

**SINOTRUK**  
中国重汽



**中國重汽（香港）有限公司**  
**Sinotruk (Hong Kong) Limited**

(Incorporated in Hong Kong with limited liability)

Stock Code : 03808

**2024** INTERIM  
REPORT

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# FINANCIAL FIGURES

	Six months ended 30 June			%
	2024	2023	Increase/(Decrease)	
<b>Operating results</b> (RMB million)				
Revenue	<b>48,823</b>	41,371	7,452	18.0
Gross profit	<b>7,159</b>	6,523	636	9.8
Profit attributable to equity shareholders of the Company	<b>3,294</b>	2,358	936	39.7
<b>Profitability and Liquidity</b>				
Gross profit ratio (%)	<b>14.7</b>	15.8	(1.1)	(7.0)
Net profit ratio (%)	<b>7.4</b>	6.3	1.1	17.5
Current ratio (time)	<b>1.1</b>	1.2	(0.1)	(8.3)
Trade receivable turnover (days)	<b>76.8</b>	72.9	3.9	5.3
Trade payable turnover (days)	<b>218.2</b>	210.7	7.5	3.6
<b>Sales volume</b> (units)				
HDTs				
— Domestic	<b>56,602</b>	43,689	12,913	29.6
— Export (including affiliated export)	<b>68,415</b>	65,198	3,217	4.9
Total	<b>125,017</b>	108,887	16,130	14.8
LDTs	<b>56,922</b>	49,714	7,208	14.5
Trucks sold under auto financing services	<b>36,254</b>	25,450	10,804	42.5
<b>Per share data</b>				
Earnings per share - basic (RMB)	<b>1.20</b>	0.85	0.35	41.2
2024 interim dividend per share				
HK\$	<b>0.72</b>	—	0.72	100.0
or				
RMB	<b>0.66</b>	—	0.66	100.0

Note: In September 2023, the Group made further capital contribution to Intelligent Technology and then Intelligent Technology became a subsidiary of the Company. Intelligent Technology becoming a subsidiary of the Company was considered to be a business combination under common control as the Group and Intelligent Technology are under common control of SHIG both before and after the capital contribution. Accordingly, the results, assets and liabilities of Intelligent Technology should have been accounted for at historical amounts in the consolidated financial statements of the Company as if Intelligent Technology had always been part of the Group. The above 2023 financial figures have been restated.

## DEFINITIONS

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

“Aggregate Trade Balance”	the total balances of the net trade receivables, net bills receivable and acceptance bills which are received from the customers to settle their trade debts
“AGM”	the annual general meeting of the Company or any adjournment thereof
“Articles”	the articles of association of the Company, as amended, supplemented, modified or otherwise adopted from time to time
“Audit Committee”	the audit committee of the Company
“Auto-finance Services”	the provision of financing to the end-users and dealers of the Group’s products for the purpose of purchasing the Group’s vehicles
“Board”	the board of Directors
“Capital Operation Department”	the capital operation department of the Company
“CAAM”	China Association of Automobile Manufacturers
“China” or “PRC” or “Mainland China”	the People’s Republic of China, and for the purpose of this report, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“CNHTC”	中國重型汽車集團有限公司(China National Heavy Duty Truck Group Company Limited), a state-owned enterprise organized under the laws of the PRC with limited liability, being the intermediate holding company of the Company
“CNHTC Group”	CNHTC and its subsidiaries other than the Group
“Commercial Lending Services”	the provision of loans to the borrowers, bill discounting services for bank bills presented by the borrowers and issue of bills (off-balance sheet credit business)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company” or “Sinotruk”	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“ED(s)”	the executive Director(s)

## DEFINITIONS

“Engines Segment”	the engines segment of the Group which engages in manufacture and sale of engines and related parts
“ESG”	environmental, social and governance
“Euro”	the lawful currency of the European Union
“Executive Committee”	the executive committee of the Company
“Finance Segment”	the finance segment of the Group which engages in provision of deposit taking, Commercial Lending Services and entrustment loans to the members of the Group and members of CNHTC Group as well as the provision of Auto-financing Services and supply chain financing services to the public
“FPFPS”	Ferdinand Porsche Familien-Privatstiftung, an Austrian private foundation (Privatstiftung) (trust), being the beneficiary owner of 25% of the entire issued share capital of the Company plus 1 Share
“FPFPS Group”	FPFPS and its subsidiaries including Volkswagen AG and TRATON SE
“GAAP”	generally accepted accounting principles
“GDP”	gross domestic product
“Group” or “We”	the Company and its subsidiaries
“HDT(s)”	heavy duty truck(s) and medium-heavy duty truck(s)
“HDTs Segment”	the heavy duty trucks segment of the Group which engages in manufacture and sale of heavy duty trucks, medium-heavy duty trucks and related components
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED(s)”	the independent non-executive Director(s)
“Intelligent Technology”	濰柴智能科技有限公司 (Weichai Intelligent Technology Co., Ltd.), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Ji’nan Power Company”	中國重汽集團濟南動力有限公司 (Sinotruk Ji’nan Power Co., Ltd.), a company organized under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company

## DEFINITIONS

“LDT(s)”	light duty truck(s)
“LDTs and Others Segment”	the light duty trucks and others segment of the Group which engages in manufacture and sale of light duty trucks, buses, etc. and related components
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NED(s)”	the non-executive Director(s)
“Nomination Committee”	the nomination committee of the Company
“Operating Profit (Loss) Margin”	the ratio of operating profit (loss) to revenue of the segment of the Group
“PBOC”	The People’s Bank of China
“Period”	the six-month period ended 30 June 2024
“Previous Period”	the six-month period ended 30 June 2023
“Products Revenue”	the revenue of sales of goods and rendering of services by the HDTs Segment, the LDTs and Others Segment and the Engines Segment to external customers
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange in the PRC

## DEFINITIONS

“SHIG”	山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.), a state-owned enterprise organized under the laws of the PRC with limited liability being the ultimate holding company of the Company and the controlling shareholder (as defined in the Listing Rules) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy and Investment Committee”	the strategy and investment committee of the Company
“Subsidiary”	a subsidiary for the time being of the Company within the meaning of the Companies Ordinance whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“TRATON SE”	a company incorporated under the laws of Germany with limited liability, being an indirect non-wholly owned subsidiary of FPFPS and the shares of which are listed on the Frankfurt Stock Exchange in Germany and NASDAQ STOCKHOLM (stock code: ISIN DE000TRATON7, WKN TRATON and symbol 8TRA)
“USD”	United States dollars, the lawful currency of the United States of America
“Volkswagen AG”	Volkswagen AG, a company incorporated under the laws of Germany with limited liability, being an indirect non-wholly owned subsidiary of FPFPS and the shares of which are listed on Frankfurt Stock Exchange in Germany (stock code: ISIN DE0007664005, WKN 766400 and symbol VOW)
“Volkswagen Group”	Volkswagen AG and its subsidiaries
“Weichai Power”	濰柴動力股份有限公司 (Weichai Power Co., Ltd.), a company organized under the laws of the PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 02338) and on the Shenzhen Stock Exchange (stock code: 000338)
“YoY”	as compared to the Previous Period
“%”	per cent

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS:

Mr. Wang Zhijian (*Chairman*)  
Mr. Wang Chen (*President*)  
Mr. Liu Zhengtao  
Mr. Liu Wei  
Ms. Li Xia  
Mr. Richard von Braunschweig

### NON-EXECUTIVE DIRECTORS:

Mr. Cheng Guangxu  
Mr. Karsten Oellers  
Mr. Mats Lennart Harborn

### INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. Wang Dengfeng  
Mr. Zhao Hang  
Mr. Liang Qing  
Mr. Lyu Shousheng  
Mr. Zhang Zhong  
Dr. Liu Xiaolun

## EXECUTIVE COMMITTEE

Mr. Wang Zhijian (*Chairman*)  
Mr. Wang Chen  
Mr. Liu Zhengtao  
Mr. Liu Wei  
Ms. Li Xia  
Mr. Richard von Braunschweig

## STRATEGY AND INVESTMENT COMMITTEE

Mr. Wang Zhijian (*Chairman*)  
Mr. Wang Chen  
Ms. Li Xia  
Mr. Richard von Braunschweig  
Mr. Zhao Hang

## REMUNERATION COMMITTEE

Mr. Lyu Shousheng (*Chairman*)  
Mr. Liang Qing  
Mr. Zhang Zhong  
Dr. Liu Xiaolun  
Mr. Cheng Guangxu

## AUDIT COMMITTEE

Dr. Liu Xiaolun (*Chairman*)  
Dr. Wang Dengfeng  
Mr. Lyu Shousheng

## NOMINATION COMMITTEE

Mr. Zhang Zhong (*Chairman*)  
Mr. Lyu Shousheng  
Mr. Cheng Guangxu

## BOARD SECRETARY

Ms. Wang Li

## HEADQUARTERS

Sinotruk Tower  
No. 777 Hua'ao Road  
Innovation Zone  
Ji'nan City  
Shandong Province  
PRC  
Postal code: 250101

## REGISTERED OFFICE IN HONG KONG

Units 2102-03  
China Merchants Tower  
Shun Tak Centre, 168-200  
Connaught Road Central  
Hong Kong

## COMPANY SECRETARY

Mr. Kwok Ka Yiu

## CORPORATE INFORMATION

### AUTHORIZED REPRESENTATIVES

Mr. Wang Chen  
Mr. Kwok Ka Yiu

### PRINCIPAL BANKERS

Industrial and Commercial Bank of  
China Limited  
Bank of China Limited  
Agricultural Bank of China Limited  
China Construction Bank Limited  
Bank of Communications Co., Ltd.

### LEGAL ADVISERS

#### HONG KONG

Reed Smith Richards Butler LLP

#### PRC

Commerce & Finance Law Offices

### AUDITOR

KPMG

### SHARE REGISTRAR

Computershare Hong Kong Investor  
Services Limited

### COMPANY WEBSITE

[www.sinotruk.com](http://www.sinotruk.com)

### SECURITIES CODE

Equity: 03808.hk

### INVESTOR RELATIONS

#### CAPITAL OPERATION DEPARTMENT

##### PRC

Tel: (86) 531 5806 3808  
(86) 531 5806 2543

Email: [zhengquanbu@sinotruk.com](mailto:zhengquanbu@sinotruk.com)

##### HONG KONG

Tel: (852) 3102 3808

Fax: (852) 3102 3812

Email: [securities@sinotrukhk.com](mailto:securities@sinotrukhk.com)

### PUBLIC RELATIONS CONSULTANT

Wonderful Sky Financial Group

Tel: (852) 2851 1038

Email: [sinotruk@wsfg.hk](mailto:sinotruk@wsfg.hk)

# THE GROUP

## BUSINESS

The Group is one of the leading trucks manufacturers in the PRC which specializes in the research, development and manufacture of HDTs, medium-heavy duty trucks, LDTs, etc. and related key assemblies, parts and components. The Group's products widely serve customer groups in various industries and fields such as logistics, transportation and infrastructure construction.

The Group mainly manufactures trucks and also produces key assemblies, parts and components such as engines, cabins, axles, steel frames, gearboxes, etc. The Group is a truck manufacturer which has its own research and development and production capability in trucks as well as the complete production chain. Our products are not only sold domestically but also exported to other countries and regions in the world. In addition, the Group provides financial services to those parties related to the production and sales of the Group's products and to the CNHTC Group.

## OPERATIONS

The Group's businesses are classified into four segments according to the nature of products and services:

### (I) HEAVY DUTY TRUCKS SEGMENT

The majority of the Group's revenue is contributed by the sales of HDTs. Its major products series include SITRAK, HOWO and Huanghe, each of which is further divided into various sub-series for different markets. The key production bases are located at Ji'nan and Ji'ning, the PRC. In addition, the Group engages in truck refitting and manufactures specialty vehicles.

### (II) LIGHT DUTY TRUCKS AND OTHERS SEGMENT

The Group's LDT products mainly include HOWO, Haoman and Wangpai products, which production bases are located at Ji'nan, Fujian and Chengdu, the PRC. The segment manufactures and sells medium duty trucks, LDTs, buses and other vehicles.

### (III) ENGINES SEGMENT

Although most of the engines for heavy duty trucks produced by the Group are used to satisfy our own demand, the Group also sells industrial and construction machinery engines to third parties. In addition, the Group produces other HDT key assemblies, parts and components, such as gearboxes and various types of casting and forging. The engines production bases are located at Ji'nan and Hangzhou, the PRC.

### (IV) FINANCE SEGMENT

The Finance segment provides various financial services to those parties related to the production and sales of the the products of the Group and the CNHTC Group, including deposits taking services and commercial financing services such as the provision of loans, bill discounting services and issue of bills as well as providing auto-finance services to finance the end-users and the dealers to purchase the Group's vehicles in the PRC.

# SHAREHOLDER INFORMATION

## FINANCIAL CALENDAR - SECOND HALF OF 2024

	2023 final dividend	2024 interim dividend
Dividend per share	HK\$1.063 or RMB0.965	HK\$0.72 or RMB0.66
Dividend payout ratio (Note)	50.1%	55.3%
Ex-dividend date	5 July	4 September
Latest time to lodge transfer documents for registration with Sinotruk's registrar	At 4:30 p.m. on 8 July	At 4:30 p.m. on 5 September
Closure of Sinotruk's register of members	9 to 10 July (both dates inclusive)	6 to 11 September (both dates inclusive)
Dividend entitlement date	10 July	11 September
Latest time to submit RMB dividend election form	At 4:30 p.m. on 31 July	At 4:30 p.m. on 21 October
Distribution of dividend warrants	6 September	22 November

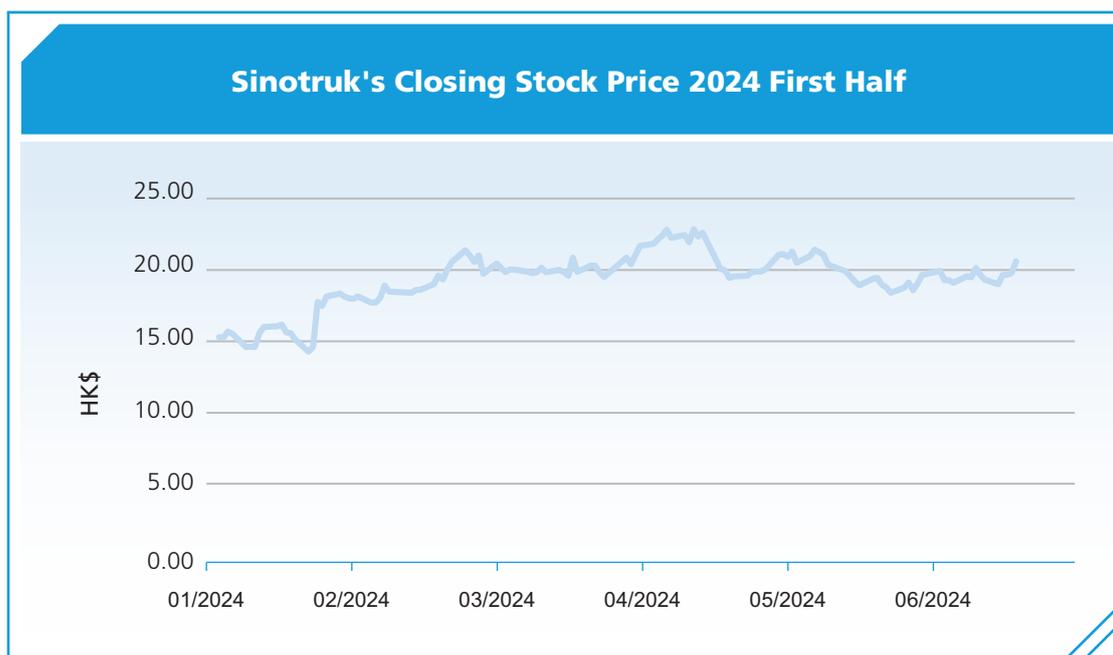
Note: Being calculated by relevant dividends for the relevant period divided by profit attributable to equity shareholders of the Company for such period.

## SHARE INFORMATION

Stock code	03808.hk
Listing as at 30 June 2024	
– Number of issued Shares	2,760,993,339
– Market capitalisation	RMB51,154 million
Board lot size	500 Shares

## SHARE PRICES DURING THE PERIOD

Highest price	HK\$23.25
Lowest price	HK\$13.86
Average closing price	HK\$19.01



## SHAREHOLDER INFORMATION

### SHAREHOLDING DISTRIBUTION AS AT 30 JUNE 2024 (BASED ON THE COMPANY'S REGISTER OF MEMBERS)

Size of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of no. of Shares issued
1 — 500	5,794	78.31%	2,860,884	0.10%
501 — 1,000	1,045	14.13%	1,045,000	0.10%
1,001 — 2,000	442	5.97%	696,000	0.00%
2,001 — 10,000	95	1.28%	391,500	0.00%
10,001 — 100,000	17	0.23%	482,750	0.00%
100,001 — 500,000	3	0.04%	385,000	0.00%
Above 500,000	3	0.04%	2,755,132,205	99.80%
	7,399	100.00%	2,760,993,339	100.00%

Details about Sinotruk's major Shareholders are disclosed in the section headed "SHAREHOLDING ANALYSIS" in "OTHER INFORMATION" contained in this report.

