years	99,205,666.61	4.04	27,986,593.63	1.60
2 to 3 years	12,275,739.74	0.50	8,500,241.47	0.49
Over 3 years	2,483,741.14	0.10	3,124,715.43	0.18
Total	2,457,550,288.73	100.00	1,748,896,425.13	100.00

Description of aging of prepayments:

Prepayments with aging over one year are mainly amounts prepaid to raw material suppliers which are not settled.

(2) Top five entities with the largest balances of prepayments:

Name of entity	Amount	Proportion of the amount to the total prepayments (%)
Supplier 1	330,512,738.79	13.45
Supplier 2	300,000,000.00	12.21
Supplier 3	211,658,820.98	8.61
Supplier 4	76,283,370.91	3.10
Supplier 5	58,111,128.64	2.36
Total	976,566,059.32	39.73

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables

6.1 Summary of other receivables

Category	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Interest receivable	1,373,342.24	10,465,785.63
Other receivables	1,246,302,231.13	1,111,406,806.89
Total	1,247,675,573.37	1,121,872,592.52

6.2 Interest receivable

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Interest of bank deposits	1,373,342.24	10,465,785.63
Total	1,373,342.24	10,465,785.63

6.3 Other receivables

(1) Disclosed by aging:

Aging	30/06/2022 (Unaudited)			31/12/2021 (Audited)		
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)
Within 1 year	1,023,129,686.11	(141,156.37)	0.01	877,238,837.73	(417,220.32)	0.05
1 to 2 years	84,348,918.79	(473,740.31)	0.56	97,354,487.92	(671,286.95)	0.69
2 to 3 years	2,840,209.12	(238,237.17)	8.39	120,057,323.57	(980,539.48)	0.82
Over 3 years	146,235,552.81	(9,399,001.85)	6.43	28,576,533.95	(9,751,329.53)	34.12
Total	1,256,554,366.83	(10,252,135.70)	0.82	1,123,227,183.17	(11,820,376.28)	1.05

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

6.3 Other receivables (continued)

(2) Other receivables classified by nature are as follows:

RMB

Nature	Carrying amount at 30/06/2022 (Unaudited)	Carrying amount at 31/12/2021 (Audited)
Taxes refunds	469,145,540.73	526,483,023.44
Proceeds from land transfer	186,256,243.00	186,256,243.00
Security and margin deposits	71,225,029.18	69,828,949.74
Pretty cash	19,317,578.33	31,637,029.42
Others	510,609,975.59	309,021,937.57
Total	1,256,554,366.83	1,123,227,183.17

(3) Analysis of credit loss provision

RMB

Aging	30/06/2022 (Unaudited)				31/12/2021 (Audited)			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Indefinite/within contractual repayment period	—	1,246,270,499.76	—	1,246,270,499.76	—	1,111,013,628.79	—	1,111,013,628.79
1-180 days overdue	50.00%	63,462.74	(31,731.37)	31,731.37	49.63%	780,543.70	(387,365.60)	393,178.10
Overdue more than 180 days	100.00%	10,220,404.33	(10,220,404.33)	—	100.00%	11,433,010.68	(11,433,010.68)	—
Total		1,256,554,366.83	(10,252,135.70)	1,246,302,231.13		1,123,227,183.17	(11,820,376.28)	1,111,406,806.89

The Group determines the expected credit losses for other receivables based on historical experience data and forward-looking information. For the period from 1 January to 30 June 2022 and the year of 2021, the Group's assessment methods and major assumptions have not changed.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Other receivables (continued)

6.3 Other receivables (continued)

(4) Credit loss provision

RMB

Credit loss provision	Phase 1 Future 12-month ECL	Phase 2 Lifetime ECL (not credit- impaired)	Phase 3 Lifetime ECL (credit- impaired)	Total
Balance at 1 January 2022	—	(387,365.60)	(11,433,010.68)	(11,820,376.28)
Provision for the period	—	(31,731.37)	(255,035.78)	(286,767.15)
Reversal for the period	—	22,055.17	726,894.15	748,949.32
Write-off for the period	—	—	1,106,058.41	1,106,058.41
Transfer to occurred credit impairment	—	365,310.43	(365,310.43)	—
Balance at 30 June 2022	—	(31,731.37)	(10,220,404.33)	(10,252,135.70)

(5) Top five entities with the largest balances of other receivables:

RMB

Name of entity	Nature	Amount	Aging	Proportion of the amount to the total other receivables (%)	Closing balance of credit loss provision
Entity 1	Export taxes refunds	329,413,402.82	Within 1 year	26.21	—
Entity 2	Proceeds from transfer of land	186,256,243.00	1-2 years, more than 3 year	14.82	—
Entity 3	VAT refunds	124,975,235.97	Within 1 year, 1-2 years	9.95	—
Entity 4	other	53,131,813.24	Within 1 year	4.23	—
Entity 5	other	26,141,491.43	Within 1 year	2.08	—
Total		719,918,186.46		57.29	—

The Group has no other receivables related to government grant.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Inventories

(1) Inventories by category

RMB

Item	30/06/2022 (Unaudited)		
	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	9,188,700,309.99	(94,558,362.26)	9,094,141,947.73
Work-in-progress	2,075,101,838.10	(4,363,947.92)	2,070,737,890.18
Finished goods	8,353,728,024.05	(12,222,851.71)	8,341,505,172.34
Low-valued and short-lived consumables	746,250,070.51	(1,138,568.66)	745,111,501.85
Total	20,363,780,242.65	(112,283,730.55)	20,251,496,512.10

RMB

Item	31/12/2021(Audited)		
	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	6,546,643,425.65	(129,716,774.81)	6,416,926,650.84
Work-in-progress	2,060,441,233.52	(3,895,913.76)	2,056,545,319.76
Finished goods	4,930,912,736.38	(85,046,162.43)	4,845,866,573.95
Low-valued and short-lived consumables	648,228,445.76	(1,148,266.85)	647,080,178.91
Total	14,186,225,841.31	(219,807,117.85)	13,966,418,723.46

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Inventories (continued)

(2) Provision for decline in value of inventories

RMB

Inventories by category	31/12/2021 (Audited)	Provision for the period	Decrease for the period Reversals	Written-off or Reversals	Foreign currency translation differences	30/06/2022 (Unaudited)
Raw materials	129,716,774.81	86,144,261.54	(22,507,908.61)	(98,461,517.53)	(333,247.95)	94,558,362.26
Work-in-progress	3,895,913.76	3,207,047.82	—	(2,668,753.49)	(70,260.17)	4,363,947.92
Finished goods	85,046,162.43	13,553,562.50	(2,427,400.88)	(83,969,957.42)	20,485.08	12,222,851.71
Low-valued and short-lived consumables	1,148,266.85	—	(9,698.19)	—	—	1,138,568.66
Total	219,807,117.85	102,904,871.86	(24,945,007.68)	(185,100,228.44)	(383,023.04)	112,283,730.55

(3) Analysis of provision for decline in value of inventories

Item	Basis of provision for decline in value of inventories	Reasons for reversal or written-off of provision for decline in value of inventories during the period	Percentage of the reversal to the closing balance of the inventory during the period (%)
Raw materials	Note 1	Note 2	0.24
Work-in-progress	Note 1	Note 2	—
Finished goods	Note 1	Note 2	0.03
Low-valued and short-lived consumables		Note 2	—

Note 1: As the estimated net realizable value of some vehicle products was lower than the inventory cost as at the end of the period, provision for decline in value of inventories had been made for raw materials, work-in-progress, and finished goods correspondingly.

Note 2: As the estimated net realizable value of part of the inventory was higher than the inventory cost as at the end of the period, the provision for decline in value of inventories for the previous year has been reversed. In addition, as the inventories for which provision for decline in value has been made in the previous year was sold during the year, the provision for decline in value of inventories has been written off.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Contract assets

RMB

Item	30/06/2022 (Unaudited)			31/12/2021 (Audited)		
	Carrying amount	Credit loss provision	Book value	Carrying amount	Credit loss provision	Book value
State subsidies receivable	621,946,686.00	—	621,946,686.00	2,129,583,174.00	—	2,129,583,174.00
Less: Reclassified as other non-current assets	610,667,871.00	—	610,667,871.00	1,857,548,048.18	—	1,857,548,048.18
Total	11,278,815.00	—	11,278,815.00	272,035,125.82	—	272,035,125.82

9. Other current assets

Details of other current assets:

RMB

Item	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Deposits in non-bank financial institutions (Note 1)	6,908,975,812.58	7,956,180,947.96
Taxes to be deducted	1,212,681,418.55	1,494,597,176.31
Mould (Note 2)	345,592,272.26	254,273,498.39
Prepaid enterprise income tax	25,296,071.00	6,678,025.01
Paint for vehicles	4,154,646.01	4,118,449.60
Others	243,555,534.96	96,969,574.97
Total	8,740,255,755.36	9,812,817,672.24

Note 1: The deposits in non-bank financial institutions are stored in Tianjin Great Wall Binyin Automotive Finance Co., Ltd. (天津長城濱銀汽車金融有限公司) ("Automotive Finance").

Note 2: The estimated useful life is less than one year.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Long-term receivables

(1) Long-term receivables

RMB

Item	30/06/2022 (Unaudited)			31/12/2021 (Audited)			Discount rate range
	Carrying amount	Credit loss provision	Book value	Carrying amount	Credit loss provision	Book value	
Performance bond	389,595,573.89	—	389,595,573.89	477,543,742.98	—	477,543,742.98	2.78%
Land advances	366,575,506.44	—	366,575,506.44	362,066,256.78	—	362,066,256.78	2.30%
Finance lease receivables	3,225,809,872.79	(56,296,230.23)	3,169,513,642.56	3,772,422,488.72	(81,056,442.10)	3,691,366,046.62	0 to 14.88%
Including: Unearned finance income	(363,507,683.48)	—	(363,507,683.48)	(442,095,919.67)	—	(442,095,919.67)	—
Subtotal	3,981,980,953.12	(56,296,230.23)	3,925,684,722.89	4,612,032,488.48	(81,056,442.10)	4,530,976,046.38	—
Less: Long-term receivables due within one year	2,017,376,408.93	(30,085,272.88)	1,987,291,136.05	2,288,629,585.81	(48,235,469.38)	2,240,394,116.43	—
Total	1,964,604,544.19	(26,210,957.35)	1,938,393,586.84	2,323,402,902.67	(32,820,972.72)	2,290,581,929.95	—

(2) Credit loss provision

RMB

Category	30/06/2022 (Unaudited)				Book value	31/12/2021 (Audited)				Book value
	Carrying amount		Credit loss provision			Carrying amount		Credit loss provision		
	Amount	Ratio (%)	Amount	Ratio (%)		Amount	Ratio (%)	Amount	Ratio (%)	
Credit loss provision by portfolio's	3,981,980,953.12	100.00	(56,296,230.23)	1.41	3,925,684,722.89	4,612,032,488.48	100	(81,056,442.10)	1.76	4,530,976,046.38
Total	3,981,980,953.12	100.00	(56,296,230.23)	1.41	3,925,684,722.89	4,612,032,488.48	100	(81,056,442.10)	1.76	4,530,976,046.38

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Long-term receivables (continued)

(2) Credit loss provision (continued)

Finance lease receivables

In order to reduce the credit risk of finance lease receivables, the Group uses the credit risk rating system to divide the finance lease receivables into five risk levels: normal, concerned, subordinate, suspicious and loss based on the transaction records and relevant external information available. During the period from 1 January to 30 June 2022 and the year of 2021, the Group's assessment methods and major assumptions have not changed.

RMB

Credit loss provision	For the period from 1 January to 30 June 2022 (Unaudited)		
	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2022	(33,814,067.66)	(47,242,374.44)	(81,056,442.10)
Provision for the period	(12,513,135.05)	(320,443.31)	(12,833,578.36)
Reversal for the period	13,083,387.76	—	13,083,387.76
Write-off for the period	—	24,510,402.47	24,510,402.47
— Transfer to credit impairment occurred	3,999,085.28	(3,999,085.28)	—
Balance at 30 June 2022	(29,244,729.67)	(27,051,500.56)	(56,296,230.23)

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments

The details of long-term equity investment are as follows:

RMB

Investee	31/12/2021 (Audited)	Changes in the current period								30/06/2022 (Unaudited)	Closing balance of impairment provision
		Increase for the period	Decrease in investment	Investment profit or loss recognized under the equity method	Other comprehensive income adjustment	Other equity changes	Declared cash dividends or profits	Provision for impairment	Others		
Joint ventures											
Auto finance	9,472,312,094.43	—	—	443,590,180.16	—	—	—	—	—	9,915,902,274.59	—
Shanghai Junying Enterprise Management Partnership (Limited Partnership)	20,962,327.13	—	(20,962,327.13)	—	—	—	—	—	—	—	—
Chongqing PetroChina Haval Energy Co., Ltd. ("Chongqing Petro China Haval")	1,350,000.00	—	—	(11,763.10)	—	—	—	—	—	1,338,236.90	—
Subtotal	9,494,624,421.56	—	(20,962,327.13)	443,578,417.06	—	—	—	—	—	9,917,240,511.49	—
Associates											
Haomo Zhixing Technology Co., Ltd. ("Haomo Zhixing")	19,689,604.50	—	—	(19,689,604.50)	—	—	—	—	—	—	—
Jiangsu Baojie Electromechanical Co., Ltd. ("Baojie Electromechanical")	10,000,000.00	—	—	—	—	—	—	—	—	10,000,000.00	—
Jiangsu Longcheng Alloy Material Co. LTD	—	56,200,000.00	—	(3,147,796.89)	—	—	—	—	—	53,052,203.11	—
Subtotal	29,689,604.50	56,200,000.00	—	(22,837,401.39)	—	—	—	—	—	63,052,203.11	—
Total	9,524,314,026.06	56,200,000.00	(20,962,327.13)	420,741,015.67	—	—	—	—	—	9,980,292,714.60	—

Note: As for the loss of Minmo Zhixing in the current period, the Group recognizes the investment loss according to the loss share of the associated enterprise, and the unrecognized loss share in the current period is RMB5,526,870.11.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Investment properties

The investment properties measured at cost:

Item	<i>RMB</i>		
	Buildings	Land use right	Total
I. Original carrying amount			
31 December 2021(Audited)	465,905,809.61	22,208,268.80	488,114,078.41
Additions for the period	95,853,924.96	130,310.63	95,984,235.59
1. Acquisition	429,203.41	—	429,203.41
2. Transfer from intangible assets	—	130,310.63	130,310.63
3. Transfer from fixed assets	95,424,721.55	—	95,424,721.55
Decrease for the period	(10,993,550.67)	—	(10,993,550.67)
1. Transfer to fixed assets	(10,993,550.67)	—	(10,993,550.67)
Foreign currency translation differences	(3,044,365.83)	—	(3,044,365.83)
30 June 2022 (Unaudited)	547,721,818.07	22,338,579.43	570,060,397.50
II. Accumulated amortization and depreciation			
31 December 2021(Audited)	158,233,529.85	3,644,167.23	161,877,697.08
Additions for the period	33,181,467.13	232,372.06	33,413,839.19
1. Provision or amortization	9,884,324.38	221,516.36	10,105,840.74
2. Transfer from intangible assets	—	10,855.70	10,855.70
3. Transfer from fixed assets	23,297,142.75	—	23,297,142.75
Decrease for the period	(3,900,262.29)	—	(3,900,262.29)
1. Transfer to fixed assets	(3,900,262.29)	—	(3,900,262.29)
Foreign currency translation differences	(450,289.23)	—	(450,289.23)
30 June 2022 (Unaudited)	187,064,445.46	3,876,539.29	190,940,984.75
III. Book value			
31 December 2021(Audited)	307,672,279.76	18,564,101.57	326,236,381.33
30 June 2022 (Unaudited)	360,657,372.61	18,462,040.14	379,119,412.75

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Fixed assets

(1) Information of fixed assets:

RMB

Item	Buildings	Machinery and equipment	Transportation vehicles	Electronic devices and other equipment	Total
I. Original carrying amount					
31 December 2021 (Audited)	17,187,601,871.60	25,876,705,447.73	504,150,603.85	10,262,615,492.20	53,831,073,415.38
Additions for the period	100,029,173.67	564,072,961.24	29,768,163.97	821,132,466.80	1,515,002,765.68
1. Acquisition	38,742,107.43	164,253,498.35	13,316,879.10	609,901,054.86	826,213,539.74
2. Transfer from construction in progress	50,293,515.57	395,674,244.13	2,182,638.21	187,378,003.94	635,528,401.85
3. Transfer from inventories	—	4,145,218.76	14,268,646.66	23,853,408.00	42,267,273.42
4. Transfer from investment properties	10,993,550.67	—	—	—	10,993,550.67
Decrease for the period	(153,443,858.45)	(827,055,013.46)	(13,536,065.18)	(296,126,265.29)	(1,290,161,202.38)
1. Disposal or retired	(821,405.06)	(268,858,303.81)	(11,918,530.89)	(242,631,344.08)	(524,229,583.84)
2. Decrease for transferring to construction in progress	—	(308,157,746.57)	—	(6,636,711.77)	(314,794,458.34)
3. Transfer to investment properties	(95,424,721.55)	—	—	—	(95,424,721.55)
4. Other transfer-out	(57,197,731.84)	(250,038,963.08)	(1,617,534.29)	(46,858,209.44)	(355,712,438.65)
Reclassification	16,626,482.32	(5,085,319.25)	1,075,976.07	(12,617,139.14)	—
Foreign currency translation differences	890,777,031.62	423,756,267.90	11,539,282.68	17,697,021.19	1,343,769,603.39
30 June 2022 (Unaudited)	18,041,590,700.76	26,032,394,344.16	532,997,961.39	10,792,701,575.76	55,399,684,582.07
II. Accumulated depreciation					
31 December 2021 (Audited)	3,911,909,232.36	14,541,250,530.06	285,616,203.16	6,951,341,802.02	25,690,117,767.60
Additions for the period	335,820,033.35	1,176,561,826.60	36,067,981.81	481,618,853.63	2,030,068,695.39
1. Provision for the period	331,919,771.06	1,176,561,826.60	36,067,981.81	481,618,853.63	2,026,168,433.10
2. Transfer from investment properties	3,900,262.29	—	—	—	3,900,262.29
Decrease for the period	(23,511,074.02)	(294,007,598.75)	(8,558,648.61)	(186,364,960.75)	(512,442,282.13)
1. Disposal or retired	(204,382.99)	(148,525,928.74)	(7,744,197.45)	(159,425,193.26)	(315,899,702.44)
2. Decrease for transferring to construction in progress	—	(144,819,734.69)	—	(2,843,680.62)	(147,663,415.31)
3. Transfer to investment Properties	(23,297,142.75)	—	—	—	(23,297,142.75)
4. Other transfer-out	(9,548.28)	(661,935.32)	(814,451.16)	(24,096,086.87)	(25,582,021.63)
Reclassification	7,419,915.11	(2,444,801.79)	366,323.31	(5,341,436.63)	—
Foreign currency translation differences	82,518,553.11	178,133,412.50	1,815,239.89	1,526,295.26	263,993,500.76
30 June 2022 (Unaudited)	4,314,156,659.91	15,599,493,368.62	315,307,099.56	7,242,780,553.53	27,471,737,681.62

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Fixed assets (continued)

(1) Information of fixed assets: (continued)

Item	RMB				Total
	Buildings	Machinery and equipment	Transportation vehicles	Electronic devices and other equipment	
III. Provision for impairment					
31 December 2021 (Audited)	204,878.87	165,472,443.89	3,553,398.02	530,336,051.56	699,566,772.34
Additions for the period	—	—	233,875.13	—	233,875.13
1. Provision for the period (Note)	—	—	—	—	—
2. Transfer from construction in progress	—	—	233,875.13	—	233,875.13
Decrease for the period	—	(7,138,457.16)	(373,039.97)	(52,851,281.44)	(60,362,778.57)
1. Disposal or retired	—	(4,930,726.82)	(333,011.42)	(50,620,428.14)	(55,884,166.38)
2. Decrease for transferring to construction in progress	—	(2,207,730.34)	—	(592,032.27)	(2,799,762.61)
3. Other transfer-out	—	—	(40,028.55)	(1,638,821.03)	(1,678,849.58)
30 June 2022 (Unaudited)	204,878.87	158,333,986.73	3,414,233.18	477,484,770.12	639,437,868.90
IV. Book value					
31 December 2021 (Audited)	13,275,487,760.37	11,169,982,473.78	214,981,002.67	2,780,937,638.62	27,441,388,875.44
30 June 2022 (Unaudited)	13,727,229,161.98	10,274,566,988.81	214,276,628.65	3,072,436,252.11	27,288,509,031.55

Note: There is no provision for impairment of fixed assets in the current period.

(2) Fixed assets of which certificates of title have not been obtained

As at 30 June 2022, the net value of the house property in the fixed assets that has not obtained the house property certificate is RMB1,987,783,334.08, and the relevant house property certificate is being handled.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Construction in progress

(1) The breakdown of construction in progress is as follows:

RMB

Item	30/06/2022 (Unaudited)			31/12/2021 (Audited)		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Parts and Components						
Department reconstruction project	2,376,636,217.97	(986,804.15)	2,375,649,413.82	1,555,821,410.60	(1,579,912.08)	1,554,241,498.52
Shangrao automotive project	594,193,251.30	—	594,193,251.30	506,434,759.00	—	506,434,759.00
Overseas automotive project	539,835,309.72	—	539,835,309.72	292,747,266.91	—	292,747,266.91
Industrial Park Phase I, II and III expansion	405,190,033.81	(3,602,004.61)	401,588,029.20	254,978,327.26	(3,602,004.61)	251,376,322.65
Taizhou automotive project	375,306,173.85	—	375,306,173.85	146,713,976.20	—	146,713,976.20
Xushui automotive project	372,621,169.99	—	372,621,169.99	228,460,931.14	—	228,460,931.14
Xushui parts and components project	319,648,357.37	(670,135.99)	318,978,221.38	233,163,443.24	(727,915.76)	232,435,527.48
Tianjin parts and components project	243,482,223.78	(306,627.78)	243,175,596.00	10,425,859.65	(457,111.03)	9,968,748.62
Tianjin automotive project	174,859,359.97	—	174,859,359.97	177,493,795.18	—	177,493,795.18
Russia 80,000 sets of vehicle plant and residential area supporting project	174,476,026.31	—	174,476,026.31	114,824,030.64	—	114,824,030.64
Russia 80,000 sets of vehicle plant and residential area						
Chongqing Great Wall automotive project	62,503,330.60	—	62,503,330.60	61,534,495.78	—	61,534,495.78
New technology center	17,365,257.02	—	17,365,257.02	17,744,652.35	—	17,744,652.35
Rizhao automotive project	4,107,061.13	—	4,107,061.13	5,622,763.13	—	5,622,763.13
Other projects in automotive	1,412,488,779.60	—	1,412,488,779.60	771,323,316.91	—	771,323,316.91
Other projects in progress	106,095,882.26	—	106,095,882.26	96,320,777.25	—	96,320,777.25
Total	7,178,808,434.68	(5,565,572.53)	7,173,242,862.15	4,473,609,805.24	(6,366,943.48)	4,467,242,861.76

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Construction in progress (continued)

(2) Changes in major construction in progress

RMB

Project	Budget amount	31/12/2021 (Audited)	Additions for the period	Transferred to fixed assets	Other Deductions (note)	Proportion of investment to budget (%)	Accumulated capitalized interest amount	Sources of fund	30/06/2022 (Unaudited)
Parts and Components									
Department reconstruction project	8,235,372,859.94	1,555,821,410.60	1,253,413,841.32	(343,685,511.45)	(88,913,522.50)	69.08	—	Self-owned	2,376,636,217.97
Shangrao automotive project	1,286,068,296.67	506,434,759.00	115,676,938.30	(4,530,777.00)	(23,387,669.00)	46.54	—	Self-owned	594,193,251.30
Industrial Park Phase I, II and III expansion	2,101,964,121.70	254,978,327.26	230,845,710.37	(2,949,105.53)	(77,684,898.29)	77.48	—	Self-owned	405,190,033.81
Xushui parts and components project	7,901,579,415.82	233,163,443.24	179,116,581.02	(89,163,797.45)	(3,467,869.44)	72.23	—	Self-owned	319,648,357.37
Xushui automotive project	12,613,804,259.89	228,460,931.14	170,199,258.38	(25,984,126.82)	(54,892.71)	84.53	—	Self-owned	372,621,169.99
Tianjin automotive project	5,747,935,278.02	177,493,795.18	119,815,624.22	(122,290,059.43)	(160,000.00)	93.74	—	Self-owned	174,859,359.97
Taizhou automotive project	478,072,627.57	146,713,976.20	230,764,880.89	(1,364,774.74)	(807,908.50)	78.92	—	Self-owned	375,306,173.85
Russia 80,000 sets of vehicle plant and residential area supporting project	3,951,202,100.00	114,824,030.64	59,651,995.67	—	—	91.58	—	Self-owned	174,476,026.31
Chongqing Great Wall									
automotive project	2,821,709,328.00	61,534,495.78	1,936,437.99	(905,213.74)	(62,389.43)	79.94	—	Self-owned	62,503,330.60
New technology center	1,727,202,349.00	17,744,652.35	—	(379,395.33)	—	95.24	—	Self-owned	17,365,257.02
Tianjin parts and components									
project	4,976,414,737.00	10,425,859.65	239,952,546.60	(5,225,377.10)	(1,670,805.37)	95.22	—	Self-owned	243,482,223.78
Rizhao automotive project	556,526,788.99	5,622,763.13	2,121,063.01	(178,137.95)	(3,458,627.06)	92.07	—	Self-owned	4,107,061.13
Overseas automotive project	553,355,425.54	292,747,266.91	253,800,528.40	(6,712,485.59)	—	97.56	—	Self-owned	539,835,309.72
Other projects in automotive	2,413,305,090.56	771,323,316.91	655,124,794.05	(7,451,996.69)	(6,507,334.67)	58.83	—	Self-owned	1,412,488,779.60
Other projects in progress	642,144,280.08	96,320,777.25	58,398,577.98	(24,707,643.03)	(23,915,829.94)	70.36	—	Self-owned	106,095,882.26
Total	56,006,656,958.78	4,473,609,805.24	3,570,818,778.20	(635,528,401.85)	(230,091,746.91)		—		7,178,808,434.68

Note: The decrease of RMB108,138,693.15 in construction in progress is transferred into intangible assets, the decrease of RMB9,912,951.24 in construction in progress is transferred into expense.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Construction in progress (continued)

(3) Provision for impairment of construction in progress for the period

No impairment provision for construction in progress occurred in this period.

15. Right-of-use asset

Item					<i>RMB</i>
	Land use right	Buildings	Machine equipment	Transportation vehicle	Total
I. Original carrying amount:					
31 December 2021					
(Audited)	20,355,089.38	258,912,100.60	197,468,987.08	21,304,261.25	498,040,438.31
Additions for the period	14,898,315.20	549,107,682.25	325,174,052.83	2,026,739.30	891,206,789.58
Deductions for the period	—	(48,932,808.20)	(210,230.82)	(636,185.99)	(49,779,225.01)
Foreign currency					
translation differences	—	1,786,877.79	(186,722.72)	(203,502.91)	1,396,652.16
30 June 2022 (Unaudited)	35,253,404.58	760,873,852.44	522,246,086.37	22,491,311.65	1,340,864,655.04
II. Accumulated depreciation					
31 December 2021					
(Audited)	12,107,864.43	89,030,077.07	157,583,939.22	12,554,343.63	271,276,224.35
Additions for the period	7,487,279.78	107,248,978.67	80,664,463.17	4,347,282.17	199,748,003.79
1. Provision	7,487,279.78	107,248,978.67	80,664,463.17	4,347,282.17	199,748,003.79
Deductions for the period	—	(15,587,290.75)	(78,444.33)	(285,468.14)	(15,951,203.22)
Foreign currency					
translation differences	—	2,718,757.56	(164,488.58)	(124,497.64)	2,429,771.34
30 June 2022 (Unaudited)	19,595,144.21	183,410,522.55	238,005,469.48	16,491,660.02	457,502,796.26
III. Provision for impairment					
31 December 2021					
(Audited)	—	—	—	—	—
30 June 2022 (Unaudited)	—	—	—	—	—
IV. Book value					
31 December 2021					
(Audited)	8,247,224.95	169,882,023.53	39,885,047.86	8,749,917.62	226,764,213.96
30 June 2022 (Unaudited)	15,658,260.37	577,463,329.89	284,240,616.89	5,999,651.63	883,361,858.78

Other notes:

The Group has leased a number of assets, including land use rights, buildings, machinery equipment and transportation vehicles, with a lease period ranging from 2 to 10 years. The short-term lease expenses and lease of low-value asset expenses included in the simplified processing of current profit and loss for the current period are RMB242,746,539.33. The total cash outflow related to leases for the period was RMB676,846,101.79.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Intangible assets

(1) Intangible assets

<i>RMB</i>				
Item	Land use right	Software and others	Non-patent technology	Total
I. Original carrying amount				
31 December 2021(Audited)	3,764,965,389.85	1,119,982,468.63	5,810,667,697.97	10,695,615,556.45
Additions for the period	2,658,826.38	195,751,464.71	1,282,957,067.75	1,481,367,358.84
1. Acquisition	21,850.92	90,249,747.02	7,780,328.75	98,051,926.69
2. Internal research and development	—	—	1,275,176,739.00	1,275,176,739.00
3. Transferred from construction in progress	2,636,975.46	105,501,717.69	—	108,138,693.15
Deductions for the period	(2,767,286.09)	(6,031,015.34)	(172,800.00)	(8,971,101.43)
1. Other transfer-out	(2,636,975.46)	(1,134,151.11)	—	(3,771,126.57)
2. Disposal	—	(4,896,864.23)	(172,800.00)	(5,069,664.23)
3. Transferred to investment properties	(130,310.63)	—	—	(130,310.63)
Foreign currency translation differences	—	8,495,532.31	(867,834.70)	7,627,697.61
30 June 2022 (Unaudited)	3,764,856,930.14	1,318,198,450.31	7,092,584,131.02	12,175,639,511.47
II. Accumulated amortization				
31 December 2021(Audited)	681,683,546.26	261,949,378.36	2,661,347,047.30	3,604,979,971.92
Additions for the period	38,608,396.06	51,182,284.96	915,735,128.81	1,005,525,809.83
1. Provision	38,608,396.06	51,182,284.96	915,735,128.81	1,005,525,809.83
Deductions for the period	(10,855.70)	(5,185,137.89)	(172,800.00)	(5,368,793.59)
1. Disposal	—	(4,896,864.18)	(172,800.00)	(5,069,664.18)
2. Transferred to investment properties	(10,855.70)	—	—	(10,855.70)
3. Other transfer-out	—	(288,273.71)	—	(288,273.71)
Foreign currency translation differences	—	3,861,335.67	(199,947.84)	3,661,387.83
30 June 2022 (Unaudited)	720,281,086.62	311,807,861.10	3,576,709,428.27	4,608,798,375.99
III. Provision for impairment				
31 December 2021(Audited)	—	—	—	—
30 June 2022 (Unaudited)	—	—	—	—
IV. Book value				
31 December 2021(Audited)	3,083,281,843.59	858,033,090.27	3,149,320,650.67	7,090,635,584.53
30 June 2022 (Unaudited)	3,044,575,843.52	1,006,390,589.21	3,515,874,702.75	7,566,841,135.48

The proportion of intangible assets arising from internal research and development at the end of the period to balance of total intangible assets is 46.36% (31 December 2021: 42.95%).

(2) Land use right of which certificates of title has not been obtained

As at 30 June 2022, among the intangible assets, the net book value of land use right without land use right certificates amounted to RMB21,251,880.00(31 December 2021: RMB21,518,640.00), and the application of relevant land use right certificates is in progress.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Development expenditure

Item	31/12/2021 (Audited)	Increase for the period	Recognized as intangible assets	Decrease for the period		30/06/2022 (Unaudited)
				Transferred to profit or loss for the period		
Automobile development project	7,144,904,022.66	3,832,409,483.34	(1,275,176,739.00)	(293,955,725.07)		9,408,181,041.93

18. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offsetting

Item	30/06/2022 (Unaudited)		31/12/2021 (Audited)	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Credit loss provision	504,242,511.05	85,926,456.98	475,766,104.42	81,384,374.09
Provision for decline in value of inventories	104,847,126.54	14,847,249.52	125,352,842.71	17,743,492.88
Impairment of fixed assets	450,017,848.71	68,219,377.94	545,493,352.56	82,851,973.84
Impairment of construction in progress	5,214,042.93	782,106.45	5,687,796.54	853,169.49
Amortization of intangible assets	2,412,091,073.58	364,718,892.72	1,747,777,825.32	263,102,250.23
Accrued expenses which are deductible upon payment	639,143,597.44	122,308,173.03	812,772,638.03	146,254,663.14
Contract liabilities	2,657,126,420.86	381,634,075.73	2,659,756,485.36	398,945,600.67
Deductible loss	10,145,839,965.98	1,728,572,521.40	8,436,763,831.22	1,403,296,590.56
Deferred income	715,493,691.49	121,993,705.84	740,675,292.24	126,719,606.05
Share-based payments	2,750,544,401.88	452,943,494.54	3,238,641,108.73	507,805,565.31
Right-of-use asset and lease liabilities	299,938,760.88	43,203,032.36	400,226,959.54	60,279,992.53
Unrealized profit arising from internal transactions	1,903,446,575.71	463,745,131.72	2,284,774,528.26	402,910,682.19
Others	65,549,201.05	19,289,406.25	135,678,918.39	28,978,158.35
Total	22,653,495,218.10	3,868,183,624.48	21,609,367,683.32	3,521,126,119.33

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Deferred tax assets and deferred tax liabilities (continued)

(2) Deferred tax liabilities before offsetting

Item	30/06/2022 (Unaudited)		31/12/2021 (Audited)	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
The impact of accelerated depreciation of fixed assets under tax law	9,781,416,299.61	1,533,031,058.43	9,129,897,241.19	1,414,544,905.99
Unrealized earnings of financial assets	710,301,846.59	177,297,848.55	546,117,425.30	133,827,224.80
The value added of assets appraisal of Business combination not involving enterprise under common control	153,996,798.87	38,499,199.72	154,608,257.14	38,652,064.28
Temporary difference of interest receivable	9,246,493.28	2,311,623.32	11,744,495.57	2,936,123.90
Total	10,654,961,438.35	1,751,139,730.02	9,842,367,419.20	1,589,960,318.97

(3) Deferred tax assets and deferred tax liabilities disclosed at net amount after offsetting

Item	30/06/2022 (Unaudited)		31/12/2021 (Audited)	
	Offset amount of deferred tax assets and liabilities	Deferred tax assets (liabilities) after offsetting	Offset amount of deferred tax assets and liabilities	Deferred tax assets (liabilities) after offsetting
Deferred tax assets	(938,853,051.26)	2,929,330,573.22	(744,508,412.26)	2,776,617,707.07
Deferred tax liabilities	938,853,051.26	(812,286,678.76)	744,508,412.26	(845,451,906.71)

(4) Details of unrecognized deferred tax assets

Item	30/06/2022 (Unaudited)
Deductible loss	1,240,897,107.60
Total	1,240,897,107.60

The above unrecognized deductible losses will expire in 2027 and subsequent years.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Other non-current assets

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Purchase margin	3,038,479,261.87	2,691,573,610.58
State subsidies receivable	610,667,871.00	1,857,548,048.18
Others	102,855,203.61	102,782,530.97
Total	3,752,002,336.48	4,651,904,189.73

20. Short-term borrowings and long-term borrowings

(1) Short-term borrowings

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Credit loans	2,435,446,878.40	3,252,228,029.15
Guaranteed loans (Note 1)	1,647,008,622.28	971,553,522.60
Pledge loan (Note 2)	298,666,100.00	880,182,100.00
Mortgage loan (Note 3)	100,000,000.00	100,500,000.00
Total	4,481,121,600.68	5,204,463,651.75

Note 1: The guaranteed loan is the loan obtained by the Company's subsidiaries Jingcheng Engineering Auto Parts (Yangzhong) Co., Ltd. (精誠工科汽車零部件(揚中)有限公司) ("Jinggong Yangzhong"), Honeycomb Transmission System (Jiangsu) Co., Ltd. (蜂巢傳動系統(江蘇)有限公司) ("Honeycomb Transmission"), Honeycomb Power, Great Wall Motor Sales (Thailand Sales) Co., Ltd. (長城汽車銷售(泰國)有限公司) ("Thailand Sales"), Great Wall Motor Manufacturing (Thailand) Co., Ltd. (長城汽車製造(泰國)有限公司) ("Great Wall Motor Thailand"), Honeycomb Power System (Thailand) Co., Ltd. (蜂巢動力系統(泰國)有限公司) ("Honeycomb Power Thailand") and Mind Automotive Parts (Thailand) Co., Ltd. (曼德汽車零部件(泰國)有限公司) ("Mind Thailand") with the Company as the guarantor.

Note 2: The pledged loan is the loan obtained from the pledge of notes receivable by the Company, the pledge of long-term receivables by the Company's subsidiary Tianjin Oula Financial Leasing Co., Ltd. (天津歐拉融資租賃有限公司) ("Tianjin Oula"), and the pledge of the Company's accounts receivable by the Company's subsidiary Honeycomb Power, and the discount amount obtained by discounting the undue notes receivable that did not meet the termination recognition conditions at the end of the current period.

Note 3: The mortgage loan is the loan obtained by Hebei Changzheng Automobile Manufacturing Co., Ltd. (河北長征汽車製造有限公司) ("Changzheng Automobile"), a subsidiary of the Company, by mortgaging the land use right.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Short-term borrowings and long-term borrowings (continued)

(2) Long-term borrowings

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Credit loans	15,521,955,380.54	6,780,915,097.18
Guaranteed loans (Note 1)	3,892,522,004.51	3,822,369,409.70
Pledge loan (Note 2)	493,331,530.89	468,412,010.41
Mortgage loan (Note 3)	195,414,430.45	288,026,825.25
Less: Long-term loans due within one year	2,990,335,798.01	2,703,563,065.90
Total	17,112,887,548.38	8,656,160,276.64

Note 1: The guaranteed loan is the loan obtained by the Company with Baoding Great Wall Venture and Investment Co., Ltd. (保定市長城創業投資有限公司) (“Great Wall Venture and Investment”), and the loan obtained by the Company’s subsidiaries Tianjin Oula, Honeycomb Power, Honeycomb Transmission, Billion Sunny Development Co., Ltd. (億新發展有限公司) (Billion Sunny Development), Jinggong Yangzhong and Honeycomb Intelligent Steering System (Jiangsu) Co., Ltd. (蜂巢智能轉向系統(江蘇)有限公司) (“Honeycomb Intelligent”) with the Company as the guarantor.

Note 2: The mortgage loan is the loan obtained by the Company’s subsidiaries Honeycomb Transmission and Jinggong Yangzhong by mortgaging the land use right.

Note 3: The pledged loan is the loan obtained from the pledge of notes receivable by the Company and the pledge of long-term receivables by the Company’s subsidiary Tianjin Oula.

21. Notes payable

Category	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Bank acceptances	39,296,084,301.72	26,723,616,328.62
Commercial acceptances	40,410,679.12	85,692,493.78
Total	39,336,494,980.84	26,809,308,822.40

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Accounts payable

(1) Accounts payable disclosed as follows:

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Within 1 year	25,172,879,044.31	36,945,873,207.56
1 to 2 years	51,403,329.72	70,874,917.69
2 to 3 years	14,164,154.89	40,520,481.93
Over 3 years	47,483,305.21	25,813,123.07
Total	25,285,929,834.13	37,083,081,730.25

The aging analysis of accounts payable is based on the time of purchasing materials, goods or receiving services.

(2) Accounts payable aged over one year with significant amount:

Item	RMB	
	30/06/2022 (Unaudited)	Reason for outstanding or transfer
Supplier 1	6,965,393.00	Payment terms have not been reached
Supplier 2	6,252,000.00	Payment terms have not been reached
Supplier 3	5,300,000.00	Payment terms have not been reached
Supplier 4	4,730,000.00	Payment terms have not been reached
Supplier 5	4,520,000.00	Payment terms have not been reached
Total	27,767,393.00	

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Contract liabilities

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Receipts in advance	3,721,434,816.83	6,117,998,996.97
Maintenance service	1,148,896,012.18	944,399,200.40
Warranty service	346,668,330.94	254,799,253.21
Transportation service	39,227,288.53	70,706,931.50
Total	5,256,226,448.48	7,387,904,382.08

Note:

Revenue included in the opening book value of contract liabilities recognized in the current period.

The opening book value of contract liabilities amounting to RMB6,355,791,018.07 has been recognized as revenue during the period. The book value of contract liabilities at the end of the period is expected to be recognized as income within one year.

24. Employee benefits payable

(1) Employee benefits payable disclosed as follows:

Item				RMB
	31/12/2021 (Audited)	Increase	Decrease	30/06/2022 (Unaudited)
1. Short-term employee benefits	3,203,109,152.77	6,045,660,800.73	(8,295,152,517.52)	953,617,435.98
2. Post-employment benefits-defined contribution plan	12,106,338.27	519,860,242.24	(511,677,127.64)	20,289,452.87
Total	3,215,215,491.04	6,565,521,042.97	(8,806,829,645.16)	973,906,888.85

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Employee benefits payable (continued)

(2) Short-term employee benefits payable disclosed as follows:

Item	31/12/2021 (Audited)	Increase	Decrease	RMB
				30/06/2022 (Unaudited)
I. Salaries, bonuses, allowances and subsidies	2,810,402,343.74	4,628,868,083.64	(6,612,132,127.52)	827,138,299.86
II. Staff welfare	171,779,756.93	370,163,568.80	(540,085,800.65)	1,857,525.08
III. Staff bonuses and welfare fund	280,505.14	—	(280,505.14)	—
IV. Social insurance premiums	5,979,744.84	290,149,778.98	(288,352,003.04)	7,777,520.78
Including: Medical insurance	5,213,013.06	266,739,152.08	(264,887,059.19)	7,065,105.95
Work-related injury insurance	388,646.25	19,052,293.29	(19,208,208.45)	232,731.09
Maternity insurance	378,085.53	4,358,333.61	(4,256,735.40)	479,683.74
V. Housing provident funds	1,900,574.80	171,330,930.60	(169,950,387.16)	3,281,118.24
VI. Labor union expenditures	15,208,917.89	12,192,251.47	(17,238,825.80)	10,162,343.56
VII. Employees' education expenses	4,469,840.52	5,148,516.47	(8,113,687.23)	1,504,669.76
VIII. Service charge	193,087,468.91	567,807,670.77	(658,999,180.98)	101,895,958.70
Total	3,203,109,152.77	6,045,660,800.73	(8,295,152,517.52)	953,617,435.98

(3) Defined contribution plan

Item	31/12/2021 (Audited)	Increase	Decrease	RMB
				30/06/2022 (Unaudited)
1. Basic endowment insurance	12,696,528.22	498,406,827.94	(489,522,713.01)	21,580,643.15
2. Unemployment insurance	(590,189.95)	21,453,414.30	(22,154,414.63)	(1,291,190.28)
Total	12,106,338.27	519,860,242.24	(511,677,127.64)	20,289,452.87

Employees of the Group are required to join a pension plan implemented by the local government. Under such plan, the Group is required to make contribution at a fixed percentage of the salaries of its employees. Except for the monthly payment and deposit fees, the Group no longer undertakes further payment obligations. The corresponding expenditure is included in the relevant asset cost or current profit and loss when incurred.