### SINOTRUK'S REGISTRAR - COMPUTERSHARE HONG KONG INVESTOR SERVICES LIMITED

For corporate communications:

By post: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

By email: securities@sinotruk.hk.com

For transfer of shares:

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Tel: (852) 2862 8555

# MANAGEMENT DISCUSSION AND ANALYSIS

## MARKET REVIEW

### TRUCKS MARKET

In the first half of the year, confronted with new challenges brought about by factors such as the significant increase in uncertainty in the external environment and the ongoing domestic structural adjustments, the Chinese government adhered to the general principles of pursuing progress while ensuring stability, promoting stability through progress, and establishing the new before abolishing the old and effectively implemented the macro policies and regulations. As a result, the national economy was generally stable with steady progress, featuring steady increase of production, sustained recovery of demand, accelerating growth of new driving forces and new achievements of the high-quality development. China's GDP grew by 5.0% YoY in the first half of the year and in the second quarter 4.7% YoY. The total value added of industrial enterprises above the designated size grew by 6.0% YoY. The national investment in fixed assets (excluding investment in real estate development) grew by 8.5%, among which, the investment in infrastructure grew by 5.4% and that in manufacturing grew by 9.5%. China's economic performance was generally stable alongside quantitative growth and moreover qualitative improvement. The macroeconomic trend of steadily improving and long-term growth remained unchanged.

During the Period, as the national macroeconomy gradually recovered, the commercial vehicle industry generally showed a recovery trend. For the heavy duty truck industry, firstly, demand in the domestic heavy duty truck industry has grown steadily driven by a series of positive policies represented by the Action Plan for Promoting Large-Scale Equipment Renewal and Trade-in of Consumer Goods (《推動大規模設備更新和消費品以舊換新行動方案》); secondly, the demand for natural gas heavy duty trucks was strong as the oil and gas price gap maintained at a high level; thirdly, the sales volume and market penetration of new energy heavy duty trucks constantly increased, with the sales volume increased by 141.6% YoY and the market penetration reached approximately 9.4%; fourthly, the export demand for heavy duty trucks continued to grow, reaching a historical new record, driven by the stabilization of the global economy and the Belt and Road Initiative. According to statistics from CAAM, the sales of heavy duty trucks reached approximately 504,500 units in the first half of the year, representing an increase of 3.3% YoY. For the light duty truck industry, firstly, with the ongoing implementation of economic stabilization policies including the expansion of domestic demand, consumption has become the main contributor to economic growth, supporting the stable growth of the light duty truck industry; secondly, the sales volume of new energy light duty trucks increased by approximately 202.7% YoY and the market penetration reached approximately 13.7%. According to statistics from CAAM, the sales of light duty trucks reached approximately 970,900 units, representing an increase of 4.2% YoY.

### FINANCING MARKET

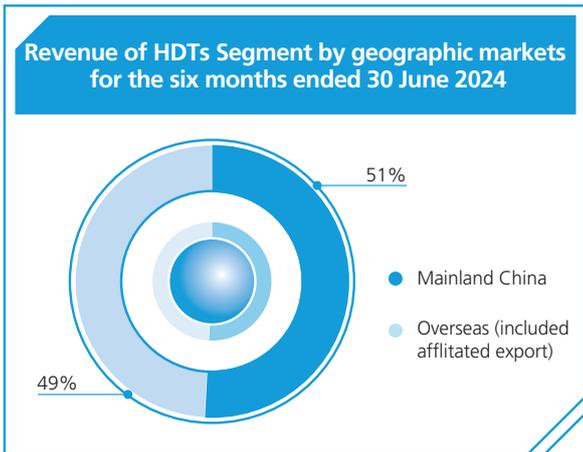
During the Period, the Chinese Government continued to implement the loan prime rate (LPR) mechanism. One-year LPR remained unchanged and the five-year LPR was lowered once. As at 30 June 2024, one-year LPR was 3.45% while five-year LPR was 3.95%.

## MANAGEMENT DISCUSSION AND ANALYSIS

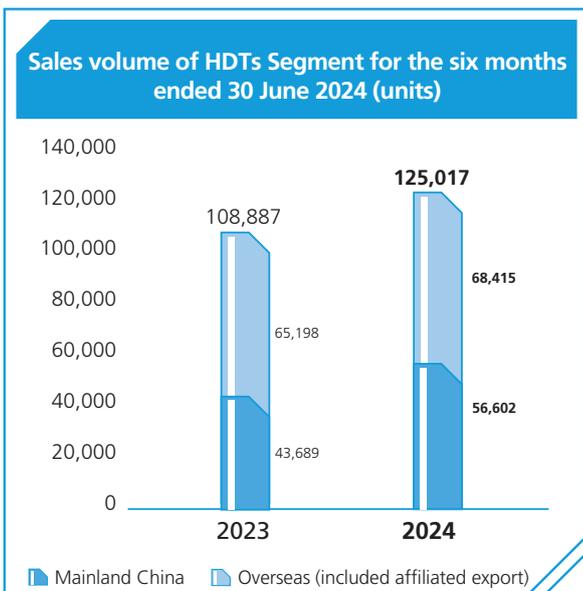
### OPERATION REVIEW

#### HDTs SEGMENT

The total revenue from the HDTs Segment was RMB42,513 million, representing an increase of 16.3% YoY. The HDTs Segment’s Operating Profit Margin was 6.0%, representing a decrease of 0.6 percentage points YoY, mainly due to changes in product structure and an increase in sales of products with lower gross profit.



During the Period, the Group sold 125,017 HDTs, representing an increase of 14.8% YoY.



#### DOMESTIC BUSINESS

During the Period, the Group sold 56,602 HDTs in the PRC, representing an increase of 29.6%.

The Group focused on enhancing the core competitiveness of products, continued to deepen the penetration of our business in segment markets, adjusted and optimized its product structure, boosted the growth in market areas of weakness, accelerated towards high-end, and continued to improve its ability to withstand market fluctuations.

In the market of tractor trucks, the Group seized the opportunity for incremental on gas vehicle replacement and achieved breakthroughs in the gas tractor truck market. In the first half of the year, sales of gas tractors increased by 278% YoY, and the market share increased by 11.75 percentage points YoY. Specifically, the market share in the 15L gas tractor market increased by 17.4 percentage points YoY, ranking first in the industry.





## MANAGEMENT DISCUSSION AND ANALYSIS

### INTERNATIONAL BUSINESS

The export revenue (including affiliated export) amounted to RMB20,884 million, representing an increase of 1.7% YoY. Reconciliation of overseas revenue to total HDTs export revenue (including affiliated export):

	<b>For the six months ended 30 June 2024 RMB million</b>	<b>For the six months ended 30 June 2023 RMB million</b>
Overseas revenue	<b>18,908</b>	14,817
Affiliated export revenue	<b>3,270</b>	6,656
Total affiliated export revenue	<b>22,178</b>	21,473
HDTs affiliated export revenue	<b>20,884</b>	20,532
Other affiliated export revenue	<b>1,294</b>	941
Total affiliated export revenue	<b>22,178</b>	21,473

During the Period, the Group exported 68,415 HDTs (including affiliated export), representing an increase of 4.9% YoY.

In the first half of the year, global economic growth showed a steady reinforcing trend, but with a weak rebound momentum and severe regional differentiation. Meanwhile, exports of Chinese brands have increased and demand from overseas markets has steadily increased, but the competition is more intense. The export of Group's heavy duty trucks hit a new record as export sales continued to increase, and the Group's export market share ranking first in the domestic heavy duty truck industry.

During the Period, the Group overcame difficulties and seized market opportunities under the rapidly changing overseas markets. First, by focusing on dominant markets and consolidating market position, we continued to expand our market share through deepening marketing reform, deploying sinking networks and strengthening service marketing in traditional dominant markets such as Vietnam, the Philippines, Nigeria and Ethiopia. Second, by focusing on segment markets and accurately positioning customer needs, we continued to improve product adaptability and service level, with new breakthroughs in the cargo truck market in Southeast Asia and East Africa, as well as in the tipper truck market in Central Asia and Central and South America. Third, our sales in the high-end tractor truck market in Saudi Arabia, Australia and Mexico grown rapidly as the high-end market continues to gain strength. Fourth, our overseas support capability has been further enhanced by accelerating the development of information platforms, such as overseas warehouse management system, overseas dealer information management platform and end-user App.

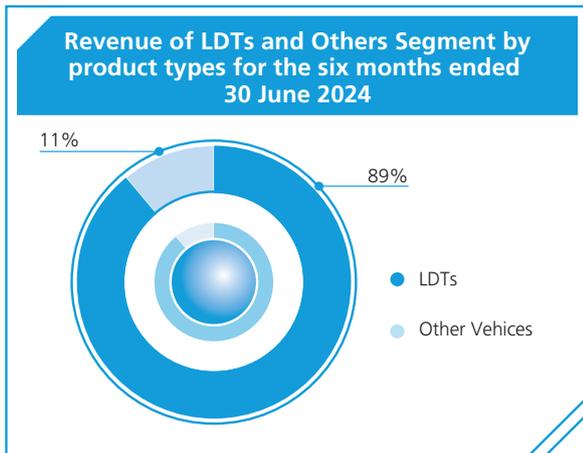
As at 30 June 2024, the Group established 80 overseas representative offices and working offices in more than 110 countries and regions, developed over 220 dealerships in more than 90 countries, and established 27 overseas cooperative KD plants, forming an international marketing network largely covering developing countries and major emerging economies in Africa, the Middle East, Central and South America, Central Asia as well as Southeast Asia, as well as some mature markets including BRICS, Australia, Ireland, New Zealand, and Hong Kong and Taiwan.



## MANAGEMENT DISCUSSION AND ANALYSIS

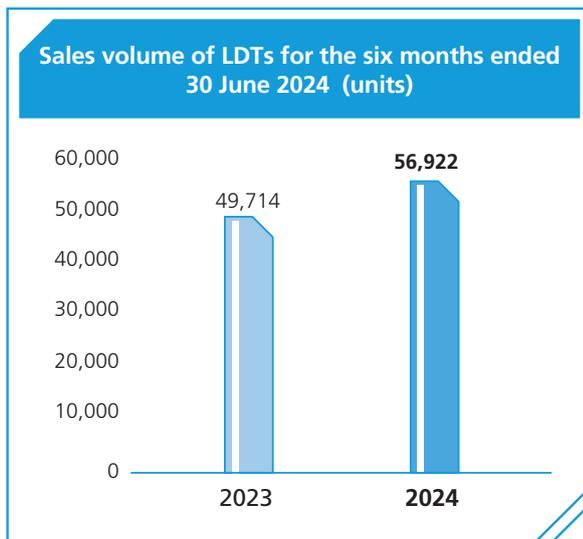
### LIGHT DUTY TRUCKS AND OTHERS SEGMENT

The major product of the LDTs and Others Segment is LDTs which revenue was accounted for approximately 89.4% of the total revenue during the Period of this segment while other products of the segment included buses, pickup trucks and other vehicles.



During the Period, the total revenue from the LDTs and Others Segment (including sales of LDTs and other vehicles and services provided to customers thereof) was RMB6,773 million, representing an increase of 32.8% YoY. The Operating Loss Margin of the LDTs and Others Segment was 1.9%, representing a decrease of 2.2 percentage points as compared to the Previous Period. The increase in sales volume and optimization of product structure resulted in the increase in the revenue and the improvement in the overall profitability.

During the Period, the Group sold 56,922 LDTs, representing an increase of 14.5% YoY.



During the Period, the Group's light duty truck business continued to focus on segment markets such as the transport of agricultural goods, cold chain, mid-to-high-end inner city delivery and special vehicles, continuously enriching the power chain and product line to further enhance its market share. First, by increasing the launch of new products, we successively launched a variety of new models and new configuration products such as the new generation of Commander (統帥) Pro, and we conducted forward-looking layout on differentiated products such as mountain versions and automatic gears. Second, by focusing on the mid-body and wide-body multi-horsepower models of General (悍將) and Commander (統帥), we accurately judged the power upgrade trend to increase market share of market segments. Among these, General ranked first in the high-end segment markets industry, and Commander ranks second in terms of market share among the high-end brands. Third, by continuously optimizing the sales channels, standardizing and upgrading the existing distribution network and improving the operation quality of dealers, we strictly followed the survival of the fittest principle and continuously optimized the existing network system to further repel inefficient and ineffective networks and increase the average sales volume of individual store.



In new energy market, the Group has recorded an 186.1% YoY increase in the sales of its new energy light duty trucks, with market share increased by 0.1 percentage points YoY. The Group continued to enhance its product competitiveness and newly released the 132kWh light duty truck product, paired with an independently developed 5t electric drive axle and an innovative two-speed ratio of 25.339/11.802, leading the integrated energy consumption industry.

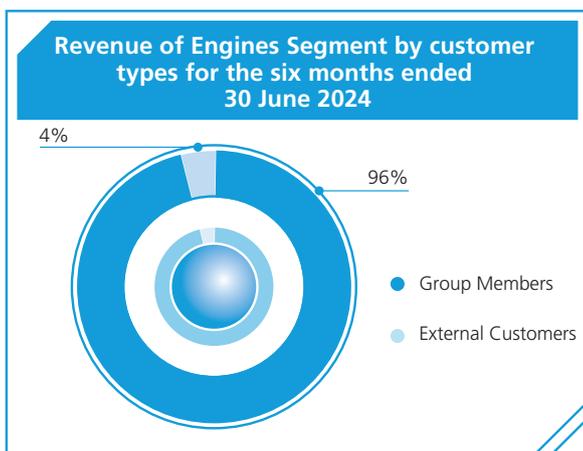
## MANAGEMENT DISCUSSION AND ANALYSIS



As at 30 June 2024, the Group had, in the PRC, a total of approximately 780 dealerships of LDTs, approximately 2,200 service centers offering after-sales services and approximately 310 truck refitting services enterprises offering refitting services.

### ENGINES SEGMENT

During the Period, the Engines Segment recorded a total revenue of RMB7,043 million, representing a decrease of 2.0% YoY, of which external sales of engines accounted for 4.2%, representing a decrease of 0.3 percentage points YoY. The Operating Profit Margin of the Engines Segment was 17.7%, representing an increase of 9.2 percentage points YoY. Despite the decrease in sales volume of engines, the increase in the revenue of other HDT key assemblies, parts and components such as gearboxes and various types of casting and forging components and the strengthening of cost and expense controls resulted in the improvement of the Operating Profit Margin of the Engines Segment.



During the Period, the Engines Segment sold 53,342 engines, representing a decrease of 28.0% YoY.

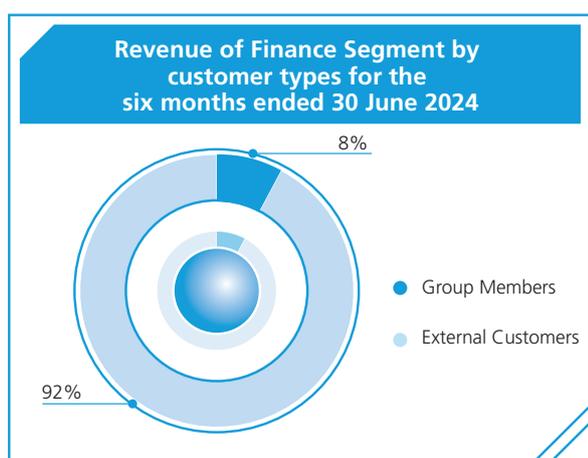
The Group continued to increase investment in technology research and development, promoted the development of engine technology and enhanced the market competitiveness of its products. Firstly, the Group has successfully developed the MC07(H) high thermal efficiency National VI engine with industry-leading engine fuel consumption, which will be gradually introduced into the market at a later stage; secondly, the Group comprehensively improved the performance of MC07(H) Euro V export model by reducing engine fuel consumption to meet the demand of overseas market; thirdly, the Group carried out technical cooperation with domestic famous universities to optimize and improve the MT07 natural gas engine's thermal efficiency and marketability; and fourthly, the Group continued to promote the research and development of integrated AMT gearbox, optimized 16-gear integrated AMT shift and lubrication system, and developed special function and logic optimization of integrated AMT software for special working conditions such as plateau and mountainous areas.

### FINANCE SEGMENT

During the Period, firstly, the Group provided diversified Auto-finance Services for different customers, innovated and enriched its financial products to further enhance its financial support and sales capabilities; secondly, the Group has firmly established the business concept of risk prevention and control, continuously enhanced its risk control capabilities, and established a digital and intelligent risk control system in system implementation, business continuity, credit management, and operation management, so as to effectively identify, prevent and control financial risks; thirdly, the Group has accelerated the market-oriented transformation of its finance business, and innovated in carrying out the relevant business by integrating safety, liquidity and profitability within the scope of investment varieties permitted by the regulation.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the revenue of the Finance Segment (including interest income and finance lease income) was RMB751 million, representing an increase of 4.6% YoY. Revenue from external customers amounted to RMB688 million, representing an increase of 13.9% YoY. The Operating Profit Margin of the Finance Segment was 46.5%, decreased by 6.7 percentage points YoY. The increase in income of the Finance Segment was mainly attributable to the increase in overall lending scale. The growth in the scale of the Auto-finance Services was more than the decrease in the scale of Commercial Lending Services which resulted in more income of interests. The decrease in the Operating Profit Margin was due to adjustments in business structure.



The Finance Segment operates money lending business of the Group through the provision of Commercial Lending Services and Auto-finance Services.

The below figures in this section are stated after the elimination of intragroup transactions.