For the period from 1 January to 30 June 2022, basic endowment insurance payable of the Group amounted to RMB498,406,827.94 (for the period from 1 January to 30 June 2021: RMB333,564,754.13); the unemployment insurance payable amounted to RMB21,453,414.30 (for the period from 1 January to 30 June 2021: RMB14,800,979.66). As at 30 June 2022, basic endowment insurance payable of RMB21,580,643.15 (31 December 2021: RMB12,696,528.22) of the Group have not yet been paid and have been paid after the period.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Taxes payable

Item	<i>RMB</i>	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Value added tax	351,453,692.16	803,816,056.10
Consumption tax	446,869,154.03	968,714,213.93
Enterprise income tax	344,500,590.67	716,794,706.13
Individual income tax	38,958,977.13	32,598,227.38
City maintenance and construction tax	51,479,249.10	81,078,368.12
Education surcharges	37,069,748.75	47,957,182.50
Stamp duty	29,241,609.30	46,115,748.96
Real estate tax	8,092,394.83	5,143,960.62
Others	309,888,565.62	115,891,802.42
Total	1,617,553,981.59	2,818,110,266.16

26. Other payables

Other payables disclosed by nature are as follows:

Item	<i>RMB</i>	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Equipment payment	1,219,678,603.25	1,148,640,207.01
Project payment	1,118,752,413.04	1,154,176,732.06
Deposits	824,765,847.40	686,713,723.67
Restricted share under repurchase obligations	634,423,631.90	641,218,321.00
Output tax related to advance payment	482,795,579.84	803,721,619.10
Payment for share repurchase	446,364,808.75	—
Others	616,383,101.87	432,623,920.83
Total	5,343,163,986.05	4,867,094,523.67

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Non-current liabilities due within one year

Item	Notes	RMB	
		30/06/2022 (Unaudited)	31/12/2021 (Audited)
Long-term loans due within one year	(VI)20	2,990,335,798.01	2,703,563,065.90
Bonds payable due within one year	(VI)29	545,551,076.95	813,140,234.65
Lease liabilities due within one year	(VI)30	172,635,014.61	151,161,966.51
Total		3,708,521,889.57	3,667,865,267.06

28. Other current liabilities

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Accrued advertising and media service expenses	1,031,454,069.05	1,177,355,063.06
Accrued after-sales service expenses	1,205,866,233.96	1,102,102,977.25
Accrued technology development expenditure	310,562,361.34	163,012,324.38
Accrued transportation costs	705,308,134.81	667,637,595.43
Accrued utilities fees	50,978,496.64	86,425,517.98
Accrued expenses for Internet of vehicles	285,022,469.32	466,118,426.39
Others	785,623,374.41	880,281,882.08
Total	4,374,815,139.53	4,542,933,786.57

29. Bonds payable

(1) Bonds payable

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Asset backed securities	579,617,752.84	1,074,462,180.99
Convertible bond	3,260,269,348.88	3,214,954,734.68
Less: bonds payable due within one year	545,551,076.95	813,140,234.65
Total	3,294,336,024.77	3,476,276,681.02

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Bonds payable (continued)

(2) Increase and decrease of bonds payable

RMB

Bond name	face value	Issue date	Bond term (da)	Issue amount	2021.12.31 (Audited)	Issued this period	Accrued interest at par value	Premium amortization and others	Repayment/ conversion of shares this period	Less: bonds	2022.06.30 (Unaudited)
										payable due within one period	
21 Euler 1A (Note 1)	100.00	27/01/2021	454	407,000,000.00	53,156,562.22	—	241,837.78	(651,200.00)	(52,747,200.00)	—	—
21 Euler 2A (Note 1)	100.00	13/04/2021	834	930,000,000.00	555,609,618.78	—	7,683,731.66	(9,272,100.00)	(223,293,000.00)	(313,531,107.75)	17,197,142.69
21 Euler 3A (Note 1)	100.00	21/10/2021	643	462,000,000.00	465,695,999.99	—	6,224,002.41	(8,108,100.00)	(214,922,400.00)	(232,019,969.20)	16,869,533.20
Changqi convertible bonds (Note 2)	100.00	17/06/2021	2190	3,500,000,000.00	3,214,954,734.68	—	3,872,059.06	52,201,115.14	(10,758,560.00)	—	3,260,269,348.88
Total	—	—	—	5,299,000,000.00	4,289,416,915.67	—	18,021,630.91	34,169,715.14	(501,721,160.00)	(545,551,076.95)	3,294,336,024.77

Note 1: Tianjin Oula, a subsidiary of the Company, issued RMB407 million of fixed rate priority asset-backed securities as the initiator on January 27, 2021. The Group holds all subordinated asset-backed securities, and the priority asset-backed securities will be repaid before April 2022; Tianjin Oula issued RMB930 million of fixed rate priority asset-backed securities as the initiator on April 13, 2021. The Group holds all subordinated asset-backed securities, and the priority asset-backed securities will be repaid before July 2023; Tianjin Oula issued RMB462 million of fixed rate priority asset-backed securities as the initiator on October 21, 2021. The Group holds all subordinated asset-backed securities, and the priority asset-backed securities will be repaid in July 2023. The Group has not terminated the recognition of financial assets related to asset securitization, and accounts the financing from the issuance of priority asset-backed securities as bonds payable.

Note 2: With the approval of ZJXK [2021] No. 1353, the Company issued A-share convertible corporate bonds with a face value of RMB100 and a total face value of RMB3.500 billion in June 2021, with a term of 6 years. The annual coupon rate of convertible corporate bonds is 0.2% in the first year, 0.4% in the second year, 0.6% in the third year, 0.8% in the fourth year, 1.5% in the fifth year and 2.0% in the sixth year. The interest shall be paid once a year, the principal shall be returned when due and the interest of the last year shall be paid. The conversion period of A-share convertible corporate bonds issued this time starts from the first trading day six months after the end of the issuance of convertible bonds (June 17, 2021) to the maturity date of convertible bonds, that is, December 17, 2021 to June 9, 2027. On the issue date, the liability component of convertible corporate bonds is initially recognized at fair value, and the part where the issue price exceeds the initially recognized liability component is recognized as equity component.

As at 30 June 2022, the cumulative face value of "Changqi convertible bonds" of RMB4,392,000.00 has been converted into the Company's shares, and the number of converted shares is 115,677.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Lease liabilities

Item	RMB	
	30/06/2022 (Unaudited)	31/12/2021 (Audited)
Lease liabilities	1,142,605,713.48	627,067,378.86
Sub-total	1,142,605,713.48	627,067,378.86
Less: Leased liabilities recognized in non-current liabilities due within one year (Note VI.27)	172,635,014.61	151,161,966.51
Total	969,970,698.87	475,905,412.35

31. Deferred income

Item	RMB			30/06/2022 (Unaudited)
	31/12/2021 (Audited)	Increase	Decrease	
Government grants	4,112,912,347.76	1,130,959,087.04	(485,221,772.56)	4,758,649,662.24
Total	4,112,912,347.76	1,130,959,087.04	(485,221,772.56)	4,758,649,662.24

Projects related to government grants:

Type	RMB					Related to an asset/ related to income
	31/12/2021 (Audited)	Increase in grants for the period	Amount recognized in other income for the period	Other transfer-out	30/06/2022 (Unaudited)	
Government industrial policy supporting fund	2,999,573,978.66	820,779,113.12	(109,707,865.08)	(311,059,291.04)	3,399,585,935.66	Related to an asset/income
Infrastructure supporting fund	591,394,772.05	6,389,928.94	(166,667.50)	—	597,618,033.49	Related to an asset
Soft soil foundation subsidy	234,604,907.90	—	(1,462,796.10)	—	233,142,111.80	Related to an asset
New technical center infrastructure construction project	105,794,133.34	—	(7,558,368.36)	—	98,235,764.98	Related to an asset
Urban construction fund	43,452,635.11	110,799,300.00	(17,678,132.44)	—	136,573,802.67	Related to an asset
Energy-saving gasoline direct injection engine project	40,833,333.33	—	(5,000,000.00)	—	35,833,333.33	Related to an asset
110KV transformer substation project	23,338,221.56	—	(588,358.56)	—	22,749,863.00	Related to an asset
New technical center infrastructure construction project	9,975,783.52	—	(7,068,211.26)	—	2,907,572.26	Related to an asset
Renovation and expansion of expert apartment project	9,545,454.55	100,000,000.00	(681,818.18)	—	108,863,636.37	Related to an asset
Others	54,399,127.74	92,990,744.98	(5,023,080.52)	(19,227,183.52)	123,139,608.68	Related to an asset/income
Total	4,112,912,347.76	1,130,959,087.04	(154,935,298.00)	(330,286,474.56)	4,758,649,662.24	

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. Share capital

RMB

Item	Opening balance	New issue (Note 1)	Changes for the period		Sub-total	Closing balance
			Shares transfer from convertible bond	Others (Note 1)		
Share capital	9,235,713,278.00	33,137,166.00	99,138.00	(198,370.00)	33,037,934.00	9,268,751,212.00

Note 1: As stated in Note (XII), in accordance with the Group's Equity Incentive Plan, For the period from 1 January to 30 June 2022, the Group cancelled 198,370.00 restricted shares repurchased due to invalidation, granted 7,955,800 restricted shares, and issued 25,181,366 shares due to exercise of share options.

33. Other equity instruments

RMB

Outstanding financial instruments	Opening balance	Increase	Decrease	Closing balance
Equity Instrument portion of Convertible Corporate Bonds (VI)29	335,951,802.16	—	(361,069.30)	335,590,732.86
Total	335,951,802.16	—	(361,069.30)	335,590,732.86

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Capital reserve

Item	RMB			Closing balance
	Opening balance	Increase	Decrease	
For the period from 1 January to 30 June 2022 (Unaudited) :				
Capital premiums (Note 1)	2,467,152,413.48	344,963,433.17	(668,506.90)	2,811,447,339.75
Other capital reserves (Note 2)	2,404,756,860.15	1,948,438,383.13	(173,186,124.55)	4,180,009,118.73
Total	4,871,909,273.63	2,293,401,816.30	(173,854,631.45)	6,991,456,458.48
For the period from 1 January to 30 June 2021 (Unaudited) :				
Capital premiums	1,630,673,880.89	185,985,226.80	(2,065,810.00)	1,814,593,297.69
Other capital reserves	148,636,354.36	515,863,978.73	—	664,500,333.09
Total	1,779,310,235.25	701,849,205.53	(2,065,810.00)	2,479,093,630.78

Note 1: The increase in capital premium in the current period is an increase of RMB341,345,136.11 in the restricted shares granted to incentive objects, the exercise of stock options of incentive objects and the unlocking of restricted shares of the Group in the current period, and an increase of RMB3,618,297.06 in the conversion of part of the "Changqi convertible bonds" into the Company's shares. The decrease in the current period is a decrease of RMB668,506.90 in the Group's restricted shares due to the expiration of repurchase and cancellation.

Note 2: The increase in other capital reserves for the period represented the share-based payment of RMB1,948,438,383.13 recognized based on the number of exercisable equity instruments for the period. The decrease in other capital reserves for the period amounted to RMB75,470,244.70, arising from the unlocking of restricted shares to incentive objects as well as exercise of stock options, the effect of income tax of RMB97,715,879.85 in relation to the Equity Incentive Plan which should be included in owners' equity.

35. Treasury stock

Project	RMB			Closing balance
	Opening balance	Increase	Decrease	
Treasury shares related to restricted stock repurchase obligations	642,035,492.50	100,720,428.00	(61,818,313.40)	680,937,607.10
Repurchased stock	—	846,990,131.37	—	846,990,131.37
Total	642,035,492.50	947,710,559.37	(61,818,313.40)	1,527,927,738.47

Note: The annual increase in stock capital associated with restrictive stock repurchase obligations is due to the Group's granting of restricted shares to incentive objects in the current period, while the current decrease is due to the Group's distribution of cash dividends to the holders of restricted shares, the repurchase and cancellation of expired restricted shares, and the unlocking of restricted shares in the current period, as detailed in Note (XII).

Repurchased shares refer to the repurchase of H shares issued by the company in the current period.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Surplus reserve

RMB

Item	Closing balance of the previous period	Increase	Decrease (Note)	Closing balance
For the period from 1 January to 30 June 2022 (Unaudited):				
Statutory surplus reserve	6,317,883,154.33	—	(14,346.81)	6,317,868,807.52
Discretionary surplus reserve	2,855,650.48	—	—	2,855,650.48
Enterprise expansion fund	104,928,700.30	—	—	104,928,700.30
Tax credit for social welfare enterprises	251,838,024.75	—	—	251,838,024.75
Total	6,677,505,529.86	—	(14,346.81)	6,677,491,183.05
For the period from 1 January to 30 June 2021 (Unaudited):				
Statutory surplus reserve	5,827,386,126.02	—	—	5,827,386,126.02
Discretionary surplus reserve	2,855,650.48	—	—	2,855,650.48
Enterprise expansion fund	93,354,946.63	—	—	93,354,946.63
Tax credit for social welfare enterprises	251,838,024.75	—	—	251,838,024.75
Total	6,175,434,747.88	—	—	6,175,434,747.88

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Undistributed profits

Item	Amount	RMB Proportion of appropriation or allocation
For the period from 1 January to 30 June 2022 (Unaudited):		
Undistributed profits at the end of last period	41,892,707,709.74	
Add: Net profit attributable to the shareholders of the parent company for the period	5,600,501,901.48	
Transferred from surplus reserve	14,346.81	
Less: Distribution of cash dividends	647,043,053.10	(1)
Undistributed profits at the end of the period	46,846,180,904.93	
For the period from 1 January to 30 June 2021 (Unaudited):		
Undistributed profits at the beginning of the period	40,994,784,827.03	
Add: Net profit attributable to the shareholders of the parent company	3,528,617,024.84	
Less: Distribution of cash dividends	2,569,096,967.00	
Undistributed profits at the end of the period	41,954,304,884.87	

(1) Cash dividends approved by the shareholders' meeting in this period

On April 25, 2022, the 2021 Annual General Meeting of the Company considered and approved the "Bill on the 2021 Annual Profit Distribution Plan". Cash dividend of RMB0.07 (tax included) shall be distributed to all shareholders per share based on the total capital stock on the registration date of the Company's profit distribution. The total shares on the registration date of May 19, 2022 are 9,251,550,308, and the total cash dividend is RMB647,608,521.56.

In the current period, the Group's cash dividends recorded for profit distribution have been excluded from the impact on expected future cash dividends and dividends on cancelled restricted shares distributed by holders of unlockable restricted shares.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Operating income and operating costs

(1) Operating income and operating costs

Item	For the period from 1 January to 30 June 2022 (Unaudited)		For the period from 1 January to 30 June 2021 (Unaudited)	
	Income	Costs	Income	Costs
Principal operating activities	61,178,980,357.98	49,846,369,007.61	60,749,754,157.14	50,719,505,695.42
Other operating activities	955,135,649.87	867,501,185.10	1,178,614,759.03	1,144,927,601.59
Total	62,134,116,007.85	50,713,870,192.71	61,928,368,916.17	51,864,433,297.01

(2) Revenue arising from contracts with customers

Categories of contracts	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Income from the sales of automobiles	55,568,165,545.31	55,210,171,798.89
Income from the sales of automotive parts and components	3,206,902,098.19	3,106,872,713.71
Income from rendering of services	1,415,850,327.47	1,576,232,782.74
Income from the sales of moulds and others	988,062,387.01	856,476,861.80
Other operating income	890,883,770.23	1,116,695,410.12
Subtotal of income from contracts with customers	62,069,864,128.21	61,866,449,567.26
Rental income	64,251,879.64	61,919,348.91
Total	62,134,116,007.85	61,928,368,916.17

(3) Description of allocation to remaining performance obligations

At the end of the reporting period, the income corresponding to the performance obligations for which a contract has been signed but has not yet been fulfilled or has not been fulfilled amounted to RMB12,064,642,874.48, which is expected to be recognized in one year.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Taxes and levies

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Consumption tax	1,537,155,449.02	1,320,075,389.83
City maintenances and construction tax	174,416,127.80	162,542,984.55
Educational surcharges	125,053,896.43	116,931,143.64
Stamp duty	102,023,109.85	92,855,555.19
Land use tax	35,374,804.92	32,678,714.40
Real estate tax	75,147,259.89	68,028,489.71
Others	3,973,643.35	4,444,100.35
Total	2,053,144,291.26	1,797,556,377.67

40. Selling expenses

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Advertising and media services fees	1,048,715,888.72	1,191,033,252.59
After-sale services expenses	368,472,200.80	426,546,422.27
Wages and salaries	307,749,828.59	205,879,212.07
Share-based payments	97,210,449.18	11,597,337.43
Consulting service fee	62,495,303.92	84,261,287.16
Port charges	38,768,942.44	47,830,182.25
Travelling expenses	18,401,414.34	16,930,321.87
Others	274,329,931.75	460,345,345.38
Total	2,216,143,959.74	2,444,423,361.02

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Administrative expenses

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Wages and salaries	992,988,329.19	654,074,392.27
Share-based payments	451,320,026.26	34,950,102.57
Repair and maintenance fees	194,202,376.56	172,701,243.86
Depreciation and Amortization	165,537,612.41	135,330,046.29
Consulting service fee	157,227,237.31	149,010,890.33
Office expenses	129,045,399.44	85,992,378.13
Others	113,420,741.86	99,827,465.36
Business reception fees	7,720,136.00	8,562,531.72
Auditors' remuneration	1,959,566.09	769,105.19
Total	2,213,421,425.12	1,341,218,155.72

42. Research and development expenses

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Depreciation and Amortization	1,041,987,636.30	655,957,548.20
Wages and salaries	868,563,690.11	451,050,142.37
Share-based payments	337,705,991.24	52,463,233.51
Material test and detection fee	189,027,019.22	225,088,367.89
Consulting service fee	186,670,282.03	58,950,819.11
Office expenses	74,495,431.56	44,934,858.53
Others	478,169,480.66	369,310,081.27
Total	3,176,619,531.12	1,857,755,050.88

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. Financial expenses

Item	RMB	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Interest expense	302,707,514.44	231,611,304.18
Including: Interest expenses on lease liabilities	22,218,204.09	14,087,093.69
Interest income	(565,918,318.48)	(350,511,691.45)
Foreign currency translation differences	(2,684,734,670.75)	(192,828,278.95)
Others	15,286,482.75	5,263,941.32
Total	(2,932,658,992.04)	(306,464,724.90)

44. Other income

Item	RMB	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Government grants	450,745,145.77	486,133,764.53
Individual income tax rebate	9,104,979.49	7,006,510.27
Weighted deduction of input tax	10,382,359.91	3,806,677.92
Total	470,232,485.17	496,946,952.72

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. Other income (continued)

Government grants recognized in other income:

Items	RMB		
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)	Related to an asset/Related to income
Automobile retirement subsidy	240,968,001.36	207,353,322.91	Related to income
Industrial support subsidy	23,166,000.00	—	Related to income
Foreign trade economic development subsidies	6,618,398.15	—	Related to income
Export subsidy	5,534,871.68	—	Related to income
Subsidies for job stabilization	3,078,240.77	578,514.72	Related to income
Subsidies for industrial digitalization and smart factories	2,000,000.00	—	Related to income
Immediate refund of VAT of welfare enterprises	1,027,503.63	18,617,289.03	Related to income
Research and development subsidy for talent technology	44,000.00	36,468,919.00	Related to income
Special funds for technological upgrading	—	6,950,000.00	Related to income
New energy vehicle subsidy	—	1,637,712.84	Related to income
Import discount subsidy	—	511,860.00	Related to income
Others	13,372,832.18	15,188,960.94	Related to income
Amortization of deferred income	154,935,298.00	198,827,185.09	Related to an asset/ income
Total	450,745,145.77	486,133,764.53	

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. Investment income

Breakdown:

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Income from long-term equity investments under equity method	421,584,127.05	644,272,899.77
Investment gains from the disposal of trading financial assets	62,749,973.77	75,004,234.08
Losses on derecognition of discounted bills	(113,023,707.30)	(71,099,344.60)
Investment gains from the disposal of derivative financial instruments	5,728,377.00	2,452,344.34
Net profit or loss on disposal of subsidiaries	47,302.87	—
Total	377,086,073.39	650,630,133.59

There are no significant restrictions on remittance of investment income of the Group.

The Group has no gains on investments from listed companies.

46. Gains (losses) from changes in fair values

Source of gains (losses) from changes in fair values	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Held-for-trading financial assets		
Including: Equity instruments	(118,249,460.00)	80,215,641.62
Wealth management products	(5,887,334.68)	9,118,583.62
Derivative financial assets (liabilities)	3,949,819.96	1,632,206.72
Other non-current financial assets	(1,718,348.87)	764,300.00
Total	(121,905,323.59)	91,730,731.96

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Losses on credit impairment

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Accounts receivable	(7,231,724.88)	(10,125,250.04)
Other receivables	462,182.17	(27,500.00)
Long-term receivables (including those due within 1 year)	249,809.40	(16,075,679.88)
Total	(6,519,733.31)	(26,228,429.92)

48. Impairment losses on assets

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
I. Losses on decline in value of inventories	(77,959,864.18)	(152,238,994.09)
II. Impairment losses of fixed assets	—	(106,990,307.69)
II. Impairment losses of construction in progress	—	(530,116.37)
Total	(77,959,864.18)	(259,759,418.15)

49. Losses from disposal of assets

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Losses from disposal of asset	(31,476,693.82)	(24,025,980.42)
Including: Losses on disposals of fixed assets	(8,174,772.52)	(13,595,145.13)
Gains on disposals of construction in progress	(23,816,476.62)	(10,618,042.72)
Gains on disposals of intangible assets	—	20,544.78
Gains on disposals of right-of-use asset	514,555.32	166,662.65

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. Non-operating income

(1) Breakdown of non-operating income is as follows:

Item	RMB		
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)	Amount included in non-recurring gains and losses for the period
Government grants	518,233,296.74	29,340,586.27	518,233,296.74
Gains from compensation	33,052,594.13	38,388,143.10	33,052,594.13
Unpayable amounts	3,831,071.80	1,195,814.98	3,831,071.80
Others	29,518,385.67	23,774,263.49	29,518,385.67
Total	584,635,348.34	92,698,807.84	584,635,348.34

(2) Government grants recognized in non-operating income:

Item	RMB		
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)	Related to an asset/Related to income
Industrial development funds	462,980,046.23	18,874,007.47	Related to income
Financial subsidy funds	18,038,636.85	—	Related to income
Others	37,214,613.66	10,466,578.80	Related to income
Total	518,233,296.74	29,340,586.27	

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Non-operating expenses

Item	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)	<i>RMB</i>
			Amount included in non-recurring gains and losses for the period
Expenditures for donations	10,173,565.66	7,516,558.71	10,173,565.66
Expenses for compensations and fines	1,239,092.79	973,278.67	1,239,092.79
Others	10,175,823.29	7,206,665.27	10,175,823.29
Total	21,588,481.74	15,696,502.65	21,588,481.74

52. Income tax expenses

Item	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)	<i>RMB</i>
Current tax expenses	624,388,589.40	755,025,813.23	
Deferred tax expenses	(350,191,079.53)	(347,899,144.33)	
Total	274,197,509.87	407,126,668.90	

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. Income tax expenses (continued)

Reconciliation of income tax expenses to the accounting profit is as follows:

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Total profit	5,866,079,410.20	3,935,743,693.74
Income tax rate	25%	25%
Income tax expenses calculated at 25%	1,466,519,852.55	983,935,923.44
Changes in opening balances of deferred tax assets/liabilities due to the change in tax rate	54,588.31	340,593.38
Effect of special tax exemption	(258,406,023.66)	(201,154,555.29)
Effect of additional deduction for research and development expenses	(321,636,160.42)	(253,862,770.97)
Tax effect of non-taxable income	(390,492,987.96)	(164,210,605.93)
Effect of weighted deduction for the disabled	(2,280,316.66)	(4,932,459.79)
Tax effect of non-deductible expenses	64,254,594.64	21,512,130.44
Effect of deductible loss not recognized for deferred tax assets for last period	(399,402,140.05)	(97,078,578.64)
Effect of deductible loss not recognized for deferred tax assets for the period	115,586,103.12	122,576,992.26
Total	274,197,509.87	407,126,668.90

53. Net profit

Net profit of the Group has been arrived at after charging (crediting):

Item	Note	<i>RMB</i>	
		For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Depreciation for fixed assets		2,026,094,488.82	1,969,520,550.96
Depreciation and amortization for investment properties	VI12	10,105,840.74	8,930,026.73
Amortization of intangible assets		1,005,269,352.28	602,896,190.53
Depreciation for right-of-use assets	VI15	199,748,003.79	90,020,450.95
Total amount of depreciation and amortization		3,241,217,685.63	2,671,367,219.17
Losses from disposal of assets	VI49	31,476,693.82	24,025,980.42
Rental income from investment properties		(20,030,551.02)	(33,625,811.86)
Employee benefits expense		5,286,646,796.21	4,120,221,772.17
Research and development expenses		3,176,619,531.12	1,857,755,050.88
Losses on decline in value of inventories	VI7	77,959,864.18	152,238,994.09

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Calculation of basic and diluted earnings per share

(1) Calculation of basic earnings per share

The basic earnings per share is calculated based on the current net profit attributable to ordinary shareholders of the Company, deducting the cash dividends distributed to holders of restricted shares that are expected to be unlocked in the future, divided by the weighted average number of outstanding ordinary shares (excluding the number of restricted shares and treasure shares).