Depending on the type of the money lending business provided, the Group generally charges an interest rate that ranges from 2% to 10%. As at 30 June 2024, the financing receivables and interest receivables were approximately RMB15,724 million and RMB32 million, respectively. The ageing analysis of the financing receivables based on the maturity date as at 30 June 2024 and 31 December 2023 is as follows:

RMB million	30 June 2024	31 December 2023
Less than 3 months	2,723	2,122
3 months to 6 months	2,647	2,238
6 months to 12 months	4,181	3,210
1 year to 2 years	5,360	3,829
2 years to 3 years	845	1,139
	<b>15,756</b>	<b>12,538</b>

During the Period, the impairment of financing receivables of RMB17 million (2023: RMB23 million) was made and impairment losses of off-balance sheet credit business of RMB0.1 million was reversed (2023: reversal of impairment loss allowance of RMB5 million). During the Period, financing receivables (all from Auto finance Services) at the amount of RMB37 million had been written-off (2023: nil).

As at 30 June 2024, the total provision of impairment of financing receivables amounted to RMB687 million (31 December 2023: RMB707 million) and there was no provision for impairment losses of off-balance sheet credit business (31 December 2023: RMB0.1 million). For details of the basis and details of impairment loss of the financing receivables, please refer to the section headed "Impairment and write-offs" below.

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMMERCIAL LENDING SERVICES

The borrowers of the Commercial Lending Services comprise the CNHTC Group and its associates (as defined under the Listing Rules), dealers of the Group and suppliers of the Group and the CNHTC Group. The Commercial Lending Services not only enable the Group to gain a reasonable interest income, but also ensure stability of its industrial chain and achieve a win-win cooperation among upstream and downstream entities along such industrial chain. Loans to dealers are unsecured while loans to suppliers are secured by the pledge of receivables from suppliers of the Group and the CNHTC Group. All loans granted are repayable within one year while discount of bills (issued by banks only) shall all be matured within one year. Commercial Lending Services are carried at the Group's headquarter in Ji'nan, PRC.

During the Period, the revenue from the Commercial Lending Services was RMB25 million, representing a decrease of RMB49 million or 66.2% YoY.

As at 30 June 2024, there were less than 30 borrowers (31 December 2023: less than 30 borrowers) of the Commercial Lending Services business and their total net outstanding receivables and interest receivable were RMB395 million and RMB0.4 million (31 December 2023: RMB595 million and RMB1 million), respectively.

As at 30 June 2024, the largest borrower (being the CNHTC Group) and the top five borrowers under the Commercial Lending Services business constituted approximately 96.17% and 98.69% (31 December 2023: approximately 81.47% (being the CNHTC Group) and 99.30%), respectively of the net financing receivables of the Commercial Lending Services business.

### AUTO-FINANCE SERVICES

The borrowers of the Auto-finance Services comprise end-users or dealers of the Group's commercial vehicles who may be individuals and entities. Such borrowers were either existing customers of the Group or those referred from the CNHTC Group or the dealers of the Group's vehicles. The Auto-finance Services are further divided into auto-finance loans and finance leasing. All loans and leases are secured by commercial trucks being purchased with guarantee deposits, guaranteed by the borrowers (and, for those that are entities, by guarantees of their owner(s) as well), and in respect of certain borrowers, the relevant amounts are also guaranteed by the dealers. Moreover, for any loan or lease involving a large amount, further security such as properties and (additional) guarantee deposits may be required to be provided as collateral. The loans and finance leases granted under the Auto-finance Services are normally repayable within three years. As at 30 June 2024, the Finance Segment had established 23 business offices, with its business covering China, and having further improved its automotive consumer credit services.

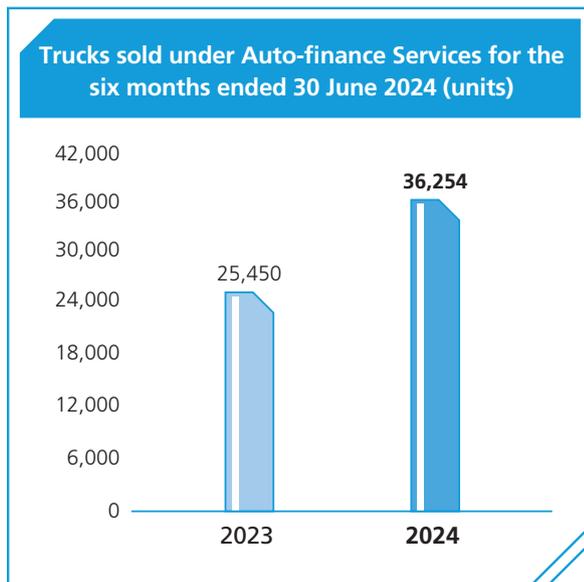
During the Period, the revenue from the Auto-finance Services was RMB272 million, representing an increase of RMB88 million or 47.8% YoY.

As at 30 June 2024, there were around 60,000 borrowers (31 December 2023: less than 50,000 borrowers) of Auto-finance Services and their total net outstanding receivables and interest receivable were approximately RMB15,329 million and RMB32 million (31 December 2023: approximately RMB11,929 million and RMB14 million), respectively. As at 30 June 2024, the net finance leases balance to the net loans and finance leases balance was approximately 23.8% (31 December 2023: approximately 13.8%).

## MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2024, the largest borrower and the top five borrowers of the Auto-finance Services who are all independent third parties constituted approximately 0.2% and 0.6% (31 December 2023: approximately 0.1% and 0.4%), respectively of the net financing receivables of the Auto-finance Services.

During the Period, the Group sold 36,254 vehicles through Auto-finance Services, representing an increase of 42.5% YoY.



### RISK MANAGEMENT POLICY AND KEY INTERNAL CONTROL MEASURES

#### Credit approval process and credit risk assessment policy

Prior to the granting of financial services to the borrowers, the relevant business units (“Business Unit(s)”) of the Finance Segment will first review the application of the potential borrower, and conduct appropriate pre-loan or pre-lease checks on the potential borrower and its guarantor, which involves (a) reviewing the financial reports and statements of the potential borrower; and (b) performing an assessment on the financial condition of the potential borrower and its equity holder(s) (for entities), such as the type and value of assets owned by the potential borrower.

Depending on the type and amount of the financing services, the Business Units will assess and decide the necessity and the amount of security/collateral for the granting of each loan or lease on a case by case basis considering the factors including but not limited to the repayment history, results of public credit search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

Relevant business approval forms including but not limited to details of the amounts, repayment terms and the applicable interest rate will be prepared and the senior management of the relevant Business Unit will give final approval in respect of the relevant application and, pursuant to which, the Business Unit will execute the relevant drawdown or payment procedures.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Ongoing monitoring of loan collection and recovery

Various departments of the Business Units (principally engaged in post loan management) involve in monitoring loan repayment and recovery. Such departments report to the risk management and operations departments on the repayment status of all loans and financing on at least a quarterly basis and report any material defaulted loans immediately upon occurrence. In addition, the Group carries out regular and/or specific inspections in respect of the financial status of the borrowers and the status of the collaterals.

The Finance Segment has also adopted a policy for loan collection/recovery, pursuant to which, depending on the status of the overdue payment, the Business Units will continuously contact the borrower via different means including by phone and on-site interviews, issuing overdue payment reminder to the borrower, and, based on the approval of the senior management of the Business Units, the Business Units may negotiate with the borrower for the repayment or settlement of the loan. Depending on the outcome of the aforesaid measures, the Business Units may also instruct legal advisers to issue formal legal demand letters or carry out formal legal proceedings for collection of loans.

### Impairment and write-offs

The Finance Segment considers the provision for impairment based on the borrowers' repayment situations, current and forecast economic conditions and laws and regulations which are consistent with market practices. In compliance with the requirements set out in the Guidance on Provisioning for Bank Loan Losses (《銀行貸款損失準備計提指引》) promulgated by the PBOC, in assessing the relevant risks of loss in respect of the financing receivables and off-balance sheet credit business, the Finance Segment shall, on at least a quarterly basis, assess and classify the relevant outstanding balances into five categories depending on the credit risk. Depending on the relevant category, allowances for impairment in respect of the outstanding financing receivables will be

made by the Finance Segment in accordance with the Group's internal policy, based on a provision rate ranging from 1% to 100%. Further details of the financing receivables are set out in the sections headed "REVERSAL OF NET IMPAIRMENT LOSSES OF FINANCIAL ASSETS" and "RECEIVABLES" • "FROM FINANCING ACTIVITIES" as well as note 10(b) of the unaudited interim financial report.

### Additional Controls in respect of Continuing Connected Transactions

The provision of financing arrangements to CNHTC and its associates constitutes continuing connected transactions of the Group and such transactions are conducted in the manner as stipulated under the relevant financial services framework agreements. Additional internal control measures, including but not limited to re-confirmation before the release of new or renewal of loan or finance lease not exceeding the pre-approved caps, are implemented, so as to ensure the compliance with the requirements of the Listing Rules.

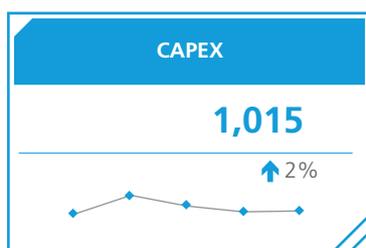
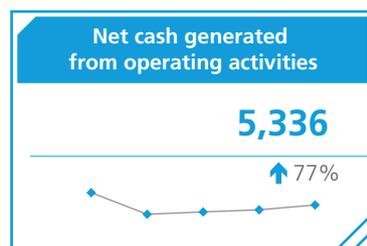
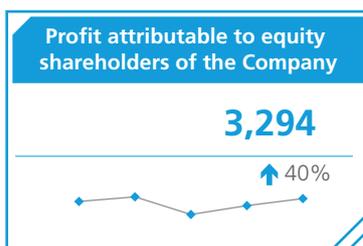
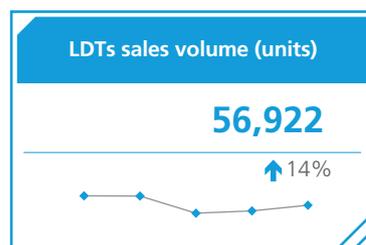
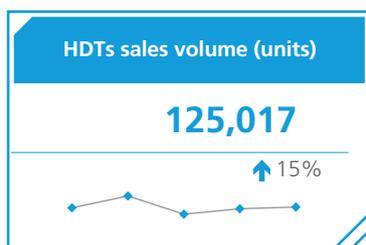
### MAJOR KEY PERFORMANCE INDICATORS ("KPI")

The Directors focus on the sustainable development of the Group as a whole and on the interests of Shareholders. The Directors use financial and non-financial indicators as benchmarks to assist in evaluation and decision-making. Sales volumes and revenues of HDTs and LDTs reflect actual operating results and performance. Cash is critical to survival of the Group and net cash generated from operating activities provides insight on the Group's ability to generate cash flow from continuing operations. The gearing ratio (total liabilities divided by total assets) shows how the management balances equity financing with debt financing in maintaining the Group's liquidity. Capital expenditure (CAPEX) provides information on the medium to long term development of the Group. Profit attributable to equity shareholders of the Company provides information on the return to Shareholders for the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following charts present the key KPIs for the six months ended 30 June of each of the following years.

(All key KPIs are expressed in RMB million unless otherwise stated)



Key performance indicators	2024	2023	2022	2021	2020
HDTs sales volume (units)	125,017	108,887	75,068	207,458	118,073
LDTs sales volume (units)	56,922	49,714	45,289	82,387	81,704
Revenue	48,823	41,371	29,028	65,169	42,798
Profit attributable to equity shareholders of the Company	3,294	2,358	1,283	3,623	2,941
Net cash generated from operating activities	5,336	3,020	1,562	249	13,474
CAPEX	1,015	993	1,164	1,463	892
Liabilities to assets ratio	64%	61%	58%	66%	65%

## MANAGEMENT DISCUSSION AND ANALYSIS

### KEY RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS, EMPLOYEES AND OTHERS

The Group highly values the opinions and suggestions from various stakeholders. To this end, the Group has established a multi-channel communication mechanism, and proactively listens to the feedback from the government, regulators, shareholders, investors, customers, employees, the society, its partners and the environment. Through identifying and understanding the expectations and concerns of these stakeholders, we incorporate their feedback into the Group's strategic decisions and strive to create sustainable value for the Group.

The Group is committed to providing excellent services to its customers, and implementing the core value of "customer satisfaction is our top priority". We effectively protect privacy and data security, thus building a responsible brand image, and establishing a long-term relationship of trust with our customers.

The Group spares no effort to provide the customers with prompt and professional supports, and established a sound customer service and after-sales management process system. During the Period, the Group abides by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Civil Code of the People's Republic of China, the Advertising Law of the People's Republic of China and other relevant laws and regulations, developed and issued the On-site Management Measures of Service Stations, the Customer Follow-up Management Process and revised the Complaint Acceptance Management Process and the After-sales Service Management Procedure, further clarifying and standardizing management in terms of service network, service scheduling, technical support, claims and service hotline, to provide objective, high-quality marketing, advertising, and sales services.

The Group is committed to building long-term and stable partnerships with suppliers. We have promoted the full lifecycle management on suppliers and worked together with our suppliers to progress together, thus promoting the sustainable development of supply chain through win-win cooperation.

The Group has established a multi-dimensional supplier management system. We revised the *Supplier Management Procedures*, the *Procurement Control Procedures for Samples and Specimens*, the *Management Measures for Performance Evaluation and Grading of Auxiliary Product Suppliers*, and the *Management Measures for Rectification of Quality Problems in Product Procurement*, to classify and grade suppliers. We divide suppliers into service suppliers and material suppliers according to service categories, and propose detailed management measures based on service categories. We apply intelligent management tools on supplier management, and conduct unified management of suppliers in each business line in selection, audit, and exit.

We consistently regard outstanding talent as the primary competitive advantage for corporate development. We prioritize safeguarding the legal rights and interests of employees, standardizing recruitment and hiring procedures, and enhancing employment management systems. We also prohibit all forms of discrimination or harassment. Through these efforts, we cultivate a diverse, equitable, and inclusive workplace for our employees.

The Group is dedicated to establishing a comprehensive talent development system to offer employees diverse career development opportunities. We place great importance on the personal growth and career advancement of our employees. By implementing systematic training programs and building smooth promotion channels, we enable all employees to enhance their professional skills and overall capabilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

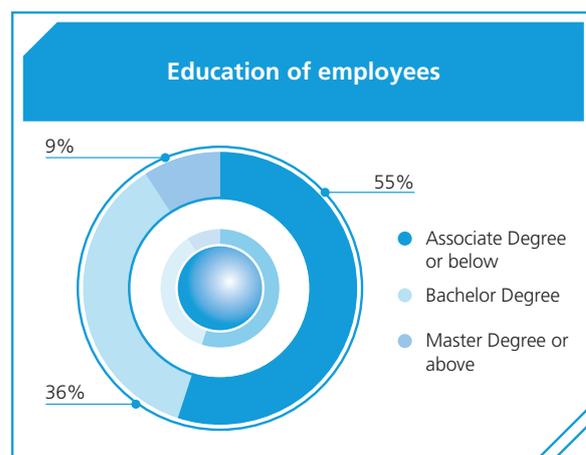
To comprehensively enhance employees' professional capabilities, the Group organizes systematic professional training for all employees. The training includes skillful operations, marketing management, and general knowledge. We develop training plans and skills training for relevant job-specific knowledge based on the business characteristics and job responsibilities of different job positions. We provide employees with a series of online and offline educational and training activities to promote their overall development.

The Group's remuneration policies were determined with reference to the performance, qualification and working experience of individual employees, as well as the results of the Group and the market conditions. The benefits provided by the Group to its employees include discretionary bonus, meal subsidies, medical insurance, work injury insurance, unemployment insurance, etc. Employees (including executive Directors) may receive bonuses and monetary rewards based on their performance and ratings in annual performance appraisals as well as participating in the employees' share reward scheme. During the Period, the Company has adopted the share award scheme. For details of the share award scheme, please refer to the section headed "Other information" • "The Restricted Share Award Scheme" in this report.

During the Period, the expenses of the Group (including salaries, retirement benefits, other welfares, post-employment benefits and employees' share award scheme expenses) to all employees including Directors amounted to RMB2,902 million, representing an increase of 9.3% YoY.

As at 30 June 2024, the Group employed a total of 27,069 employees, broken down by function and education as follows:

	Number of employees	%
Management team	272	1.00
Technical and engineering staff	3,366	12.43
Research and development staff	2,949	10.89
Production staff	15,422	56.98
Operation and sales staff	2,300	8.50
Administrative staff	2,760	10.20
<b>Total</b>	<b>27,069</b>	<b>100.00</b>



The Group places great emphasis on creating social value and actively engages in public welfare and charity endeavors. As part of our efforts to fulfill corporate social responsibility, we carry out a wide range of public welfare and volunteer activities to contribute to the construction of a socialist harmonious society. The Group actively responds to the national call for rural revitalization and rural prosperity. We also fulfill our social responsibility and mission through concrete actions.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ENVIRONMENTAL POLICY, PERFORMANCE AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Upholding the vision of building a green home, we take proactive measures to address the risks and opportunities presented by climate change in response to the national call for “carbon peaking and carbon neutrality”. We integrate the concept of sustainable development into our daily operations, prioritize environmental protection, and promote low-carbon operations. This commitment reflects our dedication to advancing towards a greener future.