Item	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Basic earnings per share (RMB/share)	0.61	0.39

(2) Calculation of diluted earnings per share

Diluted earnings per share is calculated by dividing the adjusted current net profit attributable to the owners of the parent company by the adjusted weighted average number of outstanding ordinary shares in the current period under the assumption that all dilutive potential ordinary shares have been converted.

Item	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Diluted earnings per share (RMB/share)	0.60	0.38

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

55. Other comprehensive income

Item	31 December 2021 (Audited)	Amount incurred for current period before tax	Amount recognized in the current period				Attributable to minority interests after tax	RMB 30 June 2022 (Unaudited)
			Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expenses	Attributable to owners of the parent company after tax			
Other comprehensive income that will not be reclassified to profit or loss								
Including: Changes in recalculation the net liabilities of the benefit plan	(5,496,728.08)	—	—	—	—	—	(5,496,728.08)	
Changes in the fair value of investments in other equity instruments	389,322,082.50	188,096,336.06	—	(47,024,084.01)	141,072,252.05	—	530,394,334.55	
Other comprehensive income that will be reclassified to profit or loss								
Including: Changes in fair value of financial assets classified as at FVTOCI	(176,216,411.39)	127,566,458.98	—	(19,134,968.84)	108,431,490.14	—	(67,784,921.25)	
Translation difference of financial statements denominated in foreign currency	(454,978,905.31)	1,082,685,192.53	—	—	1,082,685,192.53	—	627,706,287.22	
Total other comprehensive income	(247,369,962.28)	1,398,347,987.57	—	(66,159,052.85)	1,332,188,934.72	—	1,084,818,972.44	

56. Notes to the items in the cash flow statement

(1) Other cash receipts relating to operating activities

Item	RMB	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Government grants	1,940,826,264.96	1,321,787,321.19
Interest income	362,065,650.38	184,943,452.95
Finance lease expenses	522,102,213.46	12,408,546.77
Reparations (penalty) income	33,052,594.13	38,388,143.10
Others	38,623,365.16	31,833,609.90
Total	2,896,670,088.09	1,589,361,073.91

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Notes to the items in the cash flow statement (continued)

(2) Other cash payments relating to operating activities

Item	RMB	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Capacity deposit paid	2,143,700,000.00	—
Advertising and media services fee	1,469,732,357.91	558,269,285.67
Transportation costs and port charges	541,398,876.50	298,927,852.08
Technology development expenditures	898,824,553.91	650,212,850.63
After-sale services expenses and repair costs	458,911,320.65	633,090,036.79
Business reception fees and office expenses	137,293,017.35	84,330,248.18
Travelling expenses	70,728,253.73	30,272,327.74
Consultation fees	239,949,444.68	237,577,384.15
Finance leases	213,248,498.96	208,189,581.60
Others	68,289,290.05	146,979,409.99
Total	6,242,075,613.74	2,847,848,976.83

(3) Other cash receipts relating to investing activities

Item	RMB	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Collection of current amounts	—	53,000,000.00
Collection of performance bond	100,000,000.00	—
Total	100,000,000.00	53,000,000.00

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Notes to the items in the cash flow statement (continued)

(4) Other cash payments relating to financing activities

	For the period from 1 January to 30 June 2022 (Unaudited)	<i>RMB</i> For the period from 1 January to 30 June 2021 (Unaudited)
Increase in restricted bank deposits	9,744,832,055.13	59,002,454.32
Decrease in lease liabilities	400,330,514.08	153,057,909.53
Fees for issuing convertible bonds	—	11,659,000.00
Repurchase treasury stocks	446,623,534.77	2,637,696.00
Total	10,591,786,103.98	226,357,059.85

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	For the period from 1 January to 30 June 2022 (Unaudited)	RMB For the period from 1 January to 30 June 2021 (Unaudited)
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	5,591,881,900.33	3,528,617,024.84
Add: Provision for impairment of assets	77,959,864.18	259,759,418.15
Impairment losses on credit	6,519,733.31	26,228,429.92
Depreciation of fixed assets	2,026,094,488.82	1,969,520,550.96
Depreciation of right-of-use assets	199,748,003.79	90,020,450.95
Amortization of intangible assets	1,005,269,352.28	602,896,190.53
Amortization of long-term prepaid expenses	27,690,594.85	29,284,832.33
Depreciation and amortization of investment properties	10,105,840.74	8,930,026.73
Losses on changes in fair values (Less: gains)	121,905,323.59	(91,730,731.96)
Gains from disposal of assets	31,476,693.82	24,025,980.42
Amortization of deferred income	(154,935,298.00)	(198,827,185.09)
Financial expenses	143,603,651.17	(24,674,770.37)
Investment losses (Less: gains)	(490,109,780.69)	(721,729,478.19)
Decrease in deferred tax assets (Less: increase)	(333,290,197.02)	(412,338,128.08)
Increase in deferred tax liabilities (Less: decrease)	(16,900,882.51)	64,438,983.75
Decrease in inventories (Less: increase)	(6,400,432,455.51)	(2,290,842,606.88)
Decrease in operating receivables (Less: increase)	10,421,680,167.55	10,273,042,748.30
Increase in operating payables (Less: decrease)	(5,198,614,612.97)	1,868,930,844.82
Others	1,094,566,284.66	104,226,171.02
Net cash flows from operating activities	8,164,218,672.39	15,109,778,752.15
2. Significant investing and financing activities which do not involve cash receipts and payments:		
Leased fixed assets recognized as right-of-use assets	891,206,789.58	134,386,743.61
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	28,170,111,907.66	21,064,145,169.48
Less: Opening balance of cash and cash equivalents	27,907,854,151.86	13,591,491,005.23
Net increase in cash and cash equivalents	262,257,755.80	7,472,654,164.25

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Supplementary information to the cash flow statement (continued)

(2) Components of cash and cash equivalents

Item	RMB	
	30 June 2022 (Unaudited)	31 December 2021 (Audited)
I. Cash	28,170,111,907.66	27,907,854,151.86
Including: Cash on hand	394,565.06	1,144,796.85
Bank deposits ready to be withdrawn on demand	28,169,717,342.60	27,906,709,355.01
II. Closing balance of cash and cash equivalents	28,170,111,907.66	27,907,854,151.86

58. Assets with limited ownership or use right

Item	RMB	
	Carrying amount at the end of the period	Reasons for the restrictions
Cash and bank balances		Security and margin deposits for bank acceptances, L/C, letter of guarantee deposits and others
	14,884,538,832.63	
Notes receivable		Used for issuance of notes payable and borrowing
	1,406,131,415.55	
Financing of receivables		Used for issuance of notes payable and borrowing
	18,844,842,306.59	
Intangible assets	187,944,540.92	Used for borrowings
Long-term receivables	2,721,694,760.42	Used for borrowings and asset-backed securities
Total	38,045,151,856.11	

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

59. Monetary items denominated in foreign currencies

Item	Closing balance of foreign currencies	Exchange rate	Closing balance of RMB
<i>RMB</i>			
Cash and bank balances			
Including: USD	84,551,414.14	6.7114	567,464,064.70
HKD	528,634,509.06	0.8552	452,082,945.78
RMB	173,221,923.28	1.0000	173,221,923.28
EUR	12,412,312.21	7.0084	86,997,451.60
AUD	1,855,095.70	4.6145	8,560,326.33
JPY	99,915,975.00	0.0491	4,909,471.34
GBP	4,246.46	8.1365	34,551.32
SGD	311.00	4.8170	1,498.09
RUB	572.72	0.1285	73.61
KRW	7,110.00	0.0052	36.69
THB	130.69	0.1906	24.91
Accounts receivable			
Including: USD	42,304,753.78	6.7114	283,924,124.52
RMB	343,585.15	1.0000	343,585.15
Other receivable			
Including: EUR	41,600.00	7.0084	291,549.44
Accounts payable			
Including: EUR	8,222,421.85	7.0084	57,626,021.29
JPY	459,260,000.00	0.0491	22,566,199.36
RMB	6,125,448.63	1.0000	6,125,448.63
USD	656,765.14	6.7114	4,407,813.56
HKD	3,030.09	0.8552	2,591.30
Other payables			
Including: USD	3,184,542.80	6.7114	21,414,925.45
RMB	17,527,464.19	1.0000	17,527,464.19
EUR	1,214,812.62	7.0084	8,514,737.97
JPY	29,770,000.00	0.0491	1,462,778.72
Long-term borrowings			
Including: EUR	144,366,841.86	7.0084	1,011,780,574.49
USD	84,721,041.97	6.7114	568,596,801.08

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VII. CHANGES IN CONSOLIDATION SCOPE

1. Disposal of subsidiaries

No disposal of subsidiaries occurred this period.

2. Changes in consolidation scope for other reasons

Newly established subsidiaries during the current period:

Name	Date of establishment
Great Wall Zhixing (Chongqing) Technology Co., LTD. (長城智行(重慶)科技有限公司) (“Great Wall Wisdom (Chongqing)”)	January 2022
Weipai Zhixing (Chongqing) Technology Co., LTD. (魏牌智行(重慶)科技有限公司) (“Weipai Zhixing (Chongqing)”)	January 2022
Shenzhen Ange Intelligent Control Technology Co., LTD. (深圳市安格智控科技有限公司) (“Shenzhen Ange Intelligent Control”)	January 2022
Shanghai Jiayu Intelligent Technology Co., LTD. (上海嘉峪智能科技有限公司) (“Shanghai Jiayu”)	January 2022
Salon Mecha (Hangzhou) Automobile Sales Co., LTD. (沙龍機甲(杭州)汽車銷售有限公司) (“Salon Mecha (Hangzhou)”)	January 2022
Salon Mecha (Guangzhou) Automobile Sales Co., LTD. (沙龍機甲(廣州)汽車銷售有限公司) (“Salon Mecha (Guangzhou)”)	January 2022
Mande Automotive Parts (Pizhou) Co., LTD. (曼德汽車零部件(邳州)有限公司) (“Mande Automotive Parts (Pizhou)”)	January 2022
Great Wall Auto Malaysia Sales Co., LTD. (長城汽車馬來西亞銷售有限公司) (“Malaysia Sales”)	February 2022
Great Wall Auto Bay Co., LTD. (長城汽車海灣有限公司) (“Great Wall Bay”)	February 2022
Honeycomb Transmission Technology Pizhou Co., LTD. (蜂巢傳動科技邳州有限公司) (“Honeycomb Transmission Technology (Pizhou)”)	February 2022
Great Wall Auto Middle East Co., LTD. (長城汽車中東有限公司) (“Great Wall Middle East”)	March 2022
Mande Auto Parts (Leling) Co., LTD. (曼德汽車零部件(樂陵)有限公司) (“Mande Auto Parts (Leling)”)	March 2022
Jingcheng Engineering Automotive Parts (Pizhou) Co., LTD. (精誠工科汽車零部件(邳州)有限公司) (“Jingcong Parts (Pizhou)”)	March 2022
Jingcheng Engineering Automotive Systems (Europe) Co., LTD. (精誠工科汽車系統(歐洲)有限公司) (“Jingcong Systems (Europe)”)	April 2022
Jingcheng Engineering Auto Parts (Changchun) Co., LTD. (精誠工科汽車零部件(長春)有限公司) (“Jingcong Parts (Changchun)”)	April 2022

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VII. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Changes in consolidation scope for other reasons (continued)

Name	Date of establishment
Great Wall Auto Vietnam Co., LTD. (長城汽車越南有限公司) (“Great Wall Vietnam”)	June 2022
Salon Mecha (Chengdu) Automobile Sales Co., LTD. (沙龍機甲(成都)汽車銷售有限公司) (“Salon Mecha (Chengdu)”)	June 2022
Salon Mecha (Beijing) Auto Sales Co., LTD. (沙龍機甲(北京)汽車銷售有限公司) (“Salon Mecha (Beijing)”)	June 2022
Jingcheng Engineering Daye Automotive Mold Technology Co., LTD. (精誠工科大冶汽車模具技術有限公司) (“Jing Engineering Daye Automotive Mold”)	June 2022
Wenzhou Olong Zhixing Automobile Sales and Service Co., LTD. (溫州市歐龍智行汽車銷售服務有限公司) (“Wenzhou Zhixing”)	March 2022
Shenyang Zhixing Xingkailai Automobile Sales and Service Co., LTD. (瀋陽智行興凱來汽車銷售服務有限公司) (“Shenyang Zhixing XingKailai”)	March 2022
Nantong Zhixing Dayang Automobile Sales and Service Co., LTD. (南通智行大洋汽車銷售服務有限公司) (“Nantong Zhixing”)	March 2022
Lanzhou Zhixing Jindao Auto Sales and Service Co., LTD. (蘭州智行金島汽車銷售服務有限公司) (“Lanzhou Zhixing”)	March 2022
Jinhua Zhixing Yuanji Auto Sales and Service Co., LTD. (金華智行元基汽車銷售服務有限公司) (“Jinhua Zhixing”)	March 2022
Jinan Tank Zhixing Shuncheng Auto Sales and Service Co., LTD. (濟南坦克智行順馳汽車銷售服務有限公司) (“Jinan Tank Zhixing”)	March 2022
Chengdu Zhixing Sanhe Auto Sales and Service Co., LTD. (成都智行三和汽車銷售服務有限公司) (“Chengdu Zhixing”)	March 2022
Shijiazhuang Zhixiang Xiangyu Auto Sales and Service Co., LTD. (石家莊智享翔裕汽車銷售服務有限公司) (“Shijiazhuang Zhixiang”)	April 2022
Qingdao Zhixing Shuncheng Automobile Sales and Service Co., LTD. (青島智行順馳汽車銷售服務有限公司) (“Qingdao Zhixing Shuncheng”)	April 2022
Hangzhou Zhixing Kangqiao Auto Sales and Service Co., LTD. (杭州智行康橋汽車銷售服務有限公司) (“Hangzhou Zhixing Kangqiao”)	April 2022
Wenzhou Zhixing Yuanteng Auto Sales and Service Co., LTD. (溫州智行元騰汽車銷售服務有限公司) (“Wenzhou Zhixing Yuanteng”)	May 2022
Lanzhou Zhixing Kangda Auto Sales Co., LTD. (蘭州智行康達汽車銷售有限公司) (“Lanzhou Zhixing Kangda”)	May 2022
Jiaxing Zhiling Yuanxin Auto Sales and Service Co., LTD. (嘉興智領元信汽車銷售服務有限公司) (“Jiaxing Zhiling Yuanxin”)	May 2022

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VII. CHANGES IN CONSOLIDATION SCOPE (continued)

2. Changes in consolidation scope for other reasons (continued)

Name	Date of establishment
Hangzhou Zhixing Yuanji Automobile Sales and Service Co., LTD. (杭州智行元基汽車銷售服務有限公司) (“Hangzhou Zhixing Yuanji”)	May 2022
Beijing Zhixing Aojia Auto Sales and Service Co., LTD. (北京智行奧嘉汽車銷售服務有限公司) (“Beijing Zhixing Aojia”)	May 2022
Suzhou Zhiling Xinzicheng Auto Sales and Service Co., LTD. (蘇州智領心之城汽車銷售服務有限公司) (“Suzhou Zhiling Xinzicheng”)	June 2022
Haikou Zhixing Aochuang Auto Sales and Service Co., LTD. (海口市智行奧創汽車銷售服務有限公司) (“Haikou Zhixing Aochuang”) (Note)	April 2022
Chongqing Zhixing Xintian Auto Sales and Service Co., LTD. (重慶市智行新田汽車銷售服務有限公司) (“Chongqing Zhixing Xintian”) (Note)	April 2022
Shenyang Tank Zhixing Gangheng Auto Sales and Service Co., LTD. (瀋陽坦克智行罡正汽車銷售服務有限公司) (“Shenyang Tank Zhixing Gang Zheng”) (Note)	May 2022
Linyi Tank Zhixing Yida Auto Sales Service Co., LTD. (臨沂市坦克智行易達汽車銷售服務有限公司) (“Linyi Tank Zhixing”) (Note)	May 2022
Shanghai Zhixing Lianlong Auto Sales and Service Co., LTD. (上海智行聯隆汽車銷售服務有限公司) (“Shanghai Zhixing Lianlong”) (Note)	June 2022
Hangzhou Zhixing Baipeng Auto Sales and Service Co., LTD. (“Hangzhou Zhixing Baipeng”) (杭州智行佰騰汽車銷售服務有限公司) (Note)	June 2022

Note: The Company is established as a joint venture between Tank Zhixing Chongqing, a subsidiary of the Company, and a third party.

Cancellation of subsidiaries in current year:

Name	Date of cancellation
Baoding Yixin Consulting Services Co. LTD	March 2022

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Structure of the Group

Subsidiaries invested by the Group:

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Great Wall Baoding Huabei Automotive Company Limited (保定長城華北汽車有限責任公司) ("Great Wall Huabei")	Limited liability company	Gaobeidian	Gaobeidian	Manufacture of automotive parts and components	100.00	—
Baoding Great	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Baoding Nobo Rubber Production Co., Ltd. (保定市諾博橡膠製品有限公司) ("Baoding Nobo")	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Beijing Great Automotive Components Co., Ltd. (北京格瑞特汽車零部件有限公司) ("Beijing Great")	Limited liability company	Beijing	Beijing	Manufacture of automotive parts and components	100.00	—
Baoding Great Wall Auto Sales Co., Ltd. (保定長城汽車銷售有限公司) ("Great Wall Sales")	Limited liability company	Baoding	Baoding	Marketing and sale of automobiles	20.18	79.82
Tide Technology and Trade Company Limited (泰德科貿有限公司) ("Tide Technology and Trade")	—	Hong Kong	Hong Kong	Investment and financing services	100.00	—
Mind Electronics	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Tianjin Lean	Limited liability company	Tianjin	Tianjin	Manufacture of automotive parts and components	100.00	—
Baoding Great Wall Ants Logistics Co., Ltd. (保定市長城螞蟻物流有限公司) ("Great Wall Ants")	Limited liability company	Baoding	Baoding	Logistics and ordinary goods transportation	100.00	—
Ningxia Great Wall Automobile Rental Co., Ltd. (寧夏長城汽車租賃有限公司) ("Ningxia Rental")	Limited liability company	Yinchuan	Yinchuan	Buildings rental	100.00	—
Baoding Great Wall Resource Recycling Co., Ltd. (保定長城再生資源利用有限公司) ("Great Wall Resource Recycling")	Limited liability company	Baoding	Baoding	Processing, recycling and sale of waste and used material	100.00	—
Baoding Exquisite Automotive Mould Technology Co., Ltd. (保定市精工汽車模具技術有限公司) ("Exquisite Mould")	Limited liability company	Baoding	Baoding	Research, development and manufacture of auto moulds	100.00	—
Rizhao Weipai Motor Co., Ltd. (formerly Rizhao Weiyi Automobile Co., Ltd.) ("Rizhao Weipai")	Limited liability company	Rizhao	Rizhao	Manufacture of automotive parts and components	100.00	—

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Beijing Great Wall Dongsheng Business Consulting Co., Ltd. (北京長城東晟商務諮詢有限公司) ("Great Wall Dongsheng")	Limited liability company	Beijing	Beijing	Business information consultation	—	100.00
Shanghai Salon Zhixing Industrial Co., Ltd. (上海沙龍智行實業有限公司) ("Shanghai Salon")	Limited liability company	Shanghai	Shanghai	Research and development of auto technology and technical consultation	—	100.00
Haval Motors Australia Pty Ltd (哈弗汽車澳大利亞有限公司) ("Haval Australia")	—	Australia	Australia	Auto selling	38.50	61.50
Russian Havel Automobile Co., Ltd (俄羅斯哈弗汽車有限責任公司)	—	Russia	Russia	Auto selling	—	100.00
Australia Sinyos Technology And Trade Pty Ltd (澳大利亞森友斯科實有限公司)	—	Australia	Australia	Auto selling	—	100.00
Russia Haval Automobile Manufacturing Co., Ltd. (俄羅斯哈弗汽車製造有限責任公司) ("Russia Manufacturing")	—	Russia	Russia	Auto manufacture	72.27	27.73
Haval Motors South Africa Limited (哈弗汽車南非有限公司) ("Haval South Africa")	—	South Africa	South Africa	Auto selling	100.00	—
Baoding Great Wall Scrap Car Recycling & Dismantling Co., Ltd. (保定長城報廢汽車回收拆解有限公司) ("Scrap Car Recycling & Dismantling")	Limited liability company	Baoding	Baoding	Scrap car recycling and dismantling	100.00	—
Great Wall Japan Motor Co., Ltd. (長城日本技研株式會社)	—	Yokohama, Japan	Yokohama, Japan	Research and design of automobile and auto parts	—	100.00
Great Wall Motor Europe Technical Center GmbH (長城汽車歐洲技術中心有限公司) ("Europe Technical Center")	—	Germany	Germany	Research and design of automobile and auto parts	100.00	—
Great Wall India Research and Development Private Limited (長城印度研發私人有限公司) ("India R&D")	—	India	India	Research and design of automobile and auto parts	99.90	0.10
Zaoqi Financial Leasing Company Limited (藁城融資租賃有限公司) ("Zaoqi Financial Leasing")	Limited liability company	Baoding	Baoding	Finance lease business	75.00	25.00
American HAVAL Motor Company (美國哈弗汽車有限公司) ("American HAVAL")	—	U.S.A.	U.S.A.	Investment platform	100.00	—
American HAVAL Motor technology, LLC (美國哈弗汽車科技有限責任公司)	—	U.S.A.	U.S.A.	Technology research and development of automobile	—	100.00
American HAVAL Asset Management, LLC (美國哈弗資產管理有限責任公司)	—	U.S.A.	U.S.A.	Asset management	—	100.00