We pay close attention to the trends of global climate change. The Group regularly identifies and analyzes the impact of climate change on its business development, and formulates various action plans to enhance our ability to respond to climate change risks and seize development opportunities. We have set the goal of “building green, eco-friendly factories” and established dedicated management bodies for safety, environmental protection, and energy management. While advancing the construction of green factories, we incorporate measures aimed to enhance our capacity to address climate change.

We strictly abide by the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on Environmental Impact Assessment and other laws and regulations and the industry-related emission standards. We have established a sound environmental management system within the Group to refine management systems, emission standards, and operational procedures. In accordance with the ISO 14001 Environmental Management System (EMS), we issue environmental management guidance to all production and operation sites and supervise all subsidiaries to conduct annual external audits of the management system.

We ensure the stable operation and continuous improvement of our environmental management systems through sufficient investment. The Group has established a Safety Production Committee with the chairman of the

Board as the top leader. The committee is responsible for overseeing safety environmental affairs and guiding all subsidiaries of Sinotruk to achieve annual safety environmental targets. We incorporate safety environmental objectives into the personal performance assessment criteria of relevant management personnel. We also clarify specific responsibilities of safety environmental protection for each post to ensure effective implementation.

The Group standardizes the prevention, control, supervision, and treatment of pollutants such as wastewater, waste gas, solid waste, and noise during the production process. We strive to minimize the negative impact of our production and operations on the environment. During the Period, the Group achieved a 100% compliance rate for wastewater discharge and waste gas emissions, and 100% of the hazardous wastes were disposed of in compliance with the regulations. No major environmental complaints or penalties were received.

The Group consistently prioritizes low carbon emissions control, energy conservation, and consumption reduction as primary objectives during production and operations. We actively explore methods to enhance the efficiency of energy and resource usage. Drawing on external advanced energy management systems and aligning with our business characteristics and daily operations, we regularly update our goals of energy and water conservation and implement low-carbon operations according to the plan.

### COMPLIANCE MATTERS

During the Period, as far as the Group is aware, the Group was not in any material breach of or non-compliance with the laws or regulations applicable to the Group which had material impact on the business and operations of the Group.

During the Period, the Group has complied, in all material respects, with the requirements under the Companies Ordinance, the Listing Rules, the SFO and the Corporate Governance Code regarding, among others, disclosure of information and corporate governance.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PRINCIPAL RISKS AND SOLUTIONS

The principal risks faced by the Group and the mitigation measures taken during the Period are as follows:

#### 1. QUALITY RISKS

The Group continued to strengthen quality process control through quality planning, quality control, quality improvement, with a view to strictly controlling quality risks.

##### MITIGATION MEASURES:

In terms of quality planning, firstly, we have established and improved a group-level quality index system and evaluation system which cover the entire process including R&D, procurement, manufacturing, after-sales; secondly, we carry out in-depth quality evaluation work such as system maturity, process audits, special audits, while identifying risks within the quality system, and organizing each of the units to analyze and assess the risks. 61 quality system documents were newly produced and revised, involving 7 business areas of procurement, strategy, R&D, quality, market, technology and value; thirdly, we have compiled and issued a standardization plan for quality record to promote and implement standard quality records. Project execution group and 8 project acceptance groups were established to comprehensively ascertain the standardized scope of quality records around four processes of stamping, welding, coating and loading, and various aspects such as steel frames, equipment installation, process and quality, physical and chemical measurement, and quality management.

In terms of quality control, our target is to achieve zero defect and we have established a consistency monitoring mechanism for standardized manufacturing process. In the first half of the year, we inspected 28 complete vehicles and 29 assemblies; conducted 280 special audits on the three attributes in the key processes of complete vehicles, cleanliness,

heat hazards, torque and other aspects; organized and approved the test and verification of roads and conducted 27 reliability tests. For issues identified in each process, we have developed rectification measures and solved 98.27% issues.

In terms of quality improvement, according to the three principles of high after-sales claim cost, high number of claims and high failure rate, a total of 95 kinds of key product improvements were sorted out, 49 items of product improvements were established, 10 items of key maintenance faults were established, and 17 items of system research projects were approved. The claim amount of the Group's improvement projects decreased by 17% in the first half of the year as compared to the corresponding period of 2023, and the failure rate decreased by 32%.

#### 2. HEALTH, SAFETY AND ENVIRONMENTAL RISKS

The Group always adheres to the safety production concept of "put the people and life in the first place", and principles of "safety first, prevention oriented, comprehensive management". We strengthened the implementation of accountability of production safety for all personnel of the Group, took various measures to enhance employees' emergency knowledge, safety awareness and ability to escape from danger, so as to effectively prevent and firmly minimize the occurrence of all kinds of production safety accidents, thus guaranteeing the high quality development.

##### MITIGATION MEASURES:

The Group always adheres to strengthening the inspection of safety and environment, and daily inspection is accompanied by special inspection. In the first half of the year, the Group conducted 1,575 special inspections, with a total of 12,397 issues were identified, and 100% of which have been rectified.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group pays special attention to the prevention and treatment of occupational diseases, and regularly organizes occupational hazard workers to carry out pre-post, in-service and off-post occupational health examinations. The Group controls different kinds of occupational hazards from their sources through realizing the “Three Simultaneities” of facilities for the prevention and control of occupational diseases in new, renovation and expansion projects, improving production techniques, and replacing highly toxic substances with low-toxic or non-toxic substances. The Group regularly conducts annual occupational disease hazard factor detection and status evaluation, grasps the types and degrees of occupational disease hazard factors in the workplace, and takes targeted prevention and control measures to protect workers’ occupational health.

The Group is always committed to enhancing employees’ emergence rescue ability. In the first half of the year, the Group conducted a total of 968 emergency preparedness drills with 16,425 participants through various means, such as table-top drills, functional drills and professional drills, which effectively trained the team and improved the emergency combat ability.

The Group always strengthens the fire protection capacity. In the first half of the year, the Group completed the construction of network and installed 1,092 special cameras, realizing full coverage of monitoring to the key areas of every unit in Ji’nan region. Data transmission is realized through smart park network line and will transmit to the Group’s monitoring system.

### 3. FOREIGN EXCHANGE RISKS

Various management and control means were used and various preventive measures were taken in advance by the Group. Through the use of the following mitigation measures, the Group have effectively prevented and controlled the impact of exchange rate fluctuation risks on the Group’s operating efficiency.

#### MITIGATION MEASURES:

The Group strengthened the study on the exchange rate fluctuations and set up foreign exchange management working group to pay constant attention to the change of market exchange rates. We made comprehensive judgement on the potential exchange risk and decisions by fully use of the external research results of banks and investment banks cooperating with both home and abroad, and considering the Group’s internal status of foreign currency assets. We established a daily communication mechanism with the cooperative banks to closely track the market dynamics and form a regular exchange rate analysis report, including exchange rate trends and analyzing the prognosis.

The Group prioritized and recommended to adopt cross-border Renminbi as settlement currency for foreign operations. We predicted the monthly amount of collection of receivables and locked the forward exchange rate of certain portion of receivables from export sales in a certain upcoming period based on the export sales and collection schedule to avoid exchange risks to the greatest extent. The Group conducted exchange settlements at favorable time according to business and capital needs and changes in market exchange rates. The Group purchased bank forward exchange rate financial products through market inquiry to lock in foreign exchange rate in a certain stage to avoid risks from exchange rate fluctuations.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS STRATEGIES AND PROSPECTS

Looking ahead to the second half of the year, with the rising expectation of interest rate cuts in major economies around the world, favorable factors for economic growth will continue to increase, and the global economy will continue to show a recovery trend; as for domestic economy, the Chinese government will adhere to the general principle of seeking progress while maintaining stability, and focus on the primary task of high-quality development by implementing scientific and precise macro-policies, actively expanding domestic demand, develop new productive forces in line with local conditions and speeding up the cultivation and development of new dynamic energy, and firmly achieving the economic and social development goals for the year.

From the perspective of the commercial vehicle industry, with the overall improvement of the main macroeconomic indicators and the implementation of various consumption-boosting measures, the domestic market demand will recover continuously. The implementation of the policies of Action Program for Promoting Large-Scale Equipment Replacement and Consumer Goods Replacement (《推動大規模設備更新和消費品以舊換新行動方案》) and Several Measures on Strengthening Support for Large-Scale Equipment Replacement and Consumer Goods Replacement (《關於加力支持大規模設備更新和消費品以舊換新的若干措施》), the high demand for replacement due to large ownership, the rising penetration rate of new-energy commercial vehicles, and overseas demand being still flourish will generate stable growth for the commercial vehicle industry. In general, demand in the HDTs and LDTs industry will demonstrate a growing trend.

The Group insists on “customer satisfaction is our purpose” as our core value, and aims to achieve our corporate vision as a world-class enterprise in terms of all series of commercial vehicles. In the second half of 2024, the Group will strive to perform well in the following areas:

1. Focus on key domestic markets and accelerate the introduction of new products. Firstly, the Group focusing on the top area, accelerates the promotion of new 13L and 15L gas vehicles to further enhance the domestic market share; secondly, the Group continues to retire low-efficient networks and introduce high-quality networks, increases the cultivation of high-quality dealers, and enhances the competitiveness of sales channels.
2. Expand the traditional export advantageous markets and accelerate the breakthrough of high-end markets. Firstly, in Southeast Asia, Africa and other advantageous markets, the Group has implemented the “one country, one policy” business policy to accurately match different demands; secondly, in high-end regional markets, the Group has benchmarked against international brands, improved the construction of networks, services, parts and other systems, and transformed from the traditional trade model to the full-value marketing model; thirdly, the Group has accelerated the progress of establishment of its overseas subsidiaries and construction of parts centers so as to improve the response time to market demand through these front-loading of resources.
3. Focus on mainstream models and enhance the core competitiveness of new energy products. Firstly, for medium and long-distance scenarios, the Group will develop a new generation of ultra-low driving resistance vehicles, vehicle-battery chassis integration and platform electric drive axles; secondly, for different application scenarios, the Group will grasp the opportunities of local new energy policies, deeply meet the needs of the scenarios, and form differentiated competitive advantages to create the best cost-effective products.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### REVENUE, GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's revenue for the Period was RMB48,823 million, representing an increase of RMB7,452 million or 18.0% YoY. The increase in the revenue was due to a significant recovery in the demand of HDTs benefited from the steady improvement of the domestic macro-economy and the continued development of the overseas heavy duty truck market. The Group seized market opportunities, achieved growth in product sales, continued to strengthen cost control, and steadily improved profitability.

The Group's gross profit for the Period was RMB7,159 million, representing an increase of RMB636 million or 9.8% YoY. The increase in gross profit was mainly due to the significant increase in sales in trucks and expansion of production scale. Gross profit margin (gross profit divided by revenue) for the Period was 14.7%, representing a decrease of 1.1 percentage points YoY. The gross profit margin decreased due to the decrease of the contribution margin of the HDTs Segment. (The reclassification of the warranty expenses from the selling and distribution expenses to cost of sales resulted in the decrease in gross profit margin by 1.2 percentage point for the Previous Period. For more details of the reclassification, please refer to note 26 in unaudited interim financial report.)

#### OTHER INCOME AND GAINS

The other income and gains for the Period was RMB681 million, representing an increase of RMB385 million or 130.1% YoY. The increase was mainly due to the increase in government grant, income on disposal of scraps and income from wealth management products.

#### SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the Period was RMB1,525 million, representing an increase of RMB65 million or 4.5% YoY and such increase was due the increase in sales. During the Period, the ratio of selling and distribution expenses to Products Revenue was 3.2%, representing a decrease of 0.4 percentage points YoY. (The reclassification of warranty expenses to cost of sales resulted in the decrease in the ratio of selling and

distribution expenses to Products Revenue in the Previous Period by 1.3 percentage point. For more details, please refer to the section "REVENUE, GROSS PROFIT AND GROSS PROFIT MARGIN" above.)

#### ADMINISTRATIVE EXPENSES

Administrative expenses for the Period was RMB2,349 million, representing an increase of RMB253 million or 12.1% YoY. During the Period, administrative expenses to revenue ratio was 4.8%, representing a decrease of 0.3 percentage points YoY. Under the proper cost controls, the rate of the increase in the administrative expenses is less than that of the revenue. Among them, research and development expenses accounted for 50.6% of the administrative expenses, representing a decrease by 3.6 percentage points YoY.

#### REVERSAL OF NET IMPAIRMENT LOSSES OF FINANCIAL ASSETS

The reversal of net impairment losses of financial assets for the Period was RMB71 million while the net impairment losses for the Previous Period was RMB108 million. When the Group assesses the impairment of trade, financing and bills receivables, the Group will use 12-month, whole life and simplified expected credit loss models and consider historical observed default rates, forecast economic conditions and public credit information of each debtor or borrower. Based on the assessment, net impairment loss allowance of impairment of trade, financing and bills receivables at RMB82 million was reversed. Net impairment loss allowance of financial assets in other receivables at RMB11 million was made. Further details of the trade, financing and bills receivables are set out in the sections headed "RECEIVABLES" • "From trade activities" and "From financing activities" and "FINANCE SEGMENT" and note 10 of the unaudited interim financial report. In addition, the remaining impairment loss of off-balance sheet credit business at RMB0.1 million was further reversed during the Period (2023: reversal of impairment loss allowance at RMB5 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### OTHER EXPENSES

The other expenses for the Period was RMB12 million, representing a decrease of RMB114 million or 90.5% YoY. The decrease was mainly due to no more fair value loss on financial assets at fair value through profit or loss including forward foreign exchange contracts for the purpose of reducing foreign exchange fluctuations.

### FINANCE INCOME - NET

Net finance income for the Period was RMB87 million, representing a decrease of RMB2 million or 2.2% YoY. The decrease in net finance income was resulted by the increase in interest costs from the borrowings.

### SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates for the Period was RMB48 million, representing an increase of RMB12 million or 33.3% YoY. The increase in share of profits of associates was mainly due to the share of profits from those engaged in sales of parts and components of trucks.

### INCOME TAX EXPENSE

Income tax expense for the Period was RMB562 million which was similar to that of the Previous Period. The effective tax rate (income tax expense divided by profit before income tax expense) for the Period was 13.5%, representing a decrease of 4.3 percentage points YoY due to enjoyment of additional tax benefits from research and development expenses and utilisation of unrecognised tax losses of prior years.

### PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

Profit for the Period was RMB3,599 million, representing an increase of RMB1,003 million or 38.6% YoY. Net profit ratio (profit for the Period divided by revenue) was 7.4%, representing an increase of 1.1 percentage points or 17.5% YoY.

Profit attributable to equity shareholders of the Company for the Period was RMB3,294 million, representing an increase of RMB936 million or 39.7% YoY. The basic earnings per share attributable to equity shareholders of the Company for the Period was RMB1.20, representing an increase of RMB0.35 or 41.2% YoY.

### RECEIVABLES

#### From trade activities

As at 30 June 2024, the Aggregate Trade Balance amounted to RMB22,127 million, representing an increase of RMB3,631 million or 19.6% when compared to the balance as at 31 December 2023. The increase in the Aggregate Trade Balances was due to the substantial increase in sales during the Period.

In addition to granting standard credit period to certain privileged customers, the Group received acceptance bills for settlement of trade receivables. The Group granted large dealers with good repayment history credit period from 3 to 12 months and/or accepted the settlement by commercial and bank acceptance bills and, hence, their ageing of the Aggregate Trade Balances was longer than that of other customers.

The trade receivables turnover (average Aggregate Trade Balances divided by Products Revenue multiplied by 182 days (2023: 181 days)) for the Period was 76.8 days (2023: 72.9 days), representing an increase of 3.9 days.

As at 30 June 2024, the Aggregate Trade Balances aged not more than twelve months amounted to RMB21,572 million or 97.5% of the Aggregate Trade Balances.

The Group reviewed the repayment progress of key customers or customers with higher risk of default in repayment on a monthly basis and assessed impairment loss by reference to their businesses, repayment information, etc. During the Period, the Group reversed impairment loss allowance for Aggregate Trade Balances at the amount of RMB98 million.

#### From financing activities

As at 30 June 2024, the net financing receivables was RMB15,756 million, representing an increase of RMB3,217 million or 25.7% when compared to the balance as at 31 December 2023.

As at 30 June 2024, the net financing receivables aged not more than twelve months amounted to RMB9,551 million or 60.6% of the net financing receivables.

During the Period, the Group made impairment loss allowance for financing receivables at the amount of RMB17 million. Further details of the financing receivables and discounting bills are set out in the section headed "FINANCE SEGMENT".

## MANAGEMENT DISCUSSION AND ANALYSIS

### TRADE PAYABLES

As at 30 June 2024, the trade and bills payables amounted to RMB52,165 million, representing an increase of RMB5,541 million or 11.9% when compared to the balance as at 31 December 2023.

The trade payables turnover (average trade and bills payables balances divided by costs of Products Revenue multiplied by 182 days (2023: 181 days)) for the Period was 218.2 days (2023: 210.7 days), representing an increase of 7.5 days YoY.

### CASH FLOWS

Net cash inflow generated from operating activities for the Period was RMB5,336 million, representing an increase of RMB2,316 million YoY which is mainly resulted from the increase in profit and the accelerated cash turnover through refined management during the Period.