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Billion Sunny Technical Energy (億新科技能源有限公司)	—	Korea	Korea	Research and design of automobile and auto parts	—	100.00
Great Wall Motor Austria Research & Development Co., Ltd. (長城汽車奧地利研發有限公司)	—	Austria	Austria	Research and design of automobile and auto parts	—	100.00
Guangzhou Great Wall Auto Sales Company Limited (廣州長城汽車銷售有限公司) ("Guangzhou Great Wall Sales")	Limited liability company	Guangzhou	Guangzhou	Auto selling	100.00	—
Xiamen Great Wall Auto Sales Co., Ltd. (廈門長城汽車銷售有限公司) ("Xiamen Great Wall Sales")	Limited liability company	Xiamen	Xiamen	Auto selling	100.00	—
Chongqing Auto Parts	Limited liability company	Chongqing	Chongqing	Sales of automotive parts	100.00	—
Chongqing Haval	Limited liability company	Chongqing	Chongqing	Auto selling	100.00	—
Tianjin Oula	Limited liability company	Tianjin	Tianjin	Finance leasing	75.00	25.00
Honeycomb Yichuang Technology Co., Ltd. (蜂巢易創科技有限公司) ("Honeycomb Yichuang")	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Jingong Motor	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Nuobo Automotive	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Nuobo Rubber	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	—	100.00
Nuobo Decoration	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	—	100.00
Chongqing Jingong Motor	Limited liability company	Chongqing	Chongqing	Manufacture of automotive parts and components	—	100.00
Chongqing Nobo Parts	Limited liability company	Chongqing	Chongqing	Manufacture of automotive parts and components	—	100.00
Hebei Xiong'an Great Wall Motor Technology Co., Ltd. (河北雄安長城汽車科技有限公司) ("Xiong'an Great Wall")	Limited liability company	Baoding	Baoding	Automobile and R&D of unmanned vehicles	100.00	—
Honeycomb Power	Limited liability company	Zhenjiang	Zhenjiang	R&D of automobile dynamic system	—	100.00
Honeycomb Transmission	Limited liability company	Zhenjiang	Zhenjiang	R&D of new energy vehicle transmission system	—	100.00
Honeycomb Electric Drive System (Jiangsu) Co., Ltd. (蜂巢電驅動系統(江蘇)有限公司) ("Honeycomb Electric Drive")	Limited liability company	Zhenjiang	Zhenjiang	R&D of new energy vehicle electric drive system	—	100.00

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Honeycomb Intelligent	Limited liability company	Zhenjiang	Zhenjiang	R&D of auto intelligent steering system and its components	—	100.00
Jinggong Yangzhong	Limited liability company	Zhenjiang	Zhenjiang	Manufacture of automotive parts	—	100.00
Chongqing Mind	Limited liability company	Chongqing	Chongqing	Manufacture of automotive parts and components	—	100.00
Chongqing Haval Logistics	Limited liability company	Chongqing	Chongqing	Logistics and ordinary goods transportation	—	100.00
Chongqing Great Wall After-sales	Limited liability company	Chongqing	Chongqing	Customer Service Sales of automobile and auto parts	100.00	—
Chongqing Weipai Automotive Sales Co., Ltd. (重慶魏牌汽車銷售有限公司) ("Chongqing Weipai")	Limited liability company	Chongqing	Chongqing	Sales of automobile and auto parts	100.00	—
Nuochuang Automotive Technology (Shanghai) Co., Ltd. (諾創汽車科技(上海)有限公司)	Limited liability company	Shanghai	Shanghai	Development of technologies of automotive parts	—	100.00
Baoding Yijian Start Automobile Sales Service Co., Ltd. (保定一見啟動汽車銷售服務有限公司) ("Baoding Yijian Start")	Limited liability company	Baoding	Baoding	Auto-selling; Wholesale and retail of car accessories	100.00	—
Honeycomb Transmission Technology	Limited liability company	Baoding	Baoding	R&D of new energy vehicle transmission system	—	100.00
Yijian Start (Chongqing) Automobile Sales Service Co., Ltd. (一見啟動(重慶)汽車銷售服務有限公司)	Limited liability company	Chongqing	Chongqing	Auto-selling; Wholesale and retail of car accessories	—	100.00
Yijian Start (Ji'nan) Automobile Sales Service Co., Ltd. (一見啟動(濟南)汽車銷售服務有限公司)	Limited liability company	Ji'nan	Ji'nan	Auto-selling; Wholesale and retail of car accessories	—	100.00
Qingdao Yijian Start Automobile Sales Service Co., Ltd. (青島一見啟動汽車銷售服務有限公司)	Limited liability company	Qingdao	Qingdao	Auto-selling; Wholesale and retail of car accessories	—	100.00
Zaoqi (Xi'an) Automobile Sales Service Co., Ltd. (棗啟(西安)汽車銷售服務有限公司)	Limited liability company	Xi'an	Xi'an	Auto-selling; Wholesale and retail of car accessories	—	100.00
Yijian Start (Nanjing) Automobile Sales Service Co., Ltd. (一見啟動(南京)汽車銷售服務有限公司)	Limited liability company	Nanjing	Nanjing	Auto-selling; Wholesale and retail of car accessories	—	100.00
Yijian Start (Dongguan) Automobile Sales Service Co., Ltd. (一見啟動(東莞)汽車銷售服務有限公司)	Limited liability company	Dongguan	Dongguan	Auto-selling; Wholesale and retail of car accessories	—	100.00
Yijian Start (Lanzhou) Automobile Sales Service Co., Ltd. (蘭州一見啟動汽車銷售服務有限公司)	Limited liability company	Lanzhou	Lanzhou	Auto-selling; Wholesale and retail of car accessories	—	100.00
Zaoqi (Wenzhou) Automobile Sales Service Co., Ltd. (棗啟(溫州)汽車銷售服務有限公司)	Limited liability company	Wenzhou	Wenzhou	Auto-selling; Wholesale and retail of car accessories	—	100.00
Chengdu Zaoqi Automobile Sales Service Co., Ltd. (成都棗啟汽車銷售服務有限公司)	Limited liability company	Chengdu	Chengdu	Auto-selling; Wholesale and retail of car accessories	—	100.00

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For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Hefei Yijian Start Automobile Sales Service Co., Ltd. (合肥一見啟動汽車銷售服務有限公司)	Limited liability company	Hefei	Hefei	Auto-selling; Wholesale and retail of car accessories	—	100.00
Kunming Mibang Automobile Sales Service Co., Ltd. (昆明米邦汽車銷售服務有限公司)	Limited liability company	Kunming	Kunming	Auto-selling; Wholesale and retail of car accessories	—	100.00
Yijian Start (Zhengzhou) Automobile Sales Service Co., Ltd. (鄭州一見啟動汽車銷售服務有限公司)	Limited liability company	Zhengzhou	Zhengzhou	Auto-selling; Wholesale and retail of car accessories	—	100.00
Yijian Start (Taiyuan) Automobile Sales Service Co., Ltd. (太原一見啟動汽車銷售服務有限公司)	Limited liability company	Taiyuan	Taiyuan	Auto-selling; Wholesale and retail of car accessories	—	100.00
Honeycomb Electric Drive Technology Hebei Co., Ltd. (蜂巢電驅動科技河北有限公司)	Limited liability company	Baoding	Baoding	R&D of new energy vehicle electric drive system	—	100.00
Honeycomb Intelligent Steering Technology Hebei Co., Ltd. (蜂巢智能轉向科技河北有限公司)	Limited liability company	Baoding	Baoding	R&D of auto intelligent steering system and its components	—	100.00
Yijian Start (Wuhan) Automobile Sales Service Co., Ltd. (一見啟動(武漢)汽車銷售服務有限公司)	Limited liability company	Wuhan	Wuhan	Auto-selling; Wholesale and retail of car accessories	—	100.00
India Haval Automobile Private Co., Ltd. (印度哈弗汽車私人有限公司) ("India Haval")	—	India	India	Auto selling	99.90	0.10
Nanning Yijian Start Automobile Sales Service Co., Ltd. (南寧一見啟動汽車銷售服務有限公司)	Limited liability company	Nanning	Nanning	Auto-selling; Wholesale and retail of car accessories	—	100.00
Yijian Start (Beijing) Automobile Sales Service Co., Ltd. (一見啟動(北京)汽車銷售服務有限公司)	Limited liability company	Beijing	Beijing	Auto-selling; Wholesale and retail of car accessories	—	100.00
Nobo Automotive Parts (Taizhou) Co., Ltd. (諾博汽車零部件(泰州)有限公司)	Limited liability company	Taizhou	Taizhou	Manufacture of automotive parts and components	—	100.00
Jingcheng Engineering Automotive Parts (Taizhou) Co., Ltd. (精誠工科汽車零部件(泰州)有限公司)	Limited liability company	Taizhou	Taizhou	Manufacture of automotive parts and components	—	100.00
HWA Ding International Co., Ltd. (華鼎國際有限公司) ("HWA Ding International")	—	Hong Kong	Hong Kong	International trading & investment and financing	100.00	—
Nobo Automotive Parts (Rizhao) Co., Ltd. (諾博汽車零部件(日照)有限公司)	Limited liability company	Rizhao	Rizhao	Manufacture of automotive parts and components	—	100.00
Jingcheng engineering auto parts (Rizhao) Co., Ltd. (精誠工科汽車零部件(日照)有限公司)	Limited liability company	Rizhao	Rizhao	Manufacture of automotive parts and components	—	100.00
Thailand Sales Co., Ltd. (泰國銷售)	—	Thailand	Thailand	Auto selling	—	100.00
Honeycomb Zhixing transmission system (Jiangsu) Co., Ltd. (蜂巢智行傳動系統(江蘇)有限公司)	Limited liability company	Taizhou	Taizhou	R&D of new energy vehicle transmission system	—	100.00
Honeycomb Weiling Power Technology (Jiangsu) Co., Ltd. (蜂巢蔚領動力科技(江蘇)有限公司)	Limited liability company	Taizhou	Taizhou	R&D of automobile dynamic system	—	100.00
Ningyang Nobo Parts	Limited liability company	Taizhou	Taizhou	Manufacture of automotive parts and components	—	100.00

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For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Shanghai Yuefan Information Technology Co., Ltd. (上海玥泛信息科技有限公司) ("Shanghai Yuefan")	Limited liability company	Shanghai	Shanghai	Investment platform	100.00	—
Mande auto parts (Rizhao) Co., Ltd (曼德汽車零部件(日照)有限公司)	Limited liability company	Rizhao	Rizhao	Manufacture of automotive parts and components	—	100.00
Pinghu Nuobo Parts	Limited liability company	Jiaxing	Jiaxing	Manufacture of automotive parts and components	—	100.00
Honeycomb Transmission Chongqing	Limited liability company	Chongqing	Chongqing	R&D of new energy vehicle transmission system	—	100.00
Qichuang Global	—	Hong Kong	Hong Kong	International trade, equity investment, investment and financing services	—	100.00
Xunqi International	—	Hong Kong	Hong Kong	International trade, equity investment, investment and financing services	—	100.00
Yuefan International	—	Hong Kong	Hong Kong	International trade, equity investment, investment and financing services	—	100.00
Yixintong Technology (Tianjin) Co., Ltd. (鐵信通科技(天津)有限公司) ("Yixintong")	Limited liability company	Tianjin	Tianjin	Sales of lubricants	—	100.00
Honeycomb Power Chongqing	Limited liability company	Chongqing	Chongqing	R&D of automobile dynamic system	—	100.00
Mande auto parts (Taizhou) Co., Ltd (曼德汽車零部件(泰州)有限公司)	Limited liability company	Taizhou	Taizhou	Manufacture of automotive parts and components	—	100.00
Mande Optoelectronics (Taizhou) Co., Ltd (曼德光電(泰州)有限公司)	Limited liability company	Taizhou	Taizhou	Manufacture of automotive parts and components	—	100.00
Nobo Automotive Technology Co., Ltd. (諾博汽車科技有限公司)	Limited liability company	Suzhou	Suzhou	Consulting services on automotive R&D	—	100.00
Nobo Automotive Parts (Zhangjiagang) Co., Ltd. (諾博汽車零部件(張家港)有限公司)	Limited liability company	Suzhou	Suzhou	Manufacture of automotive parts and components	—	100.00
Nobo auto parts (Shenyang) Co., Ltd (諾博汽車零部件(瀋陽)有限公司)	Limited liability company	Shenyang	Shenyang	Manufacture of automotive parts and components	—	100.00
Jingcheng Engineering Automotive Systems (Pinghu) Co., Ltd. (精誠工科汽車系統(平湖)有限公司)	Limited liability company	Jiaxing	Jiaxing	Manufacture of automotive parts and components	—	100.00
Jingcheng Engineering Automotive Parts (Zhangjiagang) Co., Ltd. (精誠工科汽車零部件(張家港)有限公司)	Limited liability company	Suzhou	Suzhou	Manufacture of automotive parts	—	100.00
Great Wall Motor Investment Holding Co., Ltd. (長城荷蘭投資控股有限責任公司)	—	Netherlands	Netherlands	Investment platform	—	100.00

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Xiangyun Technology Logistics (Taizhou) Co., Ltd. (享運科技物流(泰州)有限公司) ("Xiangyun Logistics Taizhou")	Limited liability company	Taizhou	Taizhou	Logistics and daily cargo transportation services	—	100.00
Xiangyun Technology Logistics (Pinghu) Co., Ltd. (享運物流科技(平湖)有限公司)	Limited liability company	Jiaxing	Jiaxing	Logistics and daily cargo transportation services	—	100.00
Weipai Automotive Germany Co., Ltd. (魏牌汽車德國有限責任公司)	—	Germany	Germany	Sales of autos and their parts	—	100.00
Mind Thailand Co., Ltd. (曼德泰國有限公司)	—	Thailand	Thailand	Manufacture of automotive parts	—	100.00
Nobo Automotive Systems (Thailand) Co., Ltd. (諾博汽車系統(泰國)有限公司)	—	Thailand	Thailand	Manufacture of automotive parts	—	100.00
Xiangyun Technology Logistics (Rizhao) Co., Ltd. (享運物流科技(日照)有限公司)	Limited liability company	Rizhao	Rizhao	Logistics and daily cargo transportation services	—	100.00
Shanghai Great Wall Motor Technology Co., Ltd. (上海長城汽車科技有限公司) ("Shanghai Motor Technology")	Limited liability company	Shanghai	Shanghai	Technical development and consulting services	100.00	—
Tianjin Zhixin Financing Guarantee Co. Ltd. (天津智信融資擔保有限公司) ("Tianjin Zhixin")	Limited liability company	Tianjin	Tianjin	Financing guarantee business	100.00	—
Nobo Automotive Parts (Jingmen) Co., Ltd. (諾博汽車零部件(荊門)有限公司)	Limited liability company	Jingmen	Jingmen	Manufacture of automotive parts	—	100.00
Jingcheng Engineering Automotive Parts (Thailand) Co., Ltd. (精誠工科汽車零部件(泰國)有限公司)	—	Thailand	Thailand	Manufacture of automotive parts	—	100.00
Feige Intelligent Technology Co., Ltd. (菲格智能科技有限公司)	Limited liability company	Zhangjiagang	Zhangjiagang	Automobile technical development and consulting services	—	100.00
Sanya Jiashang Management Service Co., Ltd. (三亞佳尚管理服務有限公司) ("Sanya Jiashang") (Note 1)	Limited liability company	Sanya	Sanya	Business information consultation	—	100.00
Mind Automotive Parts (Jingmen) Co., Ltd. (曼德汽車零部件(荊門)有限公司) ("Jingmen Mind") (Note 1)	Limited liability company	Jingmen	Jingmen	Manufacture of automotive parts and components	—	100.00
Tianjin Great Wall Investment Co., Ltd. (天津長城投資有限公司) ("Tianjin Great Wall Investment") (Note 1)	Limited liability company	Tianjin	Tianjin	Investment platform	100.00	—
Oula Zhixing (Chongqing) Technology Co., Ltd. (歐拉智行(重慶)科技有限公司) ("Oula Zhixing") (Note 1)	Limited liability company	Chongqing	Chongqing	Auto selling	—	100.00
Jingcheng Engineering Automotive Parts (Jingmen) Co., Ltd. (精誠工科汽車零部件(荊門)有限公司) (Note 1)	Limited liability company	Jingmen	Jingmen	Manufacture of automotive parts and components	—	100.00

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Zhangjiagang Automobile Research and Development Co., Ltd. (張家港長城汽車研發有限公司) ("Zhangjiagang Research and Development") (Note 1)	Limited liability company	Suzhou	Suzhou	Research and development of automobile and auto parts	100.00	—
Honeycomb Power System (Jiangxi) Co., Ltd. (蜂巢動力系統(江西)有限公司) ("Honeycomb Power Jiangxi") (Note 1)	Limited liability company	Shangrao	Shangrao	Research and development of automobile and auto parts	—	100.00
Salon Mecha Technology Co., LTD. (沙龍機甲科技有限公司) ("Salon Mecha Technology") (Note 1)	Limited liability company	Beijing	Beijing	Consulting services on automotive R&D	100.00	—
Great Wall Soul Technology Co., Ltd. (長城靈魂科技有限公司) ("Soul Technology") (Note 1)	Limited liability company	Baoding	Baoding	Research and manufacture of motorcycle and their parts	100.00	—
Chongqing Duzi Technology Co., Ltd. (重慶度勢科技有限公司) ("Duzi Technology") (Note 1)	Limited liability company	Chongqing	Chongqing	Research and development of automobile and auto parts	—	100.00
Ruguo Technology (Xingtai) Co., Ltd. (如果科技(邢台)有限公司) ("Ruguo Technology Xingtai") (Note 1)	Limited liability company	Xingtai	Xingtai	Consulting services on automotive R&D	—	100.00
Baoding Feiji Automobile Technology Co., Ltd. (保定飛翼汽車科技有限公司) ("Feiji Automobile Technology") (Note 1)	Limited liability company	Baoding	Baoding	Consulting services on automotive R&D	100.00	—
Guangzhou Zhixing Automobile Sales Co. Ltd. (廣州智行汽車銷售有限公司) ("Guangzhou Zhixing Sales") (Note 1)	Limited liability company	Guangzhou	Guangzhou	Auto selling	—	67.06
Great Wall Motor Europe Investment Holding Co., Ltd. (長城汽車歐洲投資控股有限公司) ("Europe Holding Co.") (Note 1)	—	Holland	Holland	Auto selling	—	100.00
Confident Zhixing Technology Co., Ltd. (自信智行科技有限公司) ("Confident Zhixing") (Note 1)	Limited liability company	Baoding	Baoding	Consulting services on automotive R&D	100.00	—
Nuobo Automobile Rubber & Plastic (Anhui) Co., Ltd. (諾博汽車橡塑(安徽)有限公司) ("Nuobo Rubber & Plastic Anhui") (Note 1)	Limited liability company	Bengbu	Bengbu	Manufacture of automotive parts and components	—	100.00
Tank Zhixing (Chongqing) Technology Co., Ltd. (坦克智行(重慶)科技有限公司) ("Tank Zhixing Chongqing") (Note 1)	Limited liability company	Chongqing	Chongqing	Auto selling	—	100.00
Ruguo Zhixing Technology (Beijing) Co., Ltd. (如果智行科技(北京)有限公司) ("Ruguo Zhixing") (Note 1)	Limited liability company	Beijing	Beijing	Consulting services on automotive R&D	—	100.00

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For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries invested by the Group: (continued)

Full name of subsidiary	Legal form	Main place of business	Registration place	Nature of the business	Shareholding Ratio (%)	
					Direct	Indirect
Shangrao Nuobo Auto Parts Co., Ltd. (上饒諾博汽車零部件有限公司) ("Shangrao Nuobo") (Note 1)	Limited liability company	Shangrao	Shangrao	Manufacture of automotive parts and components	—	100.00
Jingcheng Engineering (Chongqing) Trade Co., Ltd. (精誠工科(重慶)貿易有限公司) (“Jingcheng Engineering Trade”)(Note 1)	Limited liability company	Chongqing	Chongqing	Sales of automotive parts	—	100.00
Honeycomb Zhiyu Automobile Technology (Jiangsu) Co., Ltd. (蜂巢智馭汽車科技(江蘇)有限公司) (“Honeycomb Zhiyu Jiangsu”)(Note 1)	Limited liability company	Suzhou	Suzhou	Research and development of automobile and auto parts	—	100.00
Chongqing Great Wall Automobile Technology Co., Ltd. (重慶長城汽車技術有限公司) (“Chongqing Great Wall”) (Note 1)	Limited liability company	Chongqing	Chongqing	Research and development of automobile and auto parts	—	100.00
Mind Youchuang (Chongqing) Trading Co., Ltd. (曼德優創(重慶)貿易有限公司) (“Mind Youchuang”)(Note 1)	Limited liability company	Chongqing	Chongqing	Sales of automotive parts	—	100.00
Shangrao Mande Auto Parts Co., Ltd. (上饒曼德汽車零部件有限公司) (“Shangrao Mande”) (Note 1)	Limited liability company	Shangrao	Shangrao	Research and manufacture of automobile and auto parts	—	100.00
Nuobo (Chongqing) Trading Co., Ltd. (諾博(重慶)貿易有限公司) (“Nuobo Trading Chongqing”) (Note 1)	Limited liability company	Chongqing	Chongqing	Sales of automotive parts	—	100.00
Shangrao Jingcheng Engineering Automotive Parts Co., Ltd. (上饒精誠工科汽車零部件有限公司) (“Shangrao Jingcheng Engineering”)(Note 1)	Limited liability company	Shangrao	Shangrao	Manufacture of automotive parts and components	—	100.00
Nuobo Automotive Technology Nanjing Co., Ltd. (諾博汽車科技南京有限公司) (“Nuobo Automotive Technology Nanjing”)(Note 1)	Limited liability company	Nanjing	Nanjing	Research and development of automobile and auto parts	—	100.00
Mind Business & Technology Co., Ltd. (曼德商務與技術有限責任公司) (“Mind Business”)(Note 1)	—	Germany	Germany	Research and development of automobile and auto parts	—	100.00
Great Wall Motor Brazil Co., Ltd. (長城汽車巴西有限公司) (“Brazil Great Wall”)(Note 1)	—	Brazil	Brazil	Sales of autos and their parts	—	100.00

Note 1: These companies are newly established subsidiaries during the current period.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiary acquired through business combination not under common control:

Full name of subsidiaries	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Great Wall Zhixing (Chongqing) (Note 1)	Limited liability company	Chongqing	Chongqing	Auto selling; Auto supplies and accessories wholesale, retail	100.00	—
Weipai Zhixing (Chongqing) (Note 1)	Limited liability company	Chongqing	Chongqing	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Angge Intelligent Control (Note 1)	Limited liability company	Shenzhen	Shenzhen	Auto parts and accessories manufacturing	—	100.00
Shanghai Jiayu (Note 1)	Limited liability company	Shanghai	Shanghai	Automotive technology development and consulting services	—	100.00
Salon Mecha (Hangzhou) (Note 1)	Limited liability company	Hangzhou	Hangzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Salon Mecha (Guangzhou) (Note 1)	Limited liability company	Guangzhou	Guangzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Mande Automotive Parts (Pizhou) (Note 1)	Limited liability company	Xuzhou	Xuzhou	Auto parts and accessories manufacturing	—	100.00
Malaysia (Note 1)	—	Kuala Lumpur, Malaysia	Kuala Lumpur, Malaysia	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Great Wall Bay (Note 1)	—	Dubai, United Arab Emirates	Dubai, United Arab Emirates	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Honeycomb Transmission Technology (Pizhou) (Note 1)	Limited liability company	Xuzhou	Xuzhou	New energy vehicle transmission system research and development	—	100.00
Great Wall Middle East (Note 1)	—	Dubai, United Arab Emirates	Dubai, United Arab Emirates	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Mande Auto Parts (Leling) (Note 1)	Limited liability company	Dezhou	Dezhou	Auto parts and accessories manufacturing	—	100.00
Jinggong Parts (Pizhou) (Note 1)	Limited liability company	Xuzhou	Xuzhou	Auto parts and accessories manufacturing	—	100.00
Jinggong Systems (Europe) (Note 1)	—	Germany	Germany	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Jinggong Parts (Changchun) (Note 1)	Limited liability company	Changchun	Changchun	Auto parts and accessories manufacturing	—	100.00

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiary acquired through business combination not under common control: (continued)

Full name of subsidiaries	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Great Wall Vietnam (Note 1)	—	Vietnam	Vietnam	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Salon Mecha (Chengdu) (Note 1)	Limited liability company	Chengdu	Chengdu	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Salon Mecha (Beijing) (Note 1)	Limited liability company	Beijing	Beijing	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Jing Engineering Daye Automotive Mold (Note 1)	Limited liability company	Huangshi	Huangshi	Auto parts and accessories manufacturing	—	100.00
Wenzhou Zhixing (Note 1)	Limited liability company	Wenzhou	Wenzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Shenyang Zhixing XingKailai (Note 1)	Limited liability company	Shenyang	Shenyang	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Nantong Zhixing (Note 1)	Limited liability company	Nantong	Nantong	Auto sales; Wholesale and retail of auto supplies and accessories	—	100.00
Lanzhou Zhixing (Note 1)	Limited liability company	Lanzhou	Lanzhou	Auto sales; Wholesale and retail of auto supplies and accessories	—	100.00
Jinhua Zhixing (Note 1)	Limited liability company	Jinhua	Jinhua	Auto sales; Wholesale and retail of auto supplies and accessories	—	100.00
Jinan Tank Zhixing (Note 1)	Limited liability company	Jinan	Jinan	Auto sales; Wholesale and retail of auto supplies and accessories	—	100.00
Chengdu Zhixing (Note 1)	Limited liability company	Chengdu	Chengdu	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Shijiazhuang Zhixiang (Note 1)	Limited liability company	Shijiazhuang	Shijiazhuang	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Qingdao Zhixing Shuncheng (Note 1)	Limited liability company	Qingdao	Qingdao	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Hangzhou Zhixing Kangqiao (Note 1)	Limited liability company	Hangzhou	Hangzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Wenzhou Zhixing Yuanheng (Note 1)	Limited liability company	Wenzhou	Wenzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Lanzhou Zhixing Kangda (Note 1)	Limited liability company	Lanzhou	Lanzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiary acquired through business combination not under common control: (continued)

Full name of subsidiaries	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Jiaxing Zhiling Yuanxin (Note 1)	Limited liability company	Jiaxing	Jiaxing	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Hangzhou Zhixing Yuanji (Note 1)	Limited liability company	Hangzhou	Hangzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Beijing Zhixing Aoja (Note 1)	Limited liability company	Beijing	Beijing	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Suzhou Zhiling Xinzhicheng (Note 1)	Limited liability company	Suzhou	Suzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	100.00
Haikou Zhixing Aochuang (Note 1)	Limited liability company	Haikou	Haikou	Auto selling; Auto supplies and accessories wholesale, retail	—	67.11
Chongqing Zhixing Xintian (Note 1)	Limited liability company	Chongqing	Chongqing	Auto selling; Auto supplies and accessories wholesale, retail	—	67.01
Shenyang Tank Zhixing Gang Zheng (Note 1)	Limited liability company	Shenyang	Shenyang	Auto selling; Auto supplies and accessories wholesale, retail	—	67.04
Linyi Tank Zhixing (Note 1)	Limited liability company	Linyi	Linyi	Auto selling; Auto supplies and accessories wholesale, retail	—	67.11
Shanghai Zhixing Lianlong (Note 1)	Limited liability company	Shanghai	Shanghai	Auto selling; Auto supplies and accessories wholesale, retail	—	67.04
Hangzhou Zhixing Baipeng (Note 1)	Limited liability company	Hangzhou	Hangzhou	Auto selling; Auto supplies and accessories wholesale, retail	—	67.09

Note 1: These companies are newly established subsidiaries in the current period.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Structure of the Group (continued)

Subsidiaries acquired after the merger of enterprises not under the same control and assets acquired in the form of subsidiaries:

Full name of subsidiaries	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Billion Sunny Development	—	Hong Kong	Hong Kong	Investment holding	—	100.00
Nobo Automotive Netherlands	—	Netherlands	Netherlands	Investment holding	—	100.00
Nobo Auto Systems (Germany) Co., LTD. (Formerly "Nobo Überherrn")	—	Germany	Germany	Manufacture of automotive parts and components	—	100.00
Nobo Automotive Germany	—	Germany	Germany	Investment holding	—	100.00
Nobo Automotive Holdings	—	Germany	Germany	Investment holding	—	100.00
Great Wall Motor Thailand	—	Thailand	Thailand	Automotive manufacture	—	100.00
Hycet Engine Thailand	—	Thailand	Thailand	Manufacture of automotive parts and components	—	100.00
Laoyou Insurance Brokerage Co., Ltd.	LLP	Beijing	Beijing	Insurance brokers	100.00	—
Hebei Changzheng Automobile Manufacturing Co. LTD	LLP	Xingtai	Xingtai	Automobile industry	—	100.00

Subsidiaries acquired through business combination under common control:

Full name of subsidiaries	Legal form	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)	
					Direct	Indirect
Baoding Yixin	Limited liability company	Baoding	Baoding	Manufacture of automotive parts and components	100.00	—
Changyou Haoche	Limited liability company	Tianjin	Tianjin	Sales of automotive parts and components	100.00	—
Ruguo Technology	Limited liability company	Baoding	Baoding	Research and test development of engineering technology	100.00	—
Tianjin Jolion Shuju	Limited liability company	Tianjin	Tianjin	Network and information security software development	100.00	—
Yunshi Chelian	Limited liability company	Tianjin	Tianjin	Technical services and computer system services	—	100.00

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)

2. There is no transaction incurred which gives rise to changes in proportion of equity in subsidiaries while the subsidiaries are still held by the Company in this period.

3. Interests in joint ventures or associates

(1) Important joint ventures

Full name of joint venture	Place of principal operations	Place of registration	Business nature	Proportion of shareholdings (%)		Accounting procedures for investment in joint ventures
				Direct	Indirect	
Automotive Finance	Tianjin	Tianjin	Automotive Finance	98.18	—	Equity Method

Description on that the shareholding proportion of the joint venture is different from the proportion of voting right:

According to the Articles of Association, the activities relating to financial and operational decisions of Auto Finance shall be decided upon unanimous approval by the board of directors. Therefore, the Company implements joint control over Auto Finance.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

VIII. INTERESTS IN OTHER ENTITIES (continued)**3. Interests in joint ventures or associates** (continued)**(2) Important financial information of significant joint ventures**

	Closing balance/ Amount incurred in the current period	<i>RMB</i> Opening balance/ Amount incurred in the prior period
Cash and deposits with the central bank	340,410,110.49	390,454,649.01
Deposits with other banks	4,620,738,072.21	5,245,582,559.47
Total assets	49,153,098,061.22	48,737,218,273.50
Total liabilities	38,750,776,721.04	38,827,780,432.60
Minority interests	—	—
Equity attributable to the shareholders of the Company	10,402,321,340.18	9,909,437,840.90
Share of net assets calculated based on the proportion of ownership interest	10,212,999,091.79	9,729,086,072.20
Adjustments		
— Others	(297,096,817.20)	(256,773,977.77)
Carrying amount of investments in equity of joint ventures	9,915,902,274.59	9,472,312,094.43
Operating income	1,288,016,328.76	1,848,056,005.38
Income tax expenses	164,292,659.32	247,465,185.77
Net profit	492,877,977.95	742,395,557.31
Other comprehensive income	—	—
Total comprehensive income	492,877,977.95	742,395,557.31

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments of the Group mainly include cash and bank balances, held-trading financial assets, derivative financial assets/liabilities, accounts receivable, notes receivable, financing with receivables, other receivables, other current assets – deposits with non-bank financial institutions, long-term receivables, other equity instrument investments, other non-current financial assets, borrowings, accounts payable, notes payable, other payables, short-term bonds payable etc. Detailed descriptions of these financial instruments are set out in Note VI. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate such risks are set out below. The management of the Group manages and monitors such risk exposures to ensure such risks are limited to a prescribed level.

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<i>RMB</i>		
Financial assets		
At FVTPL		
Held-trading financial assets	4,807,356,360.10	6,046,493,154.78
Derivative financial assets	20,283,277.11	5,554,185.76
Other non-current financial assets	96,528,692.28	58,247,041.15
At FVTOCI		
Financing with receivables	23,562,430,931.01	31,499,637,236.45
Other equity instrument investments	1,360,711,646.06	813,215,710.00
At amortized cost		
Cash and bank balances	43,054,650,740.29	33,047,560,929.36
Notes receivable	2,228,039,733.81	3,181,930,272.20
Accounts receivable	5,776,608,364.47	5,421,996,764.84
Other receivables	1,247,675,573.37	1,121,872,592.52
Other current assets – Deposits with non-bank financial institutions	6,908,975,812.58	7,956,180,947.96
Long-term receivables (less finance lease receivables)	756,171,080.33	839,609,999.76
Other non-current assets – Purchase margin	3,038,479,261.87	2,691,573,610.58
Financial liabilities		
At FVTPL		
Derivative financial liabilities	10,779,295.65	1,006,607.03
At amortized cost		
Short-term borrowings	4,481,121,600.68	5,204,463,651.75
Notes payable	39,336,494,980.84	26,809,308,822.40
Accounts payable	25,285,929,834.13	37,083,081,730.25
Other payables	4,860,368,406.21	4,867,094,523.67
Other current liabilities	4,374,815,139.53	4,542,933,786.57
Non-current liabilities due within 1 year	3,535,886,874.96	3,516,703,300.55
Long-term borrowings	17,112,887,548.38	8,656,160,276.64
Bonds payable	3,294,336,024.77	3,476,276,681.02

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Group applied sensitive analysis technique to analyze the reasonableness of risk variables, possible changes that may affect profit and loss or shareholders' equity. Risk variables are less likely to change isolated, whereas the correlation between variables have major effect on the changes of single risk. Thus, contents below are under the assumption that the changes of single variable are isolated.

1. Objective and policies of risk management

The objective of the risk management of the Group is to maintain an appropriate balance between risks and return so to minimize the negative effects of risks against the Group's operating results in order to maximize the benefits of shareholders. Based on such objective, the principle strategy of the Group's risk management is to identify and analyze all types of risks of the Group, establish appropriate risk tolerance thresholds, carry out risk management procedures and perform risk monitoring on all kinds of risks in a timely and reliable manner, thus controlling the risk exposures within a prescribed level.

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The assets and liabilities (including internal current account denominated in foreign currency) denominated in foreign currencies which may have impact on the Group's performance as a result of currency risk are as follows:

Item	<i>RMB</i>	
	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Cash and bank balances	1,293,272,367.65	651,194,616.09
Held-for-trading financial assets	295,881,740.00	414,131,200.00
Accounts receivable	432,714,840.80	696,876,534.03
Other receivables	3,837,262,197.19	2,533,479,173.35
Accounts payable	(4,800,060,737.84)	(4,302,917,064.72)
Other payables	(1,574,948,385.62)	(645,802,501.05)
Long-term borrowings	(1,580,377,375.57)	(1,582,441,235.47)

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk. Except for the above items, currency risk is not involved in the Group's other financial instruments.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**1. Objective and policies of risk management** (continued)**1.1 Market risk** (continued)**1.1.1 Currency risk** (continued)

Sensitivity analysis on currency risk

Where all other variables are held constant, the effects of potential reasonable changes in exchange rates on the profit and loss and equity interests before tax for the period are set out below:

		<i>RMB</i>	
		For the period from 1 January to 30 June 2022 (Unaudited)	
Item	Change in exchange rate	Effect on total profit	Effect on shareholders' equity
USD	5% increase against RMB	75,100,366.5	75,100,366.5
USD	5% decrease against RMB	(75,100,366.5)	(75,100,366.5)
HKD	5% increase against RMB	22,604,017.7	22,604,017.7
HKD	5% decrease against RMB	(22,604,017.7)	(22,604,017.7)
EUR	5% increase against RMB	(10,516,362.9)	(10,516,362.9)
EUR	5% decrease against RMB	10,516,362.9	10,516,362.9
JPY	5% increase against RMB	3,065,688.5	3,065,688.5
JPY	5% decrease against RMB	(3,065,688.5)	(3,065,688.5)
RUB	5% increase against RMB	37,559,294.4	37,559,294.4
RUB	5% decrease against RMB	(37,559,294.4)	(37,559,294.4)
AUD	5% increase against RMB	26,764,059.4	26,764,059.4
AUD	5% decrease against RMB	(26,764,059.4)	(26,764,059.4)

Note: The potential reasonable changes in other exchange rates has limited effect on the profit and loss and equity interests before tax for the period.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.1 Market risk (continued)

1.1.1 Currency risk (continued)

Sensitivity analysis on currency risk (continued)

Item	Change in exchange rate	RMB	
		For the period from 1 January to 30 June 2021 (Unaudited)	Effect on shareholders' equity
		Effect on total profit	
USD	5% increase against RMB	63,015,454.23	63,015,454.23
USD	5% decrease against RMB	(63,015,454.23)	(63,015,454.23)
EUR	5% increase against RMB	(98,732,008.81)	(98,732,008.81)
EUR	5% decrease against RMB	98,732,008.81	98,732,008.81
JPY	5% increase against RMB	2,638,649.51	2,638,649.51
JPY	5% decrease against RMB	(2,638,649.51)	(2,638,649.51)
RUB	5% increase against RMB	25,397,098.04	25,397,098.04
RUB	5% decrease against RMB	(25,397,098.04)	(25,397,098.04)
AUD	5% increase against RMB	10,096,327.38	10,096,327.38
AUD	5% decrease against RMB	(10,096,327.38)	(10,096,327.38)

Note: The potential reasonable changes in other exchange rates has limited effect on the profit and loss and equity interests before tax for the period.

1.1.2 Interest rate risk

The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interests and constantly pay close attention to the effect of interest rate changes on the interest rate risk exposed to the Group.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**1. Objective and policies of risk management** (continued)**1.1 Market risk** (continued)**1.1.2 Interest rate risk** (continued)

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumption: the changes in market interest rate may have impact on the interest or expenses of variable rate financial liabilities.

On the basis of the above assumption, where all other variables are held constant, the effects of potential reasonable changes in interest rates on the profit and loss and equity interests before tax for the period are set out below:

RMB

Item	Interest rate changes	For the period from 1 January to 30 June 2022 (Unaudited)	
		Effect on profit	Effect on shareholders' equity
Long-term borrowings	Increase of 100 basis points	(93,126,998.04)	(93,126,998.04)
Long-term borrowings	Decrease of 100 basis points	93,126,998.04	93,126,998.04

RMB

Item	Interest rate changes	For the period from 1 January to 30 June 2021 (Unaudited)	
		Effect on profit	Effect on shareholders' equity
Long-term borrowings	Increase of 100 basis points	(57,039,242.85)	(57,039,242.85)
Long-term borrowings	Decrease of 100 basis points	57,039,242.85	57,039,242.85

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.1 Market risk (continued)

1.1.3 Other price risks

The Group's price risks mainly arise from investments in held-for-trading equity instruments. Therefore, the Group is exposed to the risks of changes in the security prices. If the fair value of the stocks held by the Group at the end of the period increases or decreases by 10% while all other variables remain the same, the shareholders' equity of the Group at the end of the period will increase or decrease by RMB29,588,174.00. The Group closely monitors market changes in order to reduce the price risks of equity security investments.

1.2 Credit risk

As at 30 June 2022, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, including the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheets. For debt instruments measured at fair value, book value reflects its risk exposure but not the maximum risk exposure, and the maximum risk exposure will change with future changes in fair value.

The Group only transacts with the third parties having good credit records, and most of the sales transactions are settled by receipts in advance or bank acceptances. In order to minimize the credit risk, the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of the financial assets and contract assets at each balance sheet date to ensure that adequate expected credit loss are made for related assets.

The Group's cash and bank balances are deposited in banks with high credit ratings and the acceptance bank in which bank acceptances receivable are deposited with bank of relatively high credit ratings, thus cash and bank balances and bank acceptances receivable have limited credit risk.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**1. Objective and policies of risk management** (continued)**1.2 Credit risk** (continued)

The group's receivables from joint ventures are mainly deposits with non bank financial institutions. The group regularly monitors the operating performance of joint ventures. The group controls credit risk through the value of assets held by these entities and the power to jointly control the relevant activities of these entities. For other receivables, the management regularly evaluates the recoverability of other receivables based on historical settlement records, past experience and reasonable supporting and farsightedness information. As of June 30, 2022 and December 31, 2021, the group has assessed the expected credit loss of accounts receivable from joint ventures and other receivables, and there is no significant credit risk.

As at 30 June 2022, please refer to Note VI 3 and 6 for details of the top five units of accounts receivable and other receivables of the Group. In addition, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

As at 30 June 2022, details of credit risk on the Group's accounts receivable, other receivables and long-term receivable and their expected credit losses are set out in Note VI 3, 6 and 10.

1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

At the end of each period, the maturity analysis for non-derivative financial liabilities and lease liabilities held by the Group which is based on undiscounted remaining contractual obligations is as follows:

	30 June 2022 (Unaudited)			Total
	Within 1 year	1 to 5 years	Over 5 years	
Short-term borrowings	(4,526,507,876.04)	—	—	(4,526,507,876.04)
Notes payable	(39,336,494,980.84)	—	—	(39,336,494,980.84)
Accounts payable	(25,285,929,834.13)	—	—	(25,285,929,834.13)
Other payables	(4,860,368,406.21)	—	—	(4,860,368,406.21)
Other current liabilities	(4,374,815,139.53)	—	—	(4,374,815,139.53)
Long-term borrowings				
(due within 1 year inclusive)	(3,063,394,972.16)	(17,758,846,548.32)	—	(20,822,241,520.48)
Lease liabilities				
(due within 1 year inclusive)	(190,658,866.20)	(1,046,249,638.27)	—	(1,236,908,504.47)
Bonds payable				
(due within 1 year inclusive)	(566,845,973.41)	(3,902,648,596.75)	—	(4,469,494,570.16)

RMB

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

IX. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Objective and policies of risk management (continued)

1.3 Liquidity risk (continued)

	31 December 2021 (Audited)			RMB
	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	(5,259,266,410.99)	—	—	(5,259,266,410.99)
Notes payable	(26,809,308,822.40)	—	—	(26,809,308,822.40)
Accounts payable	(37,083,081,730.25)	—	—	(37,083,081,730.25)
Other payables	(4,867,094,523.67)	—	—	(4,867,094,523.67)
Other current liabilities	(4,542,933,786.57)	—	—	(4,542,933,786.57)
Long-term borrowings				
(due within 1 year inclusive)	(2,787,334,025.89)	(8,920,611,131.25)	—	(11,707,945,157.14)
Lease liabilities				
(due within 1 year inclusive)	(158,064,517.21)	(568,341,779.98)	—	(726,406,297.19)
Bonds payable				
(due within 1 year inclusive)	(867,478,476.88)	(405,324,403.45)	(3,745,000,000.00)	(5,017,802,880.33)

2. Capital management

The Group manages capital by optimizing the structure of liabilities and shareholders' equity to ensure that the entities within the Group can continue to operate and maximize shareholders' returns at the same time.

The Group's capital structure consists of the Group's net debt (the net amount of borrowings and bonds payable after deducting cash and bank balances as disclosed in Note (VI) 1, 20 and 29) and the shareholders' equity.

The Group is not subject to external mandatory capital management requirements. The management of the Group reviews the capital structure of the Group on a regular basis.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

X. DISCLOSURE OF FAIR VALUE**1. Fair value at the end of the period of financial assets and financial liabilities measured at fair value**

Some of the Group's financial instrument are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial instrument are determined (in particular, the valuation techniques and inputs used).