Net cash outflow used in investing activities for the Period was RMB4,532 million, representing a decrease of RMB2,618 million YoY which is mainly due to the reduction in financial assets purchase net amounts by RMB4,710 million and the receipt of the proceeds from disposal of equity of associates at RMB561 million which was partly offset by the increase in time deposits at RMB2,380 million.

Net cash outflow used in financing activities for the Period was RMB429 million while that of the Previous Period was RMB210 million inflow, representing an increase of the cash outflow by RMB639 million YoY which is mainly due to the reduction of the proceeds from net borrowings by RMB88 million, the additional payment of dividends to non-controlling interests at RMB213 million and net payment for purchase of shares for share reward scheme at RMB325 million.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2024, the Group had cash and cash equivalents of RMB15,724 million, representing an increase of RMB472 million or 3.1% when compared to the balance as at 31 December 2023. The Group's total borrowings were about RMB7,595 million as at 30 June 2024, representing an increase of RMB2,546 million or 50.4% when compared with the balance as at 31 December 2023. Its gearing ratio (total borrowings divided by total assets) and debt-to-equity ratio (total borrowings divided by equity) as at 30 June 2024 were 5.7% and 15.8% respectively (31 December 2023: 4.1% and 10.5% respectively). As at 30 June 2024, current ratio (total current assets divided by total current liabilities) was 1.1 (31 December 2023: 1.2).

As at 30 June 2024, all borrowings were denominated in RMB (31 December 2023: all in RMB) and 96.5% borrowings were charged with reference to bank's preferential fixed rates (31 December 2023: 96.7%). The maturity profile of all borrowings was as follows:

	As at 30 June 2024 RMB million	As at 31 December 2023 RMB million
Within one year	7,371	4,907
After 1 year but within 2 years	129	53
After 2 years but within 5 years	95	89
	<b>7,595</b>	<b>5,049</b>

As at 30 June 2024, total consolidated equity of the Company was RMB48,096 million, representing an increase of RMB135 million or 0.3% when compared with the balance as at 31 December 2023.

As at 30 June 2024, the Company's market capitalization was RMB51,154 million (calculated based on the issued share capital of the Company: 2,760,993,339 Shares, closing price: HK\$20.3 per Share and at the exchange rate of 1: 0.91268 between HK\$ and RMB).

## MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2024, the unutilized credit facilities of the Group from the banks amounted to RMB52,801 million (31 December 2023: RMB40,243 million). The Finance Segment mandatorily placed deposits of RMB2,333 million (31 December 2023: RMB2,223 million) to the PBOC for its financial operations. In addition, an aggregate amount of RMB2,200 million (31 December 2023: RMB2,711 million) of restricted cash was pledged mainly for credit facilities. The Group meets its daily liquidity needs by matching operating cash flow patterns with funds on hand and enhances its liquidity by way of application for longer credit periods from suppliers, sufficient banking facilities and issuance of bills such as short-term commercial acceptance bills and bank acceptance bills.

### INVESTMENTS

The Group continued to pay attention to potential strategic investment opportunities in the market, and acquired or invested in those meet the Group's strategic development requirements at appropriate times.

#### INVESTMENTS IN SUBSIDIARIES

In February 2024, the Group acquired 0.2553% equity of Sinotruk Finance Co., Ltd at the consideration of RMB17.3 million.

In February 2024, the Group disposed of 5% equity interest in Sinotruk Liuzhou Yunli Kodiak Machinery Co., Ltd. at the consideration of RMB0.8 million and, thereafter, Sinotruk Liuzhou Yunli Kodiak Machinery Co., Ltd. became an associated company of the Company.

#### EQUITY INVESTMENTS FORMING PART OF THE GROUP'S OPERATIONS

Other than investment in subsidiaries, the Group holds long-term equity investments forming part of its business operations:

##### a) Investment in associates

As mentioned above, Sinotruk Liuzhou Yunli Kodiak Machinery Co., Ltd. became an associated company of the Company in February 2024.

During the Period, the Group disposed of part of equity interests in Prinx (Cayman) Holding Limited at the consideration of RMB53 million in open market.

As at 30 June 2024, the amount of investment in associates was RMB1,495 million, representing 1.1% of the total assets of the Group. During the Period, the Group disposed of all equity interests in Chongyou Gaoke Fuel System Co., Ltd. at the consideration of RMB505 million. For more details of the disposal, please refer to the announcement of the Company dated 30 January 2024. Performance of these investments are disclosed in the section headed "SHARE OF PROFITS OF ASSOCIATES".

##### b) Other long term equity investments

As at 30 June 2024, the Group's unlisted equity investments for long term strategic investment purpose amounted to RMB32 million, representing less than 0.1% of the total assets of the Group. These investments were presented as financial assets at fair value through other comprehensive income.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OTHER SECURITIES INVESTMENTS

For the purposes of increasing profitability of short term funds and managing the liquidity of the Group, the Group invested in short-term equity investments which consisted of listed securities in Hong Kong and China. As at 30 June 2024, the Group had short term equity investment at RMB2 million, representing less than 0.1% of its total assets. Such equity investments are presented as equity investments in financial assets at fair value through profit or loss. Their fair values keep changing from time to time depending on factors including but are not limited to their operation results, economic situation and stock markets sentiments.

### CAPITAL COMMITMENT

As at 30 June 2024, the Group committed capital expenditure in respect of property, plant and equipment as well as intangible assets amounting to RMB1,866 million which would be funded by internal resources and borrowing facilities.

### CHARGES ON GROUP ASSETS

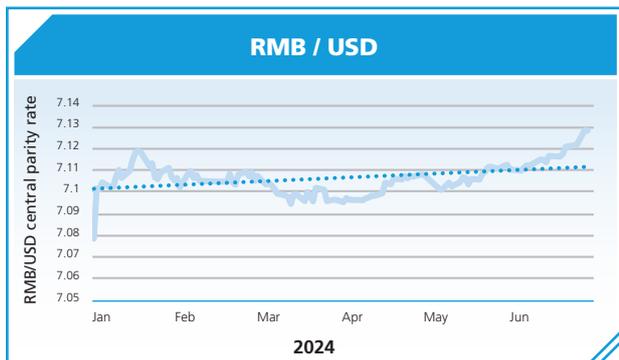
Save as disclosed in the section headed "LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE", as at 30 June 2024, motor vehicles with an aggregate carrying value of RMB334 million were being pledged for borrowings at RMB313 million.

### FINANCIAL MANAGEMENT AND POLICY

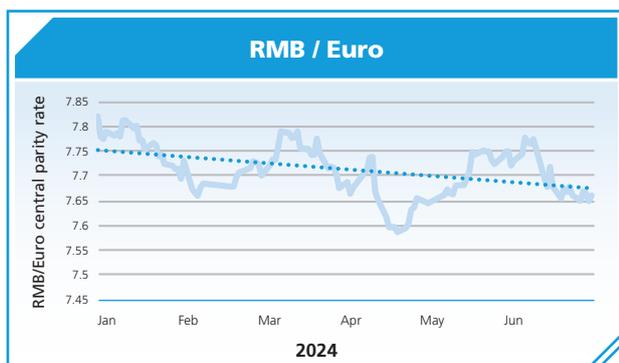
The finance & operation management department is responsible for the financial risk management of the Group. One of the primary objectives of financial policies of the Group is to manage exchange rate risk while the foreign exchange management working group directly participates in foreign exchanges management. The major foreign exchange risk exposure arises from its exporting and importing activities, business operations outside the PRC as well as the financing activities in Hong Kong. Although the Group does not aim for speculative activities, the Group uses forward exchange contracts, foreign exchange derivatives, etc. to manage the foreign exchange risks and purchases several wealth management products of which the return is linked with non-RMB foreign currencies.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following charts show the RMB/USD and RMB/Euro central parity rates for the Period in the PRC (data source: State Administration of Foreign Exchange, the PRC):



The RMB/USD central parity rate in the PRC as at 28 June 2024 was 7.1268, representing a depreciation of RMB by 0.62% when compared to the rate of 7.0827 as at 29 December 2023. RMB against USD central parity rates recorded a high of 7.1270 and a low of 7.0770 with volatility at 0.77% and showed a trend of depreciation during the Period.



The RMB/Euro central parity rate in the PRC as at 28 June 2024 was 7.6617, representing an appreciation of RMB by 2.51% when compared with the rate of 7.8592 as at 29 December 2023. RMB against Euro central parity rates recorded a high of 7.8218 and a low of 7.5873 with volatility at 5.35% and showed trend of appreciation during the Period.

As at 30 June 2024, most of the Group's monetary assets and liabilities were denominated in RMB while the major non-RMB denominated net monetary assets were in USD, Euro and HK\$. During the Period, the Group recorded foreign exchange gains of RMB152 million in operating profit and gains of RMB6 million on forward foreign exchange contracts for the purpose of reducing foreign exchange fluctuations. The material potential foreign exchange impacts to monetary assets and liabilities of the Group as at 30 June 2024 are:

	USD denominated net assets	EURO denominated net assets
5% appreciation/ depreciation in RMB	Loss/gain before tax of RMB373 million/ RMB330 million	Loss/gain before tax of RMB61 million/ RMB61 million
	HK\$ denominated net liabilities	
5% appreciation/ depreciation in RMB	Gain/loss before tax of RMB58 million/RMB58 million	

## MANAGEMENT DISCUSSION AND ANALYSIS

### GOING CONCERN

Based on the current financial forecast and the funding that can be utilized, the Group will have sufficient financial resources to continue its operations in the foreseeable future. As a result, the financial statements were prepared on the going concern assumption.

### CONTINGENT LIABILITIES, LEGAL PROCEEDINGS AND POTENTIAL LITIGATION

As at 30 June 2024, there was no material contingent liabilities.

During the Period, the Group was not involved in any material litigation or arbitration.

### DISCLAIMER ON NON-GAAP FINANCIAL MEASURES

Export revenue (including affiliated exports) is a non-GAAP financial measure and is used for assessing the Group's performance. Hence, it may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP financial measure should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP financial measure is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally, since the Group has historically reported non-GAAP results to investors, it is considered the inclusion of non-GAAP financial measure provides consistency in the Group's financial reporting.

## OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICES

The Board and senior management of the Company commit to maintain a high standard of corporate governance, formulate good corporate governance practice for improvement of accountability and transparency in operations, and strengthen the internal control system from time to time so as to ensure to meet with the expectations of the Shareholders. The Company has adopted the corporate governance codes as set out in Appendix C1 "Corporate Governance Code" effective during the Period (the "CG Code") to the Listing Rules as its own code of corporate governance.

During the Period, the Company had been in compliance with the code provisions under the CG Code, save and except for the code provision F.1.1 of the CG Code.

In respect of code provision F.1.1 of the CG Code, the Company should have a policy on payment of dividends. The Company has not established a dividend policy as the Company will consider various factors such as the current operating results, distributable reserves, financial position, expected financial performance, expected working capital requirements, sustainable development to determine the dividend, which is to the best interest of the Company and its Shareholders as a whole.

### BOARD

The Board is accountable to the Shareholders. In discharging its corporate accountability, every Director is required to pursue excellence in the interests of the Shareholders and fulfill his/her fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

The Company attaches great importance to the level of Directors' commitment to the Company and the Board. The Directors have devoted sufficient time to the Company and closely monitored the Company's businesses. Each Director is subject to retirement by rotation at least once every three years.

The Board is responsible for formulating group policies and business and strategic directions, establishing good corporate governance practices and procedures and monitoring risk management, internal controls and operation performances. The EDs and the Executive Committee are delegated with the responsibilities of the day-to-day management of the Group and making operational and business decisions within the control of and delegation framework of the Group. The NEDs and INEDs, particularly, with their independent views, contribute valuable views and proposals for the Board's deliberation and decisions.

Dr. Lin Zhijun resigned as an INED and from his positions in the Board committees with effect from 12 March 2024, and on the same day, Dr. Liu Xiaolun was appointed as an INED, the chairman of the Audit Committee and a member of the Remuneration Committee. Ms. Zhao Hong and Mr. Sun Shaojun each resigned as an ED and a NED and from their respective positions in the Board committees with effect from 13 May 2024, and on the same day, Mr. Liu Zhengtao was appointed as an ED and a member of the Executive Committee, and Mr. Cheng Guangxu was appointed as a NED, a member of the Remuneration Committee and a member of the Nomination Committee.

As at 30 June 2024, the Board had a total number of seventeen Directors including seven EDs, four NEDs and six INEDs. Seven EDs included Mr. Wang Zhijian, Mr. Wang Chen, Mr. Liu Zhengtao, Mr. Liu Wei, Mr. Zhang Wei, Ms. Li Xia and Mr. Richard von Braunschweig. Four NEDs included Mr. Cheng Guangxu, Mr. Alexander Albertus Gerhardus Vlaskamp, Mr. Karsten Oellers and Mr. Mats Lennart Harborn. Six INEDs included Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing, Mr. Lyu Shousheng, Mr. Zhang Zhong and Dr. Liu Xiaolun. Mr. Wang Zhijian is the chairman of the Company and Mr. Wang Chen is the president of the Company.

Further, Mr. Alexander Albertus Gerhardus Vlaskamp resigned as a NED and Mr. Zhang Wei resigned as an ED and a member of the Executive Committee with effect from 22 August 2024 and 20 September 2024, respectively.

## OTHER INFORMATION

### EXECUTIVE COMMITTEE

The Executive Committee has been formed by all the EDs as appointed from time to time and is responsible for implementing the decisions made by the Board including but not limit to financing operations, operating strategies, business development, and managing daily operations and the effective implementation of corporate strategy and policies.

As at 30 June 2024, the Executive Committee comprised seven members, namely, Mr. Wang Zhijian, Mr. Wang Chen, Mr. Liu Zhengtao, Mr. Liu Wei, Mr. Zhang Wei, Ms. Li Xia and Mr. Richard von Braunschweig. Mr. Wang Zhijian is the chairman of the Executive Committee.

### STRATEGY AND INVESTMENT COMMITTEE

The Strategy and Investment Committee is mainly responsible for the formulation of medium and long term strategic plans and business development strategies of the Group including the study and recommendation of significant investment financing initiatives and significant capital operations and asset operation projects.

As at 30 June 2024, the Strategy and Investment Committee comprised five members, namely, Mr. Wang Zhijian, Mr. Wang Chen, Ms. Li Xia, Mr. Richard von Braunschweig and Mr. Zhao Hang. Mr. Wang Zhijian, Mr. Wang Chen, Ms. Li Xia and Mr. Richard von Braunschweig are EDs while Mr. Zhao Hang is an INED. Mr. Wang Zhijian is the chairman of the Strategy and Investment Committee.

### REMUNERATION COMMITTEE

The Remuneration Committee is mainly responsible for the appraisal of the Directors and senior management performance and making recommendation to the Board on their remuneration including the formulation of performance assessment standards, procedures, major

proposals and mechanisms of the assessment systems, rewards and penalties as well as review and/or approve matters of share schemes. The Remuneration Committee will also supervise the remuneration and other benefits offered by the Group to the Directors.

As at 30 June 2024, the Remuneration Committee comprised five members, namely, Mr. Lyu Shousheng, Mr. Liang Qing, Mr. Zhang Zhong, Dr. Liu Xiaolun and Mr. Cheng Guangxu. Mr. Lyu Shousheng, Mr. Liang Qing, Mr. Zhang Zhong and Dr. Liu Xiaolun are INEDs while Mr. Cheng Guangxu is a NED. Mr. Lyu Shousheng is the chairman of the Remuneration Committee.

### AUDIT COMMITTEE

The Audit Committee is mainly responsible for reviewing and monitoring the financial control, internal control, risk management systems, including reassessment of the financial and accounting policies, review of interim reports, annual reports and financial statements, supervision of ESG work including review of the ESG report, review of the risk management and internal control systems, the effectiveness of the internal audit function, etc. In addition, the Audit Committee is responsible for the appointment, re-appointment and removal of external auditor, and for reporting to the Board on the recommendation, review and supervision of the external auditor in respect of its independence and objectivity, the effectiveness of the audit procedures, review of the scope and amount of the provision of non-audit services by the external auditor annually as well as the impact to the independence of the external auditor, the handling of any issues related to the resignation of auditor or the removal of such auditor and the communication with the external auditor on auditing matters.

As at 30 June 2024, the Audit Committee comprised three members, namely, Dr. Liu Xiaolun, Dr. Wang Dengfeng and Mr. Lyu Shousheng who are all INEDs. Dr. Liu Xiaolun is the chairman of the Audit Committee.

## OTHER INFORMATION

### NOMINATION COMMITTEE

The Nomination Committee is responsible for reviewing the Board's structure, size, composition (including the skills, knowledge and experience) and diversity at least annually and making recommendations on any proposed changes to complement the Company's corporate strategy, including the selection of individuals nominated for directorships, the appointment or re-appointment of Directors, succession planning for Directors and accessing the independence of independent non-executive Directors. In considering the nomination of new directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in vehicles industry and/or other professional areas.

As at 30 June 2024, the Nomination Committee comprised three members, namely, Mr. Zhang Zhong, Mr. Lyu Shousheng and Mr. Cheng Guangxu. Mr. Zhang Zhong and Mr. Lyu Shousheng are INEDs while Mr. Cheng Guangxu is NED. Mr. Zhang Zhong is the chairman of the Nomination Committee.