Item	Fair value at the end of the period			Total
	Level 1	Level 2	Level 3	
<i>RMB</i>				
I. Continuous fair value measurement				
(I) Financial assets at fair value through profit or loss				
1. Held-for-trading financial assets	295,881,740.00	4,511,474,620.10	—	4,807,356,360.10
(1) Financial Products	—	4,511,474,620.10	—	4,511,474,620.10
(2) Equity instrument	295,881,740.00	—	—	295,881,740.00
2. Derivative financial assets	—	20,283,277.11	—	20,283,277.11
3. Other non-current financial assets	—	—	96,528,692.28	96,528,692.28
(II) Financial assets at fair value through other comprehensive income				
1. Financing with receivables	—	23,562,430,931.01	—	23,562,430,931.01
(III) Designated as financial assets at fair value through other comprehensive income				
1. Other Equity instrument investment	—	—	1,360,711,646.06	1,360,711,646.06
Total assets continuously measured at fair value	295,881,740.00	28,094,188,828.22	1,457,240,338.34	29,847,310,906.56
(I) Financial liabilities at fair value through profit or loss				
1. Derivative financial liabilities	—	(10,779,295.65)	—	(10,779,295.65)
Total liabilities continuously measured at fair value	—	(10,779,295.65)	—	(10,779,295.65)

2. The basis of market prices determined on level 1 of the fair value hierarchy

Items at level 1 of the fair value hierarchy mainly refer to held-for-trading financial assets, and the market quote is determined based on the value of the open market stocks.

3. Information of valuation techniques and key inputs on level 2 of the fair value hierarchy

Items at level 2 of the fair value hierarchy mainly refer to held-for trading financial assets – wealth management products, future foreign exchange settlement contracts and financing with receivables – notes receivable. Cash flow discount method is adopted for valuation techniques of fair values, and the inputs are contract-linked observable inputs, forward exchange rate, observable interest rate, etc.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

X. DISCLOSURE OF FAIR VALUE (continued)

4. Information of valuation techniques and key inputs on level 3 of the fair value hierarchy

Items at level 3 of the fair value hierarchy mainly refer to other equity instrument investments, other non-current financial assets. Asset-based approach and market approach are adopted for valuation techniques of fair value of other equity instrument investments and other non-current financial assets.

5. Fair value of financial assets and financial liabilities which are not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized costs in the financial statements as at 30 June 2022 approximate their fair values.

Project	Book value 30 June 2022	RMB'000
		Fair value 30 June 2022
Bonds payable		
– Convertible Corporate bonds	3,595,860	4,594,977
– Asset-backed securities (including within 1 year)	579,618	626,224

Note: The book value of convertible bonds includes the book value of liabilities and equity components.

The fair value of convertible bonds is the unadjusted quotation in the active market, which is the first level of fair value measurement item.

The fair value of asset-backed securities is determined by the discount method of future cash flows, and the market return rate of other financial instruments with similar contract terms, credit risks and remaining maturities is taken as the discount rate, which is the second-level fair value measurement item.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XI. RELATED PARTIES AND TRANSACTIONS

1. Parent company of the Company

Name of company	Place of registration	Nature of business	Registered capital	RMB	
				Shareholding ratio of the company as at 30 June 2022 (%)	Percentage of voting rights of the company as at 30 June 2022 (%)
Innovation Great Wall	Baoding	Investment	5,000,000,000.00	55.38	55.38

The ultimate controlling shareholder of the Company is Wei Jian Jun.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note VIII.

3. Joint ventures of the Company

Details of the joint ventures of the Company are set out in Note VIII.

4. Other related parties of the Company

Name	Relationship with the Group
Great Wall Holding and its subsidiaries	Entity controlled by the ultimate holding shareholder
Spotlight Automotive Limited (光東汽車有限公司) ("Spotlight Automotive")	Joint party of the Company's joint venture
Automotive Finance (VIII)3	Entity (other than companies immediately or intermediately controlled by the ultimate controlling shareholder) whose directors and executives serve as directors or executives of enterprises other than listed companies (the Company) and subsidiaries under their control
Baoding Taihang Plastic Steel Door And Window Co., Ltd. (保定市太行塑鋼門窗有限公司)	Other related party (company directly controlled by family members closely related with ultimate controlling shareholder)
Baoding Great Wall School in Lianchi District (保定市蓮池區長城學校)	Other related party (private non-enterprise units has been indirectly controlled by ultimate controlling shareholder within the past 12 months)
Baoding Kelkang Medical Management Co., Ltd. (保定市凱爾康醫療管理有限公司)	Other related party (company over 30% indirectly controlled by ultimate controlling shareholder)
Hebei Baocang Expressway Co. Ltd. (河北保滄高速公路有限公司)	Other related party (ultimate controlling shareholder serving as director of the company)
Baoding Great Wall Venture Capital Co., Ltd (保定市長城創業投資有限公司) ("Great Wall Venture")	Other related party (enterprises in which the ultimate controlling shareholder serves as a director and enterprises in which the ultimate controlling shareholder indirectly controls more than 30%)
Jiangsu Longcheng alloy material Co., Ltd (江蘇隆誠合金材料有限公司)	Joint venture
Baoding Aihecheng Senior High School Co., Ltd. (保定市愛和城高級中學有限公司)	Other related party (family members closely related with Ultimate controlling shareholder serving as director of the company and company over 30% indirectly controlled by ultimate controlling shareholder)

Note: Haomo Zhixing is not only an associate of the Group, but also an enterprise controlled by the ultimate controlling shareholder of the Group. The related party transactions, receivables and payables between the Group and Haomo Zhixing, are included in the related party transactions, receivables and payables between the Group and Great Wall Holdings and its subsidiaries.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)**5. Related party transactions****(1) Related party transactions in the purchase and sale of goods, provision and acceptance of services***Purchase of goods/acceptance of services*

Related parties	Related party transaction	<i>RMB</i>	
		For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Great Wall Holding and its subsidiaries	The purchase of goods	2,018,830,530.63	1,463,359,349.60
	Accepting services,	136,459,995.78	166,096,646.51
	Rental expenses and others	211,255,503.65	57,666,581.62
Spotlight Automotive	Accepting services,	38,973,330.44	—
Automotive Finance	Purchase of goods	4,693.54	—
Other related parties	Accepting labor services,	162,638,037.81	204,907,152.44
	Purchase of goods	19,015.50	315,747.90
	Receipt of services	224,436.35	3,634.25
	Rental expenses	931,030.76	—

Sales of goods/rendering of services

Related parties	Related party transaction	<i>RMB</i>	
		For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Great Wall Holding and its subsidiaries	Sales of goods	125,043,408.90	278,029,006.48
	Provide labor services	32,257,331.24	22,334,921.62
	Rental income and others	6,774,715.18	6,670,047.52
Spotlight Automotive	Sale of goods	20,670,663.64	1,410,385.56
	Rendering of services	—	54,320,742.18
	Rental income and others	—	14,422.02
Automotive Finance	Sale of goods	18,592.59	19,398.66
	Rental income and others	14,639,945.23	21,234,679.94
	Interest income	147,941,062.54	167,592,405.59
Other related parties	Sale of goods	99,763,723.41	1,296,791.73
	Rendering of services	210,309.49	—
	Rental income and others	694,885.38	8,555.45

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)**5. Related party transactions** (continued)**(2) Emolument for key management**

Item	RMB	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Salary for key management	4,771,082.17	6,085,417.53
Share based payment for key management	6,197,441.80	3,667,125.00

Key management are the individuals who are authorized and responsible for planning, supervision and control of corporate activities, including directors, general manager, chief accounting officer, deputy general managers, and other administration officers.

(3) Other related party transactions*(a) Deposits with related parties*

Changes in deposits with related parties:

Related party	RMB			
	31 December 2021 (Audited)	Recovery for the period	Deposits for the period	30 June 2022 (Unaudited)
Automotive Finance	7,762,000,000.00	(1,000,000,000.00)	—	6,762,000,000.00

(b) Guarantees provided by related parties

Guarantee company	Currency	Guaranteed amount	Guaranteed start date	Guaranteed end date	RMB
					Whether the guarantee has been fulfilled
Baoding Great Wall Venture and Investment Co., Ltd.	RMB	600,000,000.00	16 September 2022	15 September 2024	No
Baoding Great Wall Venture and Investment Co., Ltd.	RMB	500,000,000.00	28 December 2023	27 December 2026	No

(c) Right-of-use assets and lease liabilities

During the current period, the Group signed several new lease agreements with related parties. Except for short-term leases and low-value assets, the Group's recognized right-of-use assets are RMB719,029,096.61.

At the end of the period, the balance of lease liabilities between the Group and related parties is RMB535,296,777.41. The interest expense of lease liabilities incurred in this period is RMB10,370,917.28.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)**6. Amounts due from/due to related parties**

Item	Related party transactions	RMB	
		30 June 2022 (Unaudited)	31 December 2021 (Audited)
Accounts receivable	Great Wall Holding and its subsidiaries	249,392,722.80	321,926,107.71
Accounts receivable	Automotive Finance	769,725.48	17,401,187.68
Accounts receivable	Spotlight Automotive	231,196,819.62	295,878,453.27
Accounts receivable	Other related parties	221,637.37	271,075.28
Subtotal of accounts receivable:		481,580,905.27	635,476,823.94
Other receivables	Great Wall Holding and its subsidiaries	43,738,176.82	45,048,201.21
Other receivables	Spotlight Automotive	855,739.50	250,000.00
Other receivables	Other related parties	53,131,813.24	—
Subtotal of Other receivables:		97,725,729.56	45,298,201.21
Prepayments	Great Wall Holding and its subsidiaries	111,911,885.87	16,581,699.31
Prepayments	Automotive Finance	99,377.77	—
Subtotal of Prepayments:		112,011,263.64	16,581,699.31
Financing with receivables	Great Wall Holding and its subsidiaries	11,937,314.89	4,488,371.42
Subtotal of Financing with receivables:		11,937,314.89	4,488,371.42
Other current assets	Automotive Finance	6,908,975,812.58	7,956,180,947.96
Subtotal of Other current assets:		6,908,975,812.58	7,956,180,947.96
Other non-current assets	Great Wall Holding and its subsidiaries	979,140,180.33	540,617,386.35
Subtotal of non-current assets:		979,140,180.33	540,617,386.35
Accounts payable	Great Wall Holding and its subsidiaries	816,680,703.85	983,478,335.02
Accounts payable	Automotive Finance	90,882,089.95	134,694,545.10
Accounts payable	Spotlight Automotive	45,976,857.38	27,112,052.72
Accounts payable	Other related parties	1,098,911.66	70.00
Subtotal of Accounts payable:		954,638,562.84	1,145,285,002.84

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XI. RELATED PARTIES AND TRANSACTIONS (continued)**6. Amounts due from/due to related parties** (continued)

Item	Related party transactions	RMB	
		30 June 2022 (Unaudited)	31 December 2021 (Audited)
Other payables	Great Wall Holding and its subsidiaries	7,202,376.00	4,138,700.96
Other payables	Automotive Finance	244,128.85	190,924.22
Other payables	Spotlight Automotive Limited	—	583,072.37
Other payables	Joint venture	56,200,000.00	—
Other payables	Other related parties	212,458.37	212,458.37
Subtotal of Other payables:		63,858,963.22	5,125,155.92
Contract liabilities	Great Wall Holding and its subsidiaries	31,005,941.90	12,774,769.57
Contract liabilities	Automotive Finance	1,528,800.39	1,525,842.69
Contract liabilities	Spotlight Automotive Limited	—	4,868,230.10
Subtotal of Contract liabilities:		32,534,742.29	19,168,842.36
Notes payable	Great Wall Holding and its subsidiaries	159,793.56	—
Notes payable	Other related parties	—	58,711.35
Subtotal of notes payable:		159,793.56	58,711.35
Lease liability	Great Wall Holding and its subsidiaries	535,296,777.41	171,894,418.90
Subtotal of lease liabilities:		535,296,777.41	171,894,418.90

XII SHARE-BASED PAYMENTS**1. General information of share-based payments**

	Restricted Share	Share Option
31 December 2021	56,322,850	373,381,428
Total equity instruments granted by the Company in the current period	7,955,800	75,497,100
Total equity instruments exercised by the Company in the current period	13,814,605	25,181,366
The total amount of the company's invalidated equity instruments during the current period	198,370	—
30 June 2022	50,265,675	423,697,162
The range of exercise price of share options issued by the Company at the end of the period and the remaining contract period	See other explanations	See other explanations
The range of exercise price of other equity instruments issued by the Company at the end of the period and the remaining contract period	See other explanations	See other explanations

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XII. SHARE-BASED PAYMENTS (continued)

1. General information of share-based payments (continued)

Other explanations:

On 27 April 2020, the Company granted 52,678,200 restricted shares for the first time to the incentive objects at a price of RMB4.37 per share, while incentive objects actually subscribed 49,303,500 restricted shares according to “Proposal on the 2020 Restricted Shares and Share Options Incentive Plan of Great Wall Motor Co., Ltd. (the First Revised Draft) and Its Summary”, “Proposal on Assessment Measures for the Implementation of the 2020 Restricted Shares and Share Options Incentive Plan of Great Wall Motor Co., Ltd. (Revised)” and “Proposal to the General Meeting on Fully Authorizing the Board of Directors and Its Authorized Persons to Handle Matters Related to the Company’s 2020 Restricted Shares and Share Options Incentive Plan” adopted by the Company on the 1st extraordinary general meeting in 2020, 1st H-share class shareholders’ meeting in 2020 and 1st A-share class shareholders’ meeting 2020 in resolutions, as well as the “Proposal on Adjusting the List of Incentive Objects and the Number of Grants Under the 2020 Restricted Shares and Share Options Incentive Plan” and “Proposal of Great Wall Motors Co., Ltd. on Granting Restricted Shares or Share Options to Incentive Objects of the 2020 Restricted Shares and Share Options Incentive Plan” (hereinafter referred to as the “2020 Equity Incentive Plan”) adopted by the Company at the 34th session of the 6th Board of Directors on 27 April 2020 in its resolution.

At the 13th session of the 7th Board of Directors on 28 January 2021, the Company adopted the “Proposal of Great Wall Motor Co., Ltd. on Granting Reserved Restricted Shares or Share Options to Incentive Objects” in its resolution; at the 14th session of the 7th Board of Directors on 12 March 2021, the Company adopted the “Proposal of Great Wall Motor Co., Ltd. on Adjusting the Grant Price of Restricted Shares Reserved for Grant Under the Company’s 2020 Restricted Shares and Share Options Incentive Plan” in its resolution. On 28 January 2021, the Company granted 8.748 million restricted shares to incentive objects at a price of RMB20.8 per share, and incentive objects actually subscribed 1,149,200 restricted shares.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XII. SHARE-BASED PAYMENTS (continued)

1. General information of share-based payments (continued)

Other explanations: (continued)

On 22 July 2021, the Company granted 34,057,000 restricted shares to incentive objects for the first time at a price of RMB16.78 per share, and incentive objects actually subscribed 32,653,200 restricted shares according to the "Proposal on the 2021 Restricted Shares Incentive Plan of Great Wall Motor Co., Ltd. (Draft) and Its Summary", the "Proposal on the 2021 Share Options Incentive Plan of Great Wall Motor Co., Ltd. (Draft) and Its Summary", the "Proposal on the Implementation of Assessment Management Measures for the 2021 Restricted Shares Incentive Plan of Great Wall Motor Co., Ltd.", the "Proposal on the Implementation of Assessment Measures for the 2021 Share Options Incentive Plan of Great Wall Motor Co., Ltd.", the "Proposal to the General Meeting on Fully Authorizing the Board of Directors and Its Authorized Persons to Handle Matters Relating to the 2021 Restricted Shares Incentive Plan of the Company" and the "Proposal to the General Meeting on Fully Authorizing the Board of Directors and Its Authorized Persons to Handle Matters Relating to the 2021 Share Options Incentive Plan of the Company", deliberated and approved on the Company's 4th extraordinary general meeting in 2021, the 2nd H-share class shareholders' meeting in 2021 and the 2nd A-share class shareholders' meeting in 2021, as well as the "Proposal of Great Wall Motor Co., Ltd. on Granting Restricted Shares to Incentive Objects of the 2021 Restricted Shares Incentive Plan and Granting Share Options to Incentive Objects of the 2021 Share Options Incentive Plan" and the "Proposal of Great Wall Motor Co., Ltd. on Adjusting the List of Incentive Objects and the Number of Grants Under the 2021 Restricted Shares Incentive Plan and the 2021 Share Options Incentive Plan" (hereinafter referred as the "2021 Equity Incentive Plan"), deliberated and approved at the 23rd session of the 7th Board of Directors and the 21st session of the 7th Board of Supervisors on 22 July 2021.

At the 38th session of the 7th Board of Directors on 29 April, 2022, the Company adopted the "Proposal on Granting Reserved Restricted Shares in 2021 to Incentive Objects" and the "Proposal on Granting Reserved Stock Options in 2021 to Incentive Objects" in its resolution; at the 39th session of the 7th Board of Directors on 13 May, 2022, the Company adopted the "Proposal on the Adjustment to the Grant Price of Restricted Shares Reserved for Grant Under the Company's 2021 Restricted Shares Incentive Plan and the Exercise Price of Share Options Reserved for Grant Under the 2021 Share Options Incentive Plan" in its resolution. On 29 April, 2022, the Company reserved 8,600,000 restricted shares for grant to incentive objects at the price of RMB12.73 per share, and incentive objects actually subscribed 7,955,800 restricted shares.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XII. SHARE-BASED PAYMENTS (continued)

1. General information of share-based payments (continued)

Other explanations: (continued)

Conditions on unlocking restricted shares granted to incentive objects need to meet certain performance conditions and personal performance evaluation conditions. The vesting periods for restricted shares granted for the first time are 1, 2, and 3 years from the first grant date, respectively, and those for restricted shares granted via reservation are 1 and 2 years from the grant date, respectively. During the vesting periods, cash dividends distributed by the Company to restricted share holders are revocable.

According to the 2020 Equity Incentive Plan, on 27 April 2020, the Company granted 87,065,300 share options to incentive objects for the first time at an exercise price of RMB8.73 per share; on 28 January 2021, the Company granted 15,721,000 reserved share options to incentive objects at an exercise price of RMB42.15 per share. According to the 2021 Equity Incentive Plan, on 22 July 2021, the Company granted 300,594,000 share options to incentive objects for the first time at an exercise price of RMB33.56 per share; on 29 April 2022, the Company granted 75,497,100 reserved share options to incentive objects for the first time at an exercise price of RMB25.45 per share. The exercise of the above share options shall meet certain performance conditions and personal performance evaluation conditions. Different vesting periods apply to share options granted to incentive objects, ranging from 1, 2 and 3 years from the first grant date for share options granted for the first time, respectively, and 1 and 2 years from the grant date for share options reserved for grant, respectively.

2. Equity-settled share-based payment

RMB

Method for determining the fair value of equity instruments on the grant date

See other explanations

The basis for determining the number of exercisable equity instruments	Based on the number of restricted shares/options granted, the Company makes the best estimate of the number of restricted shares/options that are expected to be exercised in each period in the unlock/exercise arrangement
Reasons for the significant difference between the current estimate and the previous estimate	N/A
The cumulative amount of equity-settled share-based payments included in the capital reserve	3,878,298,184.01
The total amount of expenses recognized for equity-settled share-based payments in the current period	1,094,566,284.66

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XII. SHARE-BASED PAYMENTS (continued)**2. Equity-settled share-based payment** (continued)***Other explanations:***

For the aforementioned Restricted Shares Incentive Plan, the fair value of restricted shares granted by the Company on the grant date is measured based on the market price of the Company's ordinary shares on the grant date.

For the stock options granted in 2021, the Company calculates the fair value of the stock options on the grant date according to the "Binary Tree Option Pricing Model" at the fair value on the grant date, main parameters selected in the model are underlying stock price, exercise price, option validity, stock price volatility and risk-free interest rate and average dividend yield of the Company in the past 12 months. The main parameters in the model are the underlying stock price, exercise price, option validity, stock price volatility, risk-free interest rate and the average dividend yield of the Company in the last 12 months.

XIII COMMITMENTS**1. Significant commitments*****Capital commitments***

	30 June 2022 (Unaudited)	<i>RMB'000</i> 31 December 2021 (Audited)
Contracted for but not provided	7,180,435	3,677,690
– Purchase of long-term asset commitment	7,180,435	3,677,690
Total	7,180,435	3,677,690

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XIV. EVENTS AFTER THE BALANCE SHEET DATE

None.

XV. OTHER SIGNIFICANT EVENTS

1. Segment reporting

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

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

Item	For the period from 1 January to 30 June 2022 (Unaudited)	<i>RMB</i>
		For the period from 1 January to 30 June 2021 (Unaudited)
Revenue from external customers in China	52,833,568,320.09	55,295,426,727.95
Revenue from external customers in other countries	9,300,547,687.76	6,632,942,188.22
Total	62,134,116,007.85	61,928,368,916.17

Item	30 June 2022 (Unaudited)	<i>RMB</i>
		31 December 2021 (Audited)
Non-current assets located in China	57,731,888,441.97	52,555,571,667.97
Non-current assets located in other countries	5,297,148,558.62	3,999,057,674.04
Total	63,029,037,000.59	56,554,629,342.01

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

The Group is not dependent on one or more important clients.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY

1. Cash and bank balances

Item	<i>RMB</i>	
	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Cash:		
RMB	258,968.54	53,875.06
GBP	13,125.96	13,884.02
HKD	6,726.41	6,430.75
USD	3,455.43	3,282.59
SGD	1,498.09	1,467.27
JPY	1,484.35	1,674.03
RUB	73.61	48.95
KRW	36.69	38.11
THB	24.78	24.85
Bank balances:		
RMB	12,793,208,989.20	20,105,438,924.95
HKD	452,076,091.12	30,801.19
USD	444,684,504.74	180,487,947.23
EUR	5,471,809.70	1,428,857.90
AUD	2,568,419.16	—
JPY	68,239.23	452,360.40
GBP	21,425.36	209,232.26
Other cash and bank balances:		
RMB	7,807,026,025.09	993,131,055.09
Total	21,505,410,897.46	21,281,259,904.65
Including: overseas cash and bank balances	—	—

At 30 June 2022, the Company had restricted cash and bank balances of RMB7,807,026,025.09, all as security and margin deposits for bank acceptances.

As at 31 December 2021, the Company had restricted cash and bank balances of RMB993,131,055.09, all as security and margin deposits for bank acceptances.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable

(1) Disclosed by aging:

RMB

Aging	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Amount	Credit loss provision	Proportion (%)	Amount	Credit loss provision	Proportion (%)
Within 1 year	22,678,938,244.90	(2,661,107.66)	0.01	17,566,167,390.50	(2,860,953.87)	0.02
1 to 2 years	833,177,646.62	(392,847.57)	0.05	316,845,838.08	(27,606,830.53)	8.71
2 to 3 years	20,017,418.01	(430,000.00)	2.15	201,932,851.35	—	—
Over 3 years	347,347,128.74	(326,775,297.48)	94.08	525,133,228.74	(310,430,202.96)	59.11
Total	23,879,480,438.27	(330,259,252.71)	1.38	18,610,079,308.67	(340,897,987.36)	1.83

The aging analysis of the above accounts receivable is based on the time of revenue recognition.

(2) Disclosed by classification of credit loss provision method

RMB

Category	30 June 2022 (Unaudited)					31 December 2021 (Audited)				
	Carrying amount		Credit loss provision		Book value	Carrying amount		Credit loss provision		Book value
Amount	Ratio (%)	Amount	Ratio (%)	Amount		Ratio (%)	Amount	Ratio (%)		
Credit loss provision by individuals	596,992,627.25	2.50	(326,775,297.48)	54.74	270,217,329.77	579,566,825.93	3.11	(310,430,202.96)	53.56	269,136,622.97
Credit loss provision assessed by portfolios	23,282,487,811.02	97.50	(3,483,955.23)	0.01	23,279,003,855.79	18,030,512,482.74	96.89	(30,467,784.40)	0.17	18,000,044,698.34
Total	23,879,480,438.27	100.00	(330,259,252.71)	1.38	23,549,221,185.56	18,610,079,308.67	100.00	(340,897,987.36)	1.83	18,269,181,321.31

Description of the accounts receivable for which credit loss provision has been assessed by portfolios:

As part of the Company's credit risk management, the Company assesses the expected credit losses for various categories of accounts receivable based on their credit periods and overdue aging.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)**2. Accounts receivable** (continued)**(2) Disclosed by classification of credit loss provision method** (continued)

Accounts receivable whose credit loss provision are assessed by portfolio and their expected credit losses are as follows:

RMB

Aging	30 June 2022 (Unaudited)				31 December 2021 (Audited)			
	Expected loss rate	Carrying amount	Credit loss provision	Book value	Expected loss rate	Carrying amount	Credit loss provision	Book value
Within the credit period	0.00%-4.00%	23,278,363,148.27	(2,233,752.48)	23,276,129,395.79	0.00%-4.00%	18,000,034,421.83	(547,205.38)	17,999,487,216.45
Overdue for 1-180 days	5.74%-50.00%	3,049,501.38	(175,041.38)	2,874,460.00	10.60%-50.00%	623,547.57	(66,065.68)	557,481.89
Overdue for over 180 days	100.00%	1,075,161.37	(1,075,161.37)	—	100.00%	29,854,513.34	(29,854,513.34)	—
Total		23,282,487,811.02	(3,483,955.23)	23,279,003,855.79		18,030,512,482.74	(30,467,784.40)	18,000,044,698.34

(3) Provision, recovery or reversal of credit loss provision during the current period:

RMB

Credit loss provision	30 June 2022 (Unaudited)		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2022	(613,271.06)	(340,284,716.30)	(340,897,987.36)
— Transfer to credit impairment occurred	613,271.06	(613,271.06)	—
Provision	(2,408,793.86)	(1,854,877.46)	(4,263,671.32)
Reversals	—	31,186,902.29	31,186,902.29
Written-off	—	60,598.20	60,598.20
Exchange difference	—	(16,345,094.52)	(16,345,094.52)
Balance at 30 June 2022	(2,408,793.86)	(327,850,458.85)	(330,259,252.71)

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Accounts receivable (continued)

(4) Top five entities with the largest balances of accounts receivable:

RMB

Name of entity	Closing balance	Proportion of the amount to the total accounts receivable (%)	Closing balance of credit loss provision
Subsidiary 1	10,543,614,422.93	44.15	—
Subsidiary 2	3,385,698,734.16	14.18	—
Customer 1	2,315,949,289.00	9.70	—
Subsidiary 3	2,083,989,170.59	8.73	—
Subsidiary 4	858,259,216.62	3.59	—
Total	19,187,510,833.30	80.35	—

3. Other receivables

3.1 Summary of other receivables

RMB

Category	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Interest receivable	1,205,418.20	10,251,474.99
Dividends receivable	1,047,609,799.69	301,983,748.65
Other receivables	7,181,729,395.73	5,761,034,713.66
Total	8,230,544,613.62	6,073,269,937.30

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Other receivables (continued)

3.2 Other receivables

(1) Disclosed by aging:

RMB

Aging	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Amount	Credit loss provision	Ratio (%)	Amount	Credit loss provision	Ratio (%)
Within 1 year	4,787,673,086.90	—	—	3,420,611,690.95	—	—
1 to 2 years	762,111,790.67	—	—	535,086,185.72	—	—
2 to 3 years	381,337,142.44	—	—	1,787,250,966.98	—	—
Over 3 years	1,250,777,213.72	(169,838.00)	0.01	18,255,708.01	(169,838.00)	0.93
Total	7,181,899,233.73	(169,838.00)	—	5,761,204,551.66	(169,838.00)	—

(2) Disclosed by nature are as follows:

RMB

Nature of other receivables	Carrying amount at 30 June 2022 (Unaudited)	Carrying amount at 31 December 2021 (Audited)
Receivables	2,799,489,763.50	1,964,162,915.42
Security and margin deposits	30,526,457.85	34,987,384.46
Tax refunds	137,133,126.19	229,473,652.38
Proceeds from land transfer	186,256,243.00	186,256,243.00
Deposits	14,836,815.85	26,662,020.42
Others	4,013,656,827.34	3,319,662,335.98
Total	7,181,899,233.73	5,761,204,551.66

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Other receivables (continued)

3.2 Other receivables (continued)

(3) Assessment of credit loss provision:

RMB

Aging	30 June 2022 (Unaudited)				31 December 2021 (Audited)			
	Expected average loss rate	Carrying amount	Credit loss provision	Book value	Expected average loss rate	Carrying amount	Credit loss provision	Book value
Indefinite/within contractual repayment period	—	7,181,729,395.73	—	7,181,729,395.73	—	5,761,034,713.66	—	5,761,034,713.66
Overdue for 1-180 days	—	—	—	—	—	—	—	—
Overdue for over 180 days	100.00%	169,838.00	(169,838.00)	—	100.00%	169,838.00	(169,838.00)	—
Total		7,181,899,233.73	(169,838.00)	7,181,729,395.73		5,761,204,551.66	(169,838.00)	5,761,034,713.66

The Company determines the expected credit losses of the other receivables based on the historical experience data and forward-looking information. In 2021 and 2020, the Company's assessment method and significant assumptions have remained unchanged.

(4) Credit loss provision:

RMB

Credit loss provision	Phase 1 Future 12-month ECL	Phase 2 Lifetime ECL (not credit-impaired)	Phase 3 Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2022	—	—	(169,838.00)	(169,838.00)
Provision	—	—	—	—
Reversals	—	—	—	—
Written-off	—	—	—	—
Balance At 30 June 2022	—	—	(169,838.00)	(169,838.00)

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)**3. Other receivables** (continued)**3.2 Other receivables** (continued)

(5) Top five entities with the largest balances of other receivables:

						<i>RMB</i>
Name of entity	Nature of amounts	Amount	Aging	Proportion of the amount to the total other receivables (%)	Closing balance of credit loss provision	
Entity 1	Other	2,014,262,063.98	Within 1 year, 1 to 2 years, 2 to 3 years;	28.05	—	
Entity 2	Receivables	1,103,865,635.21	Within 1 year;	15.37	—	
Entity 3	Receivables	886,390,385.52	Within 1 year, 1 to 2 years;	12.34	—	
Entity 4	Other	441,910,933.05	Within 1 year;	6.15	—	
Entity 5	Other	416,596,432.36	Within 1 year;	5.80	—	
Total		4,863,025,450.12		67.71	—	

The Company has no other receivables related to government grants.

4. Long-term equity investments

Breakdown of long-term equity investments:

Item	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Carrying amount	Impairment provision	Book value	Carrying amount	Impairment provision	Book value
Investments in subsidiaries	16,804,198,522.61	—	16,804,198,522.61	14,288,148,959.67	—	14,288,148,959.67
Investments in joint ventures	9,915,902,274.59	—	9,915,902,274.59	9,493,274,421.56	—	9,493,274,421.56
Total	26,720,100,797.20	—	26,720,100,797.20	23,781,423,381.23	—	23,781,423,381.23

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Long-term equity investments (continued)

Breakdown of investments in subsidiaries is as follows:

Investee	31 December	Increase for the period	Decrease for the period	Others (Note (XII))	30 June 2022 (Unaudited)	Provision for impairment	RMB
	2021 (Audited)						Closing balance of impairment provision
Honeycomb Yichuang	3,226,372,089.35	—	—	183,996,712.78	3,410,368,802.13	—	—
Nuobo Automotive	2,386,936,340.67	—	—	229,493,452.56	2,616,429,793.23	—	—
Tide Technology and Trade	1,821,094,150.70	21,761,031.56	—	—	1,842,855,182.26	—	—
Jinggong Motor	1,165,767,207.25	—	—	208,711,458.78	1,374,478,666.03	—	—
Mind Electronics	1,130,017,729.30	490,000,000.00	—	125,550,620.84	1,745,568,350.14	—	—
Russia Manufacturing	1,098,584,098.98	490,000,000.00	—	—	1,588,584,098.98	—	—
Tianjin Oula	566,579,896.45	—	—	(1,547,940.04)	565,031,956.41	—	—
Rizhao Weipai	379,917,867.85	—	—	2,429,696.36	382,347,564.21	—	—
Shanghai Yuefan	290,900,784.83	—	—	753.42	290,901,538.25	—	—
Great Wall Huabei	269,847,922.88	—	—	1,140,895.65	270,988,818.53	—	—
Baoding Yijian Start	200,178,890.78	—	—	224,588.76	200,403,479.54	—	—
Tianjin Lean	186,363,431.80	—	—	—	186,363,431.80	—	—
American HAVAL	169,620,600.00	—	—	—	169,620,600.00	—	—
Ruguo Technology	169,050,000.00	19,460,000.00	—	5,152,034.57	193,662,034.57	—	—
Zaoqi Financial Leasing	128,563,829.09	—	—	1,125,136.86	129,688,965.95	—	—
Great Wall Ants	111,418,151.65	—	—	8,881,931.81	120,300,083.46	—	—

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Long-term equity investments (continued)

Breakdown of investments in subsidiaries is as follows: (continued)

Investee	31 December	Increase for the period	Decrease for the period	Others (Note (XII))	30 June 2022 (Unaudited)	RMB	
	2021 (Audited)					Provision for impairment	Closing balance of impairment provision
Confident Zhixing	110,000,000.00	—	—	—	110,000,000.00	—	—
Tianjin Zhixin	100,000,000.00	—	—	—	100,000,000.00	—	—
HWA Ding International	92,942,500.23	—	—	—	92,942,500.23	—	—
Baoding Nobo	72,240,000.00	—	—	—	72,240,000.00	—	—
Laoyou Insurance	70,481,877.24	—	—	1,936.74	70,483,813.98	—	—
Salon Mecha Technology	68,889,866.03	136,390,000.00	—	1,238,901.92	206,518,767.95	—	—
Zhangjiagang Research and Development	45,000,000.00	—	—	—	45,000,000.00	—	—
Haval Australia	43,773,250.00	—	—	—	43,773,250.00	—	—
Xiong'an Great Wall	41,000,000.00	—	—	—	41,000,000.00	—	—
Baoding Great	34,094,400.47	—	—	13,627,647.51	47,722,047.98	—	—
Baoding Yixin	33,452,311.67	—	—	5,722,372.92	39,174,684.59	—	—
Europe Technical Center	33,428,802.00	—	—	—	33,428,802.00	—	—
India R&D	28,082,810.70	—	—	—	28,082,810.70	—	—
Oula Zhixing	26,000,000.00	—	(26,000,000.00)	—	—	—	—
Haval South Africa	25,912,080.00	—	—	—	25,912,080.00	—	—
India Haval	20,731,008.88	—	—	—	20,731,008.88	—	—
Changyou Haoche	20,020,370.44	—	—	12,095.42	20,032,465.86	—	—
Ningxia Rental	20,000,000.00	—	—	—	20,000,000.00	—	—
Shanghai Motor Technology	16,851,666.79	—	—	35,771,818.64	52,623,485.43	—	—
Great Wall Sales	15,824,712.98	—	(7,989,910.00)	58,629,718.65	66,464,521.63	—	—
Beijing Great	12,539,100.00	10,000,000.00	—	—	22,539,100.00	—	—
Soul Technology	10,695,308.82	28,200,000.00	—	2,662,758.94	41,558,067.76	—	—
Great Wall Resource Recycling	10,000,000.00	—	—	158,886.84	10,158,886.84	—	—
Chongqing Auto Parts	9,088,295.94	—	—	2,210,232.00	11,298,527.94	—	—
Exquisite Mould	8,404,789.81	—	—	4,278,624.99	12,683,414.80	—	—

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)**4. Long-term equity investments** (continued)

Breakdown of investments in subsidiaries is as follows: (continued)

Investee	31 December	Increase for the period	Decrease for the period	Others (Note (XII))	30 June 2022 (Unaudited)	Provision for impairment	RMB
	2021 (Audited)						Closing balance of impairment provision
Tianjin Jolion Shuju	7,282,532.05	2,970,000.00	—	—	10,252,532.05	—	—
Scrap Car Recycling & Dismantling	5,420,116.74	—	—	514,841.12	5,934,957.86	—	—
Tank Zhixing Chongqing	4,000,000.00	—	(4,000,000.00)	—	—	—	—
Chongqing Great Wall Customer Service	299,292.32	—	—	39,263.34	338,555.66	—	—
Chongqing Weipai	270,000.00	—	—	—	270,000.00	—	—
Chongqing Haval	93,374.98	—	—	—	93,374.98	—	—
Tianjin Great Wall Investment	50,000.00	350,500,000.00	—	—	350,550,000.00	—	—
Guangzhou Great Wall Sales	34,500.00	—	—	—	34,500.00	—	—
Xiamen Great Wall Sales	33,000.00	—	—	—	33,000.00	—	—
Great Wall Zhixing	—	114,730,000.00	—	—	114,730,000.00	—	—
Total	14,288,148,959.67	1,664,011,031.56	(37,989,910.00)	890,028,441.38	16,804,198,522.61	—	—

Note: Others mainly represent the Company's granting of restricted shares to employees of its subsidiaries and share-based payment expenses recognized on shares options.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Long-term equity investments (continued)

Breakdown of investments in joint ventures is as follows:

RMB

Investee	31 December 2021 (Audited)	Increase	Reduced investment	Changes for the period						30 June 2022 (Unaudited)	Closing balance of impairment provision
				Recognition of investment profit or loss under equity method	Adjustment in other comprehensive income	Movement in other equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Automotive Finance Shanghai Junying Management Partnership (Limited Partnership) ("上海鈞瀛企業 管理合夥企業 (有限合夥)") ("Shanghai Junying")	9,472,312,094.43	—	—	443,590,180.16	—	—	—	—	—	9,915,902,274.59	—
	20,962,327.13	—	(20,962,327.13)	—	—	—	—	—	—	—	—
Total	9,493,274,421.56	—	(20,962,327.13)	443,590,180.16	—	—	—	—	—	9,915,902,274.59	—

5. Operating income and operating costs

(1) Operating income and operating costs

RMB

Item	For the period from 1 January to 30 June 2022 (Unaudited)		For the period from 1 January to 30 June 2021 (Unaudited)	
	Income	Costs	Income	Costs
Principal operating activities	56,316,269,315.71	51,387,641,681.99	56,492,304,561.60	53,042,532,020.79
Other operating activities	1,600,673,210.34	1,392,669,364.69	1,555,518,178.09	1,437,810,270.87
Total	57,916,942,526.05	52,780,311,046.68	58,047,822,739.69	54,480,342,291.66

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Operating income and operating costs (continued)

(2) Revenue from contracts

Category of contracts	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Income from the sales of automobiles	53,293,169,826.50	52,700,961,876.34
Income from the sales of automotive parts and components	2,771,402,342.40	3,516,917,964.73
Income from the rendering of services	251,697,146.81	274,424,720.53
Other operating income	1,428,911,431.13	1,395,420,926.06
Subtotal of Income from contracts with customers	57,745,180,746.84	57,887,725,487.66
Rental income	171,761,779.21	160,097,252.03
Total	57,916,942,526.05	58,047,822,739.69

6. Investment income

Breakdown:

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Income from long-term equity investments under cost method	5,413,694,662.03	5,381,192,625.51
Income from long-term equity investments under equity method	443,590,180.16	668,096,166.49
Investment income from disposal of held-for-trading financial assets	57,616,801.16	39,643,309.43
Net loss on disposal of long-term equity investments	(213,940.13)	—
Losses on deregistration of discounted bills	(96,593,501.65)	(60,991,216.74)
Investment income (losses) from the disposal of derivative financial instruments	(2,736,234.96)	—
Total	5,815,357,966.61	6,027,940,884.69

There are no significant restrictions on remittance of investment income of the Company.

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

7. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	For the period from 1 January to 30 June 2022 (Unaudited)	RMB For the period from 1 January to 30 June 2021 (Unaudited)
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	5,742,590,878.02	4,343,147,076.74
Add: Impairment losses on assets	106,701,697.23	225,571,518.94
Gain on credit impairment	(26,923,230.97)	(3,133,763.47)
Depreciation of fixed assets	965,069,239.63	1,083,611,577.08
Depreciation of right-of-use assets	121,823,310.71	75,305,472.27
Amortization of intangible assets	716,770,460.83	489,866,691.44
Amortization of long-term prepaid expenses	5,227,379.00	5,975,004.00
Depreciation and amortization of investment properties	64,433,386.88	62,703,538.07
Losses on disposals of assets	26,784,037.10	19,886,795.32
Amortization of deferred income	(108,974,577.28)	(193,501,685.15)
Financial expense	44,724,082.13	12,119,046.45
Gains (losses) from changes in fair value	22,602,351.79	(11,588,100.82)
Investment income	(5,911,951,468.26)	(6,088,932,101.43)
Decrease in deferred tax assets (Less: increase)	(100,047,732.52)	(503,048,541.39)
Decrease in inventories (Less: increase)	(2,721,256,087.10)	(1,008,966,675.01)
Decrease in operating receivables (Less: increase)	1,796,131,235.75	14,483,786,439.10
Increase in operating payables (Less: decrease)	(6,969,515,628.90)	(4,578,736,430.01)
Others	454,646,381.19	98,358,551.61
Net cash flows from operating activities	(5,771,164,284.77)	8,512,424,413.74
2. Significant investing and financing activities which do not involve cash receipts and payments:		
Right-of-use assets recognized by leased fixed assets	443,470,680.48	101,478,114.64
Repayment of dividends with notes receivable by subsidiaries	108,355,408.35	1,111,831,446.35
3. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	13,698,384,872.37	14,265,054,830.19
Less: Opening balance of cash and cash equivalents	20,288,128,849.56	8,728,034,521.63
Net increase (decrease) in cash and cash equivalents	(6,589,743,977.19)	5,537,020,308.56

Notes to the Financial Statements

For the period from 1 January to 30 June 2022

XVI. NOTES TO ITEMS IN THE FINANCIAL STATEMENTS OF THE COMPANY (continued)

7. Supplementary information to the cash flow statement (continued)

(2) Components of cash and cash equivalents

Item	<i>RMB</i>	
	30 June 2022 (Unaudited)	31 December 2021 (Audited)
I. Cash	13,698,384,872.37	20,288,128,849.56
Including: Cash on hand	285,393.86	80,725.63
Bank deposits ready to be withdrawn on demand	13,698,099,478.51	20,288,048,123.93
II. Closing balance of cash and cash equivalents	13,698,384,872.37	20,288,128,849.56

Supplementary information

For the period from 1 January to 30 June 2022

1. BREAKDOWN OF NON-RECURRING GAINS AND LOSSES

Item	RMB	
	For the period from 1 January to 30 June 2022 (Unaudited)	For the period from 1 January to 30 June 2021 (Unaudited)
Profit or loss from disposal of non-current assets	(31,476,693.82)	(24,025,980.42)
Government grants accounted for profit and loss of the current period (except for government grants closely related to the corporate business that were given under at a fixed standard amount or quantity as stipulated by the State)	1,072,361,026.66	539,868,173.86
Investment income obtained from the disposal of subsidiaries, held-fortrading financial assets, derivative financial instruments and dividend income of other equity instruments during the holding period	68,525,653.64	77,456,578.42
Gains (losses) on changes in fair values	(121,905,323.59)	91,730,731.96
Other non-operating income or expenses other than the above	44,813,569.86	47,661,718.92
Other profit and loss items that meet the definition of non-recurring profit and loss	2,674,668,296.53	—
Effect of income tax	(165,223,898.57)	(46,064,619.07)
Impact of minority shareholders' equity (after tax)	(1,199.00)	—
Total	3,541,761,431.71	686,626,603.67

The non-recurring gains and losses of the Group was recognized in accordance with the relevant requirements of the *Explanatory Notice for Information Disclosures by Companies that Offer Securities to the Public (No. 01) – Non-recurring Gains and Losses*.

Note: Other profit and loss items that meet the definition of non-recurring profit and loss in the current period were mainly the exchange rate gains and losses incurred by the Group's subsidiaries located in Russia due to abnormal fluctuations in the Russian ruble exchange rate.

Supplementary information

For the period from 1 January to 30 June 2022

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

This calculation of return on net assets and earnings per share was prepared by the Group in accordance with the relevant requirements of the *Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 09) – Calculations and Disclosures for the Return on Net Assets and Earnings per Share* (as amended in 2010) issued by the China Securities Regulatory Commission.

For the period from 1 January to 30 June 2022 (Unaudited)	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	8.43	0.61	0.60
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	3.09	0.22	0.22
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For the period from 1 January to 30 June 2021 (Unaudited)	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to shareholders of ordinary shares of the Company	6.10	0.39	0.38
Net profit attributable to shareholders of ordinary shares of the Company, after deducting non-recurring gains and losses	4.91	0.31	0.31

The supplementary information provided by the management of Great Wall Motor Company Limited was endorsed by the followings:

Legal Representative: Wei Jian Jun

Chief Financial Officer: Li Hong Shuan

Head of the Finance Section: Wang Hai Ping

August 30, 2022



長城汽車股份有限公司

GREAT WALL MOTOR COMPANY LIMITED*