### DIVERSITY POLICY AND NOMINATION PROCEDURES

The Company recognizes and embraces the importance and benefit to achieve diversity on the Board to corporate governance and the board effectiveness. The Company adopted a board diversity policy on 1 September 2013. The board diversity policy is to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance and sets out the measurable objectives to select board candidates based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

For the purpose of implementation of the board diversity policy, the following measurable objectives:

1. at least one third of the Directors shall be independent non-executive Directors;
2. at least one Director and senior management is female; and
3. at least one Director shall have obtained accounting or other professional qualifications.

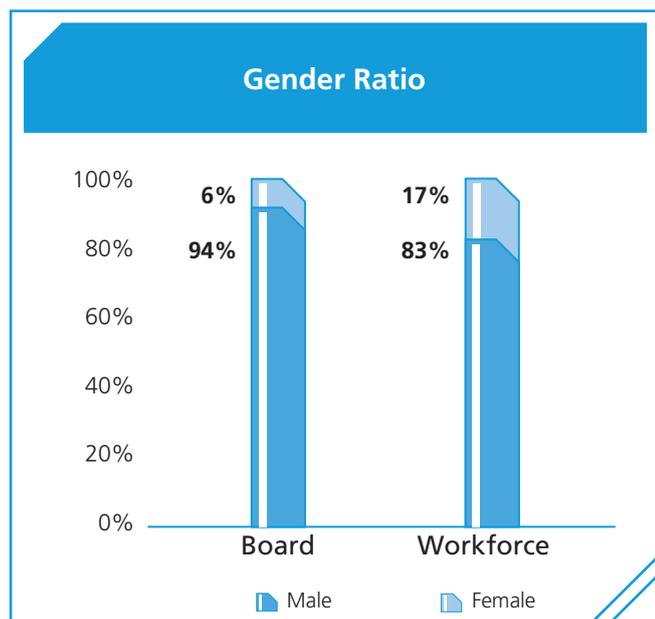
During the Period, all the measurable objectives have been fulfilled.

The Company does not have a formal nomination policy in place. The Nomination Committee have primary responsibility for identifying suitably qualified candidates to become members of the Board and shall give adequate consideration to the diversity policy in selection of board candidates. Selection of board candidates shall be based on a range of diversity perspectives with reference to the Group's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard to the benefits of diversity on the Board.

For succession planning to maintain gender diversity on the Board, the Board will ensure, by upholding an open, fair, just and reasonable human resource policy with equal opportunities for talent attraction and promotion regardless of gender, that a diverse pipeline of candidates is available to take up leadership positions when any vacancy arises.

As at 30 June 2024, the gender ratio of the Board and the all employees (including senior management) are shown in the chart below:

## OTHER INFORMATION



The Company has also taken and continues to take steps to promote diversity at all levels of its workforce. Our approach for talent recruitment and retention is to employ a diverse team that works together collaboratively and encourage differences and individuality in employees with respect to equal opportunities, diversity and anti-discrimination. With a view to enhancing efficiency, we have not set a measurable objective for achieving gender diversity at the workforce level. Nonetheless, the Company is determined to commit to the meritocratic and diverse approach which provides equal consideration and opportunities to all qualified candidates regardless of gender in terms of hiring and promotion process.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Appendix C3 - Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") to the Listing Rules as the code of conduct for securities transactions by the Directors. The Company has made specific enquiries with all Directors and all Directors confirm that they have complied with the standards required by the Model Code during the Period.

### CHANGES IN DIRECTORS' INFORMATION

Mr. Wang Zhijian was promoted to a director and the chief manager of SHIG and the chairman of CNHTC.

### DIVIDENDS

The Board has declared to distribute to Shareholders whose names appear on the register of members of the Company on Wednesday, 11 September 2024 an interim dividend of either HK\$0.72 or RMB0.66 per Share (converted at the exchange rate of 0.91411 to HK\$1 as published by the PBOC on Thursday, 22 August 2024) for the six months ended 30 June 2024 (the "2024 Interim Dividend") with a sum of approximately HK\$1,988 million or RMB1,822 million. The 2024 Interim Dividend will be distributed on Friday, 22 November 2024.

A 2024 RMB Interim Dividend election form has been despatched to the Shareholders. Shareholders who wish to receive the 2024 Interim Dividend in RMB have to complete the form and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 21 October 2024.

The Company has been determined as a Chinese-resident enterprise. Pursuant to the "Enterprise Income Tax Law of the PRC" 《中華人民共和國企業所得稅法》 and the "Detailed Rules for the Implementation of the Enterprise Income Tax Law of the PRC" 《中華人民共和國企業所得稅法實施條例》, a Chinese-controlled offshore incorporated enterprise shall withhold and pay enterprise income tax for its non-PRC resident enterprise shareholders. As the withholding and payment obligation lies with the Company, the Company will withhold and pay enterprise income tax for its non-PRC resident enterprise shareholders to whom the Company pays the 2024 Interim Dividend.

## OTHER INFORMATION

In respect of all the Shareholders whose names are not registered as natural persons (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-PRC resident enterprise shareholders), the Company will distribute the 2024 Interim Dividend after deducting an enterprise income tax of 10% or other appropriate rates.

Investors who invest in Shares through the Shanghai Stock Exchange or the Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect investors), whether natural persons or enterprises, are investors who hold the Shares through HKSCC Nominees Limited, and in accordance with the above requirements, the Company will pay to HKSCC Nominees Limited the amount of the 2024 Interim Dividend after withholding for payment the 10% enterprise income tax.

The Company will not withhold and pay the income tax in respect of the 2024 Interim Dividend payable to PRC resident enterprise shareholders, exempted entities or any natural person shareholders.

### REVIEW OF INTERIM RESULTS AND REPORT

The unaudited interim results of the Group for the six months ended 30 June 2024 and this report have been reviewed by the Audit Committee and by KPMG, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by Hong Kong Institute of Certified Public Accountants.

### PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's securities during the Period.

The trustee of the Company's restricted share award scheme adopted on 17 March 2024 held 27,320,000 Shares (representing approximately 0.99% of the total number of Shares in issue) as at 30 June 2024. For more details, please refer to the section headed "The Restricted Share Award Scheme" below.

## OTHER INFORMATION

### PUBLIC FLOAT

Based on publicly available information and within the Directors' knowledge, as at 24 September 2024, being the latest practicable date prior to the issue of the interim report, approximately 24% of the Shares were held by the public.

### SHAREHOLDING ANALYSIS

As at 30 June 2024, the major shareholders of the Company were SHIG and FPFPS. SHIG is a PRC state-owned enterprise and indirectly holds 51% of the entire issued capital of the Company. One of the SHIG Group's principal businesses is commercial vehicles manufacturing. FPFPS indirectly holds 25% of the entire issued share capital of the Company plus one Share. The FPFPS Group, including Volkswagen Group, is one of the world's leading automobile manufacturers in commercial vehicles and passenger cars. Volkswagen Group owns twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN.

The Company's market capitalization and shareholding distribution as at 30 June 2024 are set out in the section headed "SHAREHOLDER INFORMATION" of this report.

### INVESTOR RELATIONS

The Capital Operation Department is responsible for promoting investor relations, enhancing communication and ensuring that the investors are able to obtain information about the Group on a fair and timely basis to assist them in making the best investment decisions. To cultivate good relationship with the Shareholders and potential investors, the Group has participated in a number of one-on-one meetings, investors' conferences, road shows and site visits during the Period. Analysts and fund managers may gain better knowledge on the production operations of the Group through these activities. Investors and the public may also browse the website of the Company at [www.sinotruk.com](http://www.sinotruk.com) for the latest information available in respect of the Group including information on the financial conditions and the latest business developments of the Group.

The Board and senior management are well aware of their important tasks of acting on behalf of the interests of all the Shareholders and improving the Shareholders' returns. The Board considers that the AGM is an important opportunity for direct communication with the Shareholders.

The 2024 AGM was successfully held on 28 June 2024 at the meeting centre of the Company, No. 688 Shunhua South Road, Licheng District, Ji'nan City, Shandong Province, PRC and Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong. Certain members of the Board and external auditors of Company attended the 2024 AGM in person or via video conferencing system and communicated with the Shareholders. Details of the voting and other particulars were disclosed in the Company's announcement dated 28 June 2024.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests or short positions (if any) of the Directors and chief executives of the Company or their associates (as defined in the Listing Rules) in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

#### LONG POSITIONS

##### The Company's ordinary Shares

Name of Director	Nature of interest	Number of underlying Shares interested pursuant to the share award scheme	Approximate percentage of shareholding in the class
Mr. Liu Zhengtao	Beneficial owner	500,000	0.02
Mr. Liu Wei	Beneficial owner	500,000	0.02
Mr. Zhang Wei	Beneficial owner	500,000	0.02
Ms. Li Xia	Beneficial owner	350,000	0.01

Associated corporation – ordinary A shares in Weichai Power (a fellow subsidiary of the Company)

Name of Director	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding in the class
Mr. Wang Zhijian	Beneficial owner	600,000	0.01
Mr. Wang Chen	Beneficial owner	600,000	0.01
Mr. Cheng Guangxu	Beneficial owner	600,000	0.01

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executives of the Company or their associates (as defined in the Listing Rules) had interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 30 June 2024, other than the interests of the Directors and chief executives of the Company as disclosed above, the Company has been notified of the following interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO:

**A) THE COMPANY****Long position**

<b>Name of Shareholder</b>	<b>Capacity in which interests are held</b>	<b>Note</b>	<b>Number of Shares held</b>	<b>Approximate percentage of shareholding</b>
SHIG	Interest in controlled corporation	(a)	1,408,106,603	51%
CNHTC	Interest in controlled corporation	(b)	1,408,106,603	51%
Sinotruk (BVI) Limited	Beneficial owner		1,408,106,603	51%
FPFPS	Interest in controlled corporation	(c)	690,248,336	25%
Ferdinand Porsche Familien-Holding GmbH	Interest in controlled corporation	(d), (l)	690,248,336	25%
Ferdinand Alexander Porsche GmbH	Interest in controlled corporation	(e)	690,248,336	25%
Familie Porsche Beteiligung GmbH	Interest in controlled corporation	(f), (m)	690,248,336	25%
Porsche Automobil Holding SE	Interest in controlled corporation	(g), (n)	690,248,336	25%
Volkswagen AG	Interest in controlled corporation	(h)	690,248,336	25%
Volkswagen Finance Luxemburg S.A.	Interest in controlled corporation	(i)	690,248,336	25%
TRATON SE	Interest in controlled corporation	(j)	690,248,336	25%
TRATON International S.A.	Interest in controlled corporation	(k)	690,248,336	25%
MAN Finance and Holding S.A.	Beneficial owner		690,248,336	25%

## OTHER INFORMATION

### Notes:

- (a) SHIG holds 65% interest in CNHTC. SHIG is deemed to have interest in all the Shares held (or deemed to be held) by CNHTC under the SFO.
- (b) CNHTC holds the entire issued share capital of Sinotruk (BVI) Limited. CNHTC is deemed to have interest in all the Shares held (or deemed to be held) by Sinotruk (BVI) Limited under the SFO.
- (c) FPFPS holds 90% interest in Ferdinand Porsche Familien-Holding GmbH. FPFPS is deemed to have interest in all the Shares held (or deemed to be held) by Ferdinand Porsche Familien-Holding GmbH under the SFO.
- (d) Ferdinand Porsche Familien-Holding GmbH holds 73.85% interest in Ferdinand Alexander Porsche GmbH. Ferdinand Porsche Familien-Holding GmbH is deemed to have interest in all the Shares held (or deemed to be held) by Ferdinand Alexander Porsche GmbH under the SFO.
- (e) Ferdinand Alexander Porsche GmbH holds 100% interest in Familie Porsche Beteiligung GmbH. Ferdinand Alexander Porsche GmbH is deemed to have interest in all the Shares held (or deemed to be held) by Familie Porsche Beteiligung GmbH under the SFO.
- (f) Familie Porsche Beteiligung GmbH holds 51.69% interests in Porsche Automobil Holding SE. Familie Porsche Beteiligung GmbH is deemed to have interest in all the Shares held (or deemed to be held) by Porsche Automobil Holding SE under the SFO.
- (g) Porsche Automobil Holding SE holds 50.73% interest in Volkswagen AG. Porsche Automobil Holding SE is deemed to have interest in all the Shares held (or deemed to be held) by Volkswagen AG under the SFO.
- (h) Volkswagen AG holds 100% interest in Volkswagen Finance Luxemburg S.A. Volkswagen AG is deemed to have interest in all the Shares held (or deemed to be held) by Volkswagen Finance Luxemburg S.A. under the SFO.
- (i) Volkswagen Finance Luxemburg S.A. holds 89.72% voting interest in TRATON SE. Volkswagen Finance Luxemburg S.A. is deemed to have interest in all the Shares held (or deemed to be held) by TRATON SE under the SFO.
- (j) TRATON SE holds 100% voting interest in TRATON International S.A. TRATON SE is deemed to have interest in all the Shares held (or deemed to be held) by TRATON International S.A. under the SFO.
- (k) TRATON International S.A. holds 100% voting interest in MAN Finance and Holding S.A. TRATON International S.A. is deemed to have interest in all the Shares held (or deemed to be held) by MAN Finance and Holding S.A. under the SFO.
- (l) Notwithstanding the information recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO, the Company has been informed that, as at 30 June 2024, Ferdinand Porsche Familien-Holding GmbH holds 100% interest in Ferdinand Alexander Porsche GmbH.
- (m) Notwithstanding the information recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO, the Company has been informed that, as at 30 June 2024, Familie Porsche Beteiligung GmbH held a 27.73% interest in the capital of Porsche Automobil Holding SE and had a voting interest of 55.46% in this entity.
- (n) Notwithstanding the information recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO, the Company has been informed that, as at 30 June 2024, Porsche Automobil Holding SE held a 31.40% interest in the capital of Volkswagen AG and had a voting interest of 53.30% in this entity.

## OTHER INFORMATION

## B) MEMBERS OF THE GROUP

## Long position

Name of equity holder	Nature of interests	Name of the member of the Group	Approximate percentage of equity interest held
Liuzhou Yunli Investment Co., Ltd.	Beneficial owner	Sinotruk Liuzhou Yunli Special Vehicles Co., Ltd.	40%
Yongan Fudi Investment Co., Ltd.	Beneficial owner	Sinotruk Fujian Haixi Vehicles Co., Ltd.	20%
Chengdu Qingbaijiang District State-owned Asset Investment and Management Co., Ltd.	Beneficial owner	Sinotruk Chengdu Wangpai Commercial Vehicles Co., Ltd.	20%
Suizhou Huawei Investment Holdings Co., Ltd.	Beneficial owner	Sinotruk Hubei Huawei Special Vehicles Co., Ltd.	40%
Shandong International Trust Co., Ltd.	Beneficial owner	Sinotruk Auto Finance Co., Ltd.	6.52%
SHIG Investment Co., Ltd.	Beneficial owner	Sinotruk (Ji'nan) Business Co., Ltd.	40%
Weichai Power	Beneficial owner	Weichai Intelligent Technology Co., Ltd.	15.793%
Weichai Lovol Intelligent Agricultural Technology Co., Ltd.	Beneficial owner	Weichai Intelligent Technology Co., Ltd.	7.502%
Zouping State-owned Assets Investment Holdings Co., Ltd.	Beneficial owner	Tongxin Zhixing Park Operation and Management (Zouping) Co., Ltd.	20%
Rizhao Fengtai Transportation Co., Ltd.	Beneficial owner	Tongxin Zhixing Logistics Technology (Rizhao) Co., Ltd.	25%
Rizhao Development Co., Ltd.	Beneficial owner	Tongxin Zhixing Logistics Technology (Rizhao) Co., Ltd.	15%

Save as disclosed above, as at 30 June 2024, no other persons had any interests or short positions in the shares or underlying shares of the Company recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

## OTHER INFORMATION

### THE RESTRICTED SHARE AWARD SCHEME

On 17 March 2024, the Company adopted a restricted share award scheme (the “Share Award Scheme”) for the purpose of (i) retaining and attracting talents through an enhanced remuneration structure; (ii) better aligning the interests of the officers and employees, and of the Shareholders; and (iii) effectively motivating the management team and key employees of the Group, and thereby promoting the long-term development of the Group and maximising the interests of the Shareholders. The eligible participants to the Share Award Scheme include the Directors, senior management, and key employees occupying or involved in research and development, technical, sales and management roles within the Group.

The total number of Shares to be granted (the “Award Share(s)”) under the Share Award Scheme shall not exceed 1% of the total number of issued Shares from time to time. The aggregate number of Shares which may be awarded to any grantee under the Scheme shall not exceed 1% of the total number of issued Shares from time to time. As at 17 March 2024, the date of the adoption of the Share Award Scheme, and 30 June 2024, the number of Share Awards available for grant under the Share Award Scheme were 27,609,933 Shares and 439,933 Shares, respectively.

The Share Award Scheme is a share scheme solely funded by existing Shares of the Company and, hence, there is no share available for issue under the Share Award Scheme.

Subject to any early termination pursuant to the rules related to the Share Award Scheme, the Share Award Scheme shall expire on 6 June 2029 (i.e. 60 months after the date of the grant on 6 June 2024) and thus its remaining life is approximately 4 years and 8 months from the date of this interim report.

Subject to the provisions of the Share Award Scheme, the Board may, from time to time, at its sole and absolute discretion select any grantee and grant an award to any such grantee at the grant price.

The grant price (purchase price) for the grant shall not be less than the higher of:

- (a) 50% of the closing price of the Shares as quoted on the Stock Exchange as at the date of the announcement of the proposed adoption of the Shares Award Scheme, being 23 January 2024; and
- (b) 50% of the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the announcement of the proposed adoption of the Shares Award Scheme.

Hence, the grant price has been determined at RMB6.896 which is equivalent to approximately HK\$7.58. The grant price is payable by the grantee for acceptance of the grant, with a payment deadline stipulated in the relevant grant agreement.

## OTHER INFORMATION

Vesting of the Award Shares is conditional upon the followings:

### (A) EVENTS

- (1) none of the following specified events has occurred in relation to the Company: (i) the Company has failed to engage an auditor to audit the Company's financial statements and accounting records as required by the applicable laws or regulations of the PRC or Hong Kong; (ii) the issuance of a qualified opinion, an adverse opinion or a disclaimer of opinion by the auditors of the Company in respect of the consolidated financial statements of the Company for the most recent financial year; (iii) material dispute has been raised by the PRC state-owned assets and supervision authority or audit department on financial results and/or financial reports of the Company; (iv) the imposition of penalty on the Company by the securities regulatory authority and other relevant regulatory authorities as a result of a material breach of laws or regulations of the PRC or Hong Kong; and (v) situations occur where the implementation of the Share Award Scheme is prohibited by the applicable laws or regulations of the PRC or Hong Kong; and
- (2) none of the following specified events has occurred in relation to the grantee: (i) results of the relevant 經濟責任審計 (accountability audit) or similar assessments indicate that the grantee has not effectively performed his/her duties, or has been grossly negligent or committed malfeasance in performing his/her duties; (ii) the grantee has breached the relevant laws or regulations of the PRC or Hong Kong or the Articles of Association of the Company; (iii) the Company has sufficient evidence to prove that during the employment of the grantee by any member of the Group, the grantee, due to bribery, corruption or theft, divulging operational or technical secrets of the Group, or has conducted connected transactions or any other acts, has caused harm to the Group's interests or reputation, and which has caused a material adverse effect on the Group's image, resulting in a loss for the Group; and (iv) a failure to perform or incorrectly perform duties, causing significant asset losses and other serious adverse consequences to the Group.

## OTHER INFORMATION

### (B) VESTING TERMS AND TARGETS

Vesting Period	Vesting Dates	Percentage of Awarded Shares to be vested	Performance target of the Company	Results of individual performance assessment
24 months from the grant date	Any day falling between the first trading day after 24 months from the date of the Grant to the last trading day within 36 months from the date of the grant	30% <sup>#</sup>	(1) The operating revenue in the year 2024 shall not be less than RMB94.8 billion (2) The sales profit margin* shall not be less than 7.5% (3) The indicators set out in (1) and (2) above shall not be lower than the average industry performance for 2024 and the industry level as at the date of the grant	Pass
36 months from the grant date	Any day falling between the first trading day after 36 months from the date of the grant to the last trading day within 48 months from the date of the grant	30% <sup>#</sup>	(1) The operating revenue in the year 2025 shall not be less than RMB109.1 billion (2) The sales profit margin* shall not be less than 8% (3) The indicators set out in (1) and (2) above shall not be lower than the average industry performance for 2025 and the industry level as at the date of the grant	Pass
48 months from the grant date	Any day falling between the first trading day after 48 months from the date of the grant to the last trading day within 60 months from the date of the grant	40% <sup>#</sup>	(1) The operating revenue in the year 2026 shall not be less than RMB125.5 billion (2) The sales profit margin* shall not be less than 8.5% (3) The indicators set out in (1) and (2) above shall not be lower than the average industry performance for 2026 and the industry level as at the date of the grant	Pass

\* excluding the impact of share-based payment expenses

<sup>#</sup> subject to scale-back adjustment on the results of individual performance assessment

## OTHER INFORMATION

**(C) SCALE-BACK ADJUSTMENT**

Annual performance assessment results	Pass				Fail
	S (Distinction)	A (Excellent)	B (Good)	C (Acceptable)	D (Unacceptable)
Vesting proportion	100%	100%	100%	80%	0

The actual number of the Award Shares to be vested for a grantee in a given year is calculated as the “Vesting proportion” multiplied by the number of Shares scheduled to be vested for the relevant period.

**(D) RETENTION**

20% of the total number of Award Shares granted to a grantee who is a Director or senior management of the Group shall not be vested until the end of his/her term of office (which shall be considered as at the relevant grant date and excluding any subsequent re-elected or renewed term of office, if applicable) and subject to him/her passing the individual performance assessment at that time.

The trustee of the Share Award Scheme shall abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the relevant trusts. As at 30 June 2024, the trustee of the Share Award Scheme held 27,320,000 Shares which represented approximately 0.99% of the Shares in issue.

## OTHER INFORMATION

On 6 June 2024, the Company granted a total of 27,170,000 Award Shares (representing approximately 0.98% of the total issued Shares) to 188 grantees including 4 executive Directors and other senior management under the Share Award Scheme. The Company had received the grant price monies of all Award Shares granted.

Details of the movements of the Award Shares under the Share Award Scheme during the Period are as follows:

Grantees	Date of grant	Closing price immediately before the date of grant	Number of Award Shares			Vesting Period	Vesting Dates
			Unvested balance as at 1 January 2024	Granted during the Period	Unvested balance as at 30 June 2024		
<b>Directors</b>							
Mr. Liu Zhengtao	6 June 2024	HK\$18.30	Not applicable	150,000	150,000	24 months	8 June 2026 to 4 June 2027
	6 June 2024	HK\$18.30	Not applicable	150,000	150,000	36 months	7 June 2027 to 5 June 2028
	6 June 2024	HK\$18.30	Not applicable	200,000	200,000	48 months	6 June 2028 to 5 June 2029
Mr. Liu Wei	6 June 2024	HK\$18.30	Not applicable	150,000	150,000	24 months	8 June 2026 to 4 June 2027
	6 June 2024	HK\$18.30	Not applicable	150,000	150,000	36 months	7 June 2027 to 5 June 2028
	6 June 2024	HK\$18.30	Not applicable	200,000	200,000	48 months	6 June 2028 to 5 June 2029
Mr. Zhang Wei	6 June 2024	HK\$18.30	Not applicable	150,000	150,000	24 months	8 June 2026 to 4 June 2027
	6 June 2024	HK\$18.30	Not applicable	150,000	150,000	36 months	7 June 2027 to 5 June 2028
	6 June 2024	HK\$18.30	Not applicable	200,000	200,000	48 months	6 June 2028 to 5 June 2029
Ms. Li Xia	6 June 2024	HK\$18.30	Not applicable	105,000	105,000	24 months	8 June 2026 to 4 June 2027
	6 June 2024	HK\$18.30	Not applicable	105,000	105,000	36 months	7 June 2027 to 5 June 2028
	6 June 2024	HK\$18.30	Not applicable	140,000	140,000	48 months	6 June 2028 to 5 June 2029

## OTHER INFORMATION

Grantees	Date of grant	Closing price immediately before the date of grant	Number of Award Shares			Vesting Period	Vesting Dates
			Unvested balance as at 1 January 2024	Granted during the Period	Unvested balance as at 30 June 2024		
Other key employees of the Group occupying or involved in research and development, technical, sales and management roles (184 persons in total)	6 June 2024	HK\$18.30	Not applicable	7,596,000	7,596,000	24 months	8 June 2026 to 4 June 2027
	6 June 2024	HK\$18.30	Not applicable	7,596,000	7,596,000	36 months	7 June 2027 to 5 June 2028
	6 June 2024	HK\$18.30	Not applicable	10,128,000	10,128,000	48 months	6 June 2028 to 5 June 2029
			Not applicable	27,170,000	27,170,000		

## Notes:

- The grant price of each Award Share granted on 6 June 2024 is RMB6.896.
- For performance targets of the Company and grantee, please refer to the section headed "VESTING TERMS AND TARGETS" above.
- Pursuant to Hong Kong Financial Reporting Standard 2 – Share-based Payment and the accounting policy in respect of share-based payment of the Company, the fair value of each Award Share was measured at the date of grant, being 6 June 2024, and determined at the amount of RMB10.174 which was equal to the market price of the Share at the date of grant at HK\$18.78 (equivalent to RMB17.070) less the grant price at RMB6.896 while no adjustment of expected dividends to the fair value of the Award Share is made as grantee shall be entitled to receive all dividends in respect of all the Award Shares since the relevant grant date of such Award Shares. The fair value of the Award Shares granted on 6 June 2024 was approximately RMB276,427,580, of which the Group recognized an expense of approximately RMB8,062,000 for the six months ended 30 June 2024.
- During the Period, no Award Shares was vested, cancelled or lapsed under the Share Award Scheme.

For more details of the Share Award Scheme and the grant on 6 June 2024, please refer to the announcements of the Company dated 23 January 2024, 17 March 2024 and 6 June 2024, respectively. Further details of the Share Award Scheme are disclosed in notes 20(b) and (c) to the interim condensed consolidated financial statements.

## OTHER INFORMATION

### CONSTITUTIONAL DOCUMENTS

There has been no changes to the Articles during the Period. The current Articles of the Company was adopted by way of a special resolution passed by the Shareholders at the 2023 AGM held on 28 June 2023. Such amendments to the Articles were made in order to (i) allow greater flexibility for Company to hold general meetings in the physical, hybrid or full virtual form; (ii) reflect and align with the latest requirements under the Listing Rules; and (iii) make certain housekeeping amendments. The current Articles of the Company is available on the websites of the Company and the Stock Exchange.

By order of the Board

**Mr. Wang Zhijian**

*Chairman of the Board*

Ji'nan, PRC, 22 August 2024

# REPORT ON REVIEW OF INTERIM FINANCIAL REPORT



## Review report to the board of directors of Sinotruk (Hong Kong) Limited

*(Incorporated in Hong Kong with limited liability)*

### INTRODUCTION

We have reviewed the interim financial report set out on pages 54 to 92 which comprises the consolidated statement of financial position of Sinotruk (Hong Kong) Limited (the "Company") as of 30 June 2024 and the related consolidated statement of profit or loss, statement of comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

#### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

22 August 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024 – unaudited

(All amounts in RMB thousands unless otherwise stated)

	Notes	Six months ended 30 June	
		2024	2023 (restated)
<b>Revenue</b>	4	<b>48,823,239</b>	41,370,963
Cost of sales		<b>(41,664,507)</b>	(34,848,008)
<b>Gross profit</b>		<b>7,158,732</b>	6,522,955
Other income and gains		<b>681,215</b>	295,748
Selling and distribution expenses		<b>(1,524,577)</b>	(1,459,853)
Administrative expenses		<b>(2,348,630)</b>	(2,096,053)
Reversal of impairment losses/(impairment losses) on financial assets, net		<b>71,176</b>	(103,302)
Other expenses		<b>(11,753)</b>	(126,116)
<b>Profit from operation</b>		<b>4,026,163</b>	3,033,379
Finance income		<b>153,966</b>	114,494
Finance costs		<b>(67,453)</b>	(25,001)
Finance income, net		<b>86,513</b>	89,493
Share of profits less losses of associates		<b>47,627</b>	36,455
<b>Profit before tax</b>	5	<b>4,160,303</b>	3,159,327
Income tax	6	<b>(561,763)</b>	(563,026)
<b>Profit for the period</b>		<b>3,598,540</b>	2,596,301
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>3,294,302</b>	2,357,562
Non-controlling interests		<b>304,238</b>	238,739
<b>Profit for the period</b>		<b>3,598,540</b>	2,596,301
<b>Earnings per share</b>	7		
Basic and diluted		<b>1.20</b>	0.85

The notes on pages 61 to 92 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 20(d).

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024 – unaudited  
(All amounts in RMB thousands unless otherwise stated)

	Six months ended 30 June	
	2024	2023 (restated)
<b>Profit for the period</b>	<b>3,598,540</b>	2,596,301
<b>Other comprehensive income (after tax):</b>		
Items that will not be reclassified to profit or loss:		
Remeasurements of termination and post-employment benefit obligations	<b>(12,989)</b>	(3,831)
Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	<b>2,592</b>	(7,060)
Exchange differences on translation of foreign operations	<b>3,962</b>	(2,194)
Share of other comprehensive income of associates	<b>(566)</b>	1,885
	<b>5,988</b>	(7,369)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(7,001)</b>	(11,200)
<b>Total comprehensive income for the period</b>	<b>3,591,539</b>	2,585,101
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>3,289,568</b>	2,347,041
Non-controlling interests	<b>301,971</b>	238,060
<b>Total comprehensive income for the period</b>	<b>3,591,539</b>	2,585,101

The notes on pages 61 to 92 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024 – unaudited

(All amounts in RMB thousands unless otherwise stated)

	Notes	At 30 June 2024	At 31 December 2023
<b>Non-current assets</b>			
Property, plant and equipment	8	15,648,305	15,823,031
Investment properties	9	1,076,976	1,060,721
Right-of-use assets		2,282,783	2,260,256
Goodwill		68,933	68,933
Intangible assets		137,214	152,072
Investments in associates		1,495,009	2,017,567
Equity investments designated at FVOCI		31,925	31,925
Trade and financing receivables	10	6,260,058	5,032,516
Prepayments, other receivables and other assets	11	9,038,064	6,113,115
Deferred tax assets		2,244,897	2,158,585
Total non-current assets		38,284,164	34,718,721
<b>Current assets</b>			
Inventories	12	13,194,382	13,338,401
Trade, financing and bills receivables	10	24,684,051	17,078,156
Prepayments, other receivables and other assets	11	19,056,421	17,018,790
Financial assets at FVOCI	13	6,939,136	8,924,104
Financial assets at fair value through profit or loss ("FVPL")	14	9,577,582	10,521,843
Cash and cash equivalents and restricted cash	15	21,004,038	20,185,473
Total current assets		94,455,610	87,066,767
<b>Current liabilities</b>			
Trade and bills payables	16	52,164,775	46,624,080
Other payables and accruals	17	21,794,783	19,062,656
Borrowings		7,370,973	4,907,134
Lease liabilities		301	1,709
Tax payable		331,282	216,189
Provisions	18	1,627,670	1,718,293
Total current liabilities		83,289,784	72,530,061
<b>Net current assets</b>		11,165,826	14,536,706
<b>Total assets less current liabilities</b>		49,449,990	49,255,427

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024 – unaudited  
(All amounts in RMB thousands unless otherwise stated)

	Notes	At 30 June 2024	At 31 December 2023
<b>Non-current liabilities</b>			
Borrowings		<b>223,633</b>	141,533
Lease liabilities		<b>1,331</b>	1,195
Deferred tax liabilities		<b>105,272</b>	98,900
Termination and post-employment benefit obligations	19	<b>398,698</b>	410,374
Deferred income		<b>625,252</b>	642,894
Total non-current liabilities		<b>1,354,186</b>	1,294,896
<b>Net assets</b>			
		<b>48,095,804</b>	47,960,531
<b>Equity</b>			
Share capital	20(a)	<b>16,717,024</b>	16,717,024
Reserves		<b>23,674,559</b>	23,555,137
<b>Total equity attributable to equity shareholders of the Company</b>			
		<b>40,391,583</b>	40,272,161
<b>Non-controlling interests</b>			
		<b>7,704,221</b>	7,688,370
<b>Total equity</b>			
		<b>48,095,804</b>	47,960,531

The notes on pages 61 to 92 form part of this interim financial report.

Approved and authorised for issue by the board of directors on 22 August 2024 and was signed on its behalf by:

**Wang Zhijian**  
Director

**Li Xia**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024 – unaudited

(All amounts in RMB thousands unless otherwise stated)

	(restated)										Non-controlling interests	Total equity	
	Attributable to equity shareholders of the Company												
	Note	Share capital	Capital reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Statutory reserve	Discretionary reserve	Merger reserve	Translation and other reserves	Retained earnings			Total
<b>At 31 December 2022</b>		16,717,024	(1,973,431)	44,124	(25,826)	4,350,610	104,294	480,081	35,977	16,176,135	35,908,988	7,059,589	42,968,577
Effect of business combination under common control		—	—	—	—	89	—	148,370	—	(122,894)	25,565	37,844	63,409
<b>At 1 January 2023</b>		16,717,024	(1,973,431)	44,124	(25,826)	4,350,699	104,294	628,451	35,977	16,053,241	35,994,553	7,097,433	43,031,986
<b>Changes in equity for the six months ended 30 June 2023:</b>													
Profit for the period		—	—	—	—	—	—	—	—	2,357,562	2,357,562	238,739	2,596,301
Other comprehensive income for the period:													
Changes in fair value of financial assets at FVOCI		—	—	—	(6,381)	—	—	—	—	—	(6,381)	(679)	(7,060)
Exchange differences on translation of foreign operations		—	—	—	—	—	—	—	(2,194)	—	(2,194)	—	(2,194)
Share of other comprehensive income of associates		—	—	—	—	—	—	—	1,885	—	1,885	—	1,885
Remeasurements of termination and post-employment benefit obligations		—	—	(3,831)	—	—	—	—	—	—	(3,831)	—	(3,831)
<b>Total comprehensive income for the period</b>		—	—	(3,831)	(6,381)	—	—	—	(309)	2,357,562	2,347,041	238,060	2,585,101
Dividends of the Company for 2022	20(d)	—	—	—	—	—	—	—	—	(812,222)	(812,222)	—	(812,222)
Capital injection by non-controlling interests		—	—	—	—	—	—	—	—	—	—	2,000	2,000
Changes in ownership interests in a subsidiary without change of control		—	(14)	—	—	—	—	—	—	—	—	(7,190)	(7,204)
Dividends of subsidiaries distributed to non-controlling interests	20(d)	—	—	—	—	—	—	—	—	—	—	(46,718)	(46,718)
<b>Total transactions with equity shareholders in their capacity as owners</b>		—	(14)	—	—	—	—	—	—	(812,222)	(812,236)	(51,908)	(864,144)
<b>At 30 June 2023</b>		16,717,024	(1,973,445)	40,293	(32,207)	4,350,699	104,294	628,451	35,668	17,598,581	37,469,358	7,283,585	44,752,943

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024 – unaudited  
(All amounts in RMB thousands unless otherwise stated)

	Share capital	Capital reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Attributable to equity shareholders of the Company					Non-controlling interests	Total equity		
					Statutory reserve	Discretionary reserve	Merger reserve	Translation and other reserves	Shares held for share award schemes			Retained earnings	Total
<b>At 1 January 2024</b>	16,717,024	(1,973,463)	26,909	(39,126)	4,957,806	104,294	493,042	33,656	—	19,952,019	40,272,161	7,688,370	47,960,531
<b>Changes in equity for the six months ended 30 June 2024:</b>													
Profit for the period	—	—	—	—	—	—	—	—	—	3,294,302	3,294,302	304,238	3,598,540
Other comprehensive income for the period:													
Changes in fair value of financial assets at FVOCI	—	—	—	3,363	—	—	—	—	—	—	3,363	(771)	2,592
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	3,962	—	—	3,962	—	3,962
Share of other comprehensive income of associates	—	—	—	—	—	—	—	(566)	—	—	(566)	—	(566)
Remeasurements of termination and post-employment benefit obligations	—	—	(11,493)	—	—	—	—	—	—	—	(11,493)	(1,496)	(12,989)
<b>Total comprehensive income for the period</b>	—	—	(11,493)	3,363	—	—	—	3,396	—	3,294,302	3,289,568	301,971	3,591,539
Dividends of the Company for 2023	—	—	—	—	—	—	—	—	—	(2,665,812)	(2,665,812)	—	(2,665,812)
Changes in ownership interests in a subsidiary without change of control	—	(16)	—	—	—	—	—	—	—	—	(16)	(17,300)	(17,316)
Dividends of subsidiaries distributed to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(263,253)	(263,253)
Disposal of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	(5,567)	(5,567)
Purchase of shares	—	—	—	—	—	—	—	—	(512,380)	—	(512,380)	—	(512,380)
Equity settled share-based transactions	—	8,062	—	—	—	—	—	—	—	—	8,062	—	8,062
<b>Total transactions with equity shareholders in their capacity as owners</b>	—	8,046	—	—	—	—	—	—	(512,380)	(2,665,812)	(3,170,146)	(286,120)	(3,456,266)
<b>At 30 June 2024</b>	16,717,024	(1,965,417)	15,416	(35,763)	4,957,806	104,294	493,042	37,052	(512,380)	20,580,509	40,391,833	7,704,221	48,095,804

The notes on pages 61 to 92 form part of this interim financial report.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024 – unaudited  
(All amounts in RMB thousands unless otherwise stated)

	Note	Six months ended 30 June	
		2024	2023 (restated)
<b>Operating activities</b>			
Cash generated from operations		5,849,510	3,560,857
Interest paid		(68,957)	(39,799)
Income tax paid		(444,079)	(500,864)
<b>Net cash generated from operating activities</b>		<b>5,336,474</b>	3,020,194
<b>Investing activities</b>			
Interest received		34,507	139,151
Proceeds from disposal of property, plant and equipment		3,119	590,896
Purchase of property, plant and equipment		(830,751)	(1,289,857)
Purchase of intangible assets		(2,446)	(1,916)
Proceeds from disposal of financial assets at FVPL		8,652,394	2,965,324
Purchase of financial assets at FVPL		(7,574,556)	(5,497,447)
Proceeds from disposal of time deposits		1,960,000	—
Purchase of time deposits		(5,350,000)	(1,010,000)
Proceeds from disposal of financial assets at amortised cost		8,650,000	36,865,180
Purchase of financial assets at amortised cost		(10,600,000)	(39,914,883)
Repayments of designated loan received from an associate		105,900	—
Designated loan to an associate		(157,000)	—
Proceeds from government grants		2,655	3,972
Proceeds from disposal of a subsidiary		46	—
Dividends received from an associate		13,380	—
Proceeds from disposal of the equity of associates		561,168	—
<b>Net cash used in investing activities</b>		<b>(4,531,584)</b>	(7,149,580)
<b>Financing activities</b>			
Proceeds from borrowings		326,148	263,862
Repayments of borrowings		(150,212)	—
Capital injection from non-controlling interests		—	2,000
Interest paid		(1,549)	(1,309)
Principal portion of lease payment		(1,491)	(704)
Dividends paid to the non-controlling interests of subsidiaries		(259,919)	(46,718)
Acquisition of non-controlling interests		(17,316)	(7,204)
Proceeds from granting awarded shares		187,364	—
Payment for purchase of shares		(512,380)	—
<b>Net cash (used in)/generated from financing activities</b>		<b>(429,355)</b>	209,927
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>375,535</b>	(3,919,459)
<b>Cash and cash equivalents at 1 January</b>		<b>15,251,508</b>	15,316,645
<b>Effect of foreign exchange rate changes, net</b>		<b>96,662</b>	87,556
<b>Cash and cash equivalents at 30 June</b>	15	<b>15,723,705</b>	11,484,742

The notes on pages 61 to 92 form part of this interim financial report.

# NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

## 1 BASIS OF PREPARATION

Sinotruk (Hong Kong) Limited (the “Company”) was incorporated in Hong Kong on 31 January 2007 as a limited liability company as a result of a group reorganization of China National Heavy Duty Truck Group Company Limited (“CNHTC”). The address of the Company’s registered office is Units 2102-03, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries are hereinafter collectively referred to as the Group. The Group is principally engaged in the research, development and manufacture of heavy duty trucks, medium-heavy duty trucks, light duty trucks, etc. and related key assemblies, parts and components including engines, cabins, axles, steel frames and gearboxes, and the provision of financial services.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2(a).

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 53.

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 1 BASIS OF PREPARATION (CONTINUED)

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

### 2 CHANGES IN ACCOUNTING POLICIES

#### AMENDMENTS TO HKFRSS

The Group has applied the following amendments HKFRSSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 3 OPERATING SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) Heavy duty trucks – Manufacture and sale of heavy duty trucks, medium-heavy duty trucks and related components;
- (ii) Light duty trucks and others – Manufacture and sale of light duty trucks, buses, etc. and related components;
- (iii) Engines – Manufacture and sale of engines, gearboxes and related parts; and
- (iv) Finance – Provision of deposit taking, borrowings, bills discounting, issue of bills and entrustment loans to the members of the Group and members of CNHTC and its subsidiaries excluding the Group ("CNHTC Group") as well as the provision of auto and supply chain financing services to the public.

#### (a) SEGMENT RESULTS, ASSETS AND LIABILITIES

For the purposes of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of prepaid income tax, deferred tax assets and other corporate assets. Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities do not include borrowings and other liabilities that are incurred for financing rather than operating purposes unless the segment is engaged in financing activities. Segment liabilities exclude deferred tax liabilities, income tax payable, dividend payable and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 3 OPERATING SEGMENT INFORMATION (CONTINUED)

#### (b) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS, ASSETS AND LIABILITIES

The segment results for the six months ended 30 June 2024 are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Elimination	Total
<b>External revenue</b>						
Sales of goods	41,720,851	5,791,754	260,455	—	—	47,773,060
Rendering of services	317,237	9,813	34,882	—	—	361,932
Provision of financing services	—	—	—	688,247	—	688,247
<b>Total external revenue</b>	<b>42,038,088</b>	<b>5,801,567</b>	<b>295,337</b>	<b>688,247</b>	<b>—</b>	<b>48,823,239</b>
Inter-segment revenue	475,093	971,805	6,747,592	63,200	(8,257,690)	—
<b>Total segment revenue</b>	<b>42,513,181</b>	<b>6,773,372</b>	<b>7,042,929</b>	<b>751,447</b>	<b>(8,257,690)</b>	<b>48,823,239</b>
Operating profit/(loss) before unallocated expenses	2,540,482	(126,365)	1,249,236	348,871	39,589	4,051,813
Unallocated expenses						(25,650)
<b>Operating profit</b>						<b>4,026,163</b>
Finance income, net						86,513
Share of profits of associates						47,627
<b>Profit before tax</b>						<b>4,160,303</b>

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

## 3 OPERATING SEGMENT INFORMATION (CONTINUED)

## (b) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS, ASSETS AND LIABILITIES (CONTINUED)

The segment results for the six months ended 30 June 2023 are as follows:

	(restated)					
	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Elimination	Total
<b>External revenue</b>						
Sales of goods	35,823,073	4,434,808	313,649	—	—	40,571,530
Rendering of services	184,882	—	10,350	—	—	195,232
Provision of financing services	—	—	—	604,201	—	604,201
<b>Total external revenue</b>	<u>36,007,955</u>	<u>4,434,808</u>	<u>323,999</u>	<u>604,201</u>	<u>—</u>	<u>41,370,963</u>
Inter-segment revenue	562,257	666,301	6,864,179	113,684	(8,206,421)	—
<b>Total segment revenue</b>	<u>36,570,212</u>	<u>5,101,109</u>	<u>7,188,178</u>	<u>717,885</u>	<u>(8,206,421)</u>	<u>41,370,963</u>
Operating profit/(loss) before unallocated expenses	2,399,800	(211,213)	607,717	381,663	(133,304)	3,044,663
Unallocated expenses						(11,284)
<b>Operating profit</b>						<u>3,033,379</u>
Finance income, net						89,493
Share of profits of associates						<u>36,455</u>
<b>Profit before tax</b>						<u>3,159,327</u>

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 3 OPERATING SEGMENT INFORMATION (CONTINUED)

#### (b) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS, ASSETS AND LIABILITIES (CONTINUED)

The segment assets and liabilities as at 30 June 2024 are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Unallocated	Total
<b>Segment assets</b>	<b>91,647,804</b>	<b>14,550,761</b>	<b>28,137,450</b>	<b>59,543,796</b>	<b>2,539,730</b>	<b>196,419,541</b>
Elimination						<b>(63,679,767)</b>
<b>Total assets</b>						<b>132,739,774</b>
<b>Segment liabilities</b>	<b>64,902,386</b>	<b>14,822,792</b>	<b>10,651,431</b>	<b>49,144,873</b>	<b>3,308,176</b>	<b>142,829,658</b>
Elimination						<b>(58,185,688)</b>
<b>Total liabilities</b>						<b>84,643,970</b>

Reconciled to entity assets and liabilities as at 30 June 2024 as follows:

	Assets	Liabilities
<b>Segment assets/liabilities after elimination</b>	<b>130,200,044</b>	<b>81,335,794</b>
Unallocated:		
Deferred tax assets/liabilities	<b>2,244,897</b>	<b>105,272</b>
Prepaid income tax/income tax payable	<b>175,386</b>	<b>331,282</b>
Dividend payable	<b>—</b>	<b>2,671,217</b>
Other assets/liabilities	<b>119,447</b>	<b>200,405</b>
	<b>2,539,730</b>	<b>3,308,176</b>
<b>Total</b>	<b>132,739,774</b>	<b>84,643,970</b>

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

## 3 OPERATING SEGMENT INFORMATION (CONTINUED)

## (b) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS, ASSETS AND LIABILITIES (CONTINUED)

The segment assets and liabilities as at 31 December 2023 are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Unallocated	Total
<b>Segment assets</b>	76,102,819	13,999,854	27,372,875	56,055,447	2,352,407	175,883,402
Elimination						(54,097,914)
<b>Total assets</b>						121,785,488
<b>Segment liabilities</b>	48,231,935	14,206,563	10,268,600	45,991,510	325,763	119,024,371
Elimination						(45,199,414)
<b>Total liabilities</b>						73,824,957

Reconciled to entity assets and liabilities as at 31 December 2023 as follows:

	Assets	Liabilities
<b>Segment assets/liabilities after elimination</b>	119,433,081	73,499,194
Unallocated:		
Deferred tax assets/liabilities	2,158,585	98,900
Prepaid income tax/income tax payable	112,409	216,189
Other assets/liabilities	81,413	10,674
	2,352,407	325,763
<b>Total</b>	121,785,488	73,824,957

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 4 REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023 (restated)
<i>Revenue from contracts with customers</i>		
Sales of heavy duty trucks	42,038,088	36,007,955
Sales of light duty trucks and others	5,801,567	4,434,808
Sales of engines	295,337	323,999
	<b>48,134,992</b>	40,766,762
<i>Revenue from other sources</i>		
Provision of financing services	688,247	604,201
	<b>48,823,239</b>	41,370,963

Disaggregation of revenue from contracts with customers:

#### Timing of revenue recognition

	Six months ended 30 June	
	2024	2023 (restated)
Revenue from contracts with customers within the scope of HKFRS 15		
At a point in time	47,301,171	40,205,674
Over time	833,821	561,088
Total revenue from contracts with customers	<b>48,134,992</b>	40,766,762

#### Geographical markets

	Six months ended 30 June	
	2024	2023 (restated)
Mainland China	29,226,714	25,949,663
Overseas	18,908,278	14,817,099
Total revenue from contracts with customers	<b>48,134,992</b>	40,766,762

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## 5 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023 (restated)</b>
Cost of inventories sold (note 12)	<b>37,831,992</b>	31,520,247
Employee benefit expenses	<b>2,901,696</b>	2,653,859
Warranty expenses, net	<b>200,216</b>	512,405
Depreciation and amortisation		
– Depreciation of property, plant and equipment (note 8)	<b>816,439</b>	749,162
– Depreciation of right-of-use assets	<b>39,782</b>	34,541
– Amortisation of intangible assets	<b>19,986</b>	36,303
Write-down of inventories to net realisable value	<b>287,473</b>	386,420
Impairment losses/(reversal of impairment losses)		
– trade receivables (note 10(a))	<b>(95,375)</b>	86,330
– financing receivables (note 10(b))	<b>16,601</b>	22,487
– bills receivable (note 10(c))	<b>(3,376)</b>	(13,915)
– financial assets included in prepayments, other receivables and other assets	<b>11,119</b>	13,127
– the off-balance sheet credit business (note 18)	<b>(145)</b>	(4,727)
– property, plant and equipment (note 8)	<b>11,125</b>	7,622
(Gains)/losses on disposal of property, plant and equipment	<b>(30,644)</b>	1,694
Foreign exchange differences, net	<b>(157,475)</b>	(179,939)
Government grants	<b>(126,926)</b>	(44,058)
Income on disposal of scraps	<b>(42,688)</b>	(17,909)

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### 6 INCOME TAX

	Six months ended 30 June	
	2024	2023 (restated)
Current tax:		
– Mainland China	669,071	661,817
– Elsewhere	1,877	—
Total current tax	670,948	661,817
Deferred tax	(109,185)	(98,791)
Total tax charge	561,763	563,026

Taxation on profits has been calculated on the estimated assessable profits during the six months ended 30 June 2024 at the rates of taxation prevailing in the countries/districts in which the Group operates.

The Company and other companies operate in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% (2023: 16.5%) on their estimated assessable profits during the period. The Company is also determined as a Chinese-resident enterprise and, is subject to corporate income tax at a rate of 25% (2023: 25%) according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law").

The subsidiaries in the PRC are subject to corporate income tax at a rate of 25% (2023: 25%) according to the CIT Law while certain subsidiaries in the PRC are subject of corporate income tax at a rate of 15% (2023: 15%) according to the High New Tech Enterprises or the Western Development tax incentives of the CIT Law. Other oversea subsidiaries are subject to corporate income tax at applicable tax rates according to existing laws, interpretations and practices of the countries in which the subsidiaries operate.

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## 7 EARNINGS PER SHARE

## (a) BASIC EARNINGS PER SHARE

	Six months ended 30 June	
	2024	2023 (restated)
Profit attributable to equity shareholders of the Company	3,294,302	2,357,562
Weighted average number of ordinary shares in issue (in thousand shares)	2,750,561	2,760,993
Basic earnings per share (RMB per share)	1.20	0.85

The movements in weighted average number of ordinary shares in issue are as follows:

	2024	2023
Ordinary shares at 1 January (in thousand shares)	2,760,993	2,760,993
Effect of shares purchased (note 20(c)) (in thousand shares)	(10,432)	—
Weighted average number of ordinary shares for the six months ended 30 June (in thousand shares)	2,750,561	2,760,993

## (b) DILUTED EARNINGS PER SHARE

Diluted earnings per share equals basic earnings per share as the Company had no dilutive potential ordinary shares for the six months ended 30 June 2024 and 30 June 2023.

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### 8 PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June	
	2024	2023 (restated)
At 1 January	15,823,031	15,504,161
Additions	1,012,505	1,144,947
Transfer to investment properties (note 9)	(34,563)	(211,877)
Transfer from investment properties (note 9)	10,622	—
Transfer to right-of-use assets	(83,677)	(46,174)
Transfer to intangible assets	(12,734)	—
Transfer to long-term deferred expenses	(208,443)	—
Disposal of a subsidiary	(1,821)	—
Disposals	(29,051)	(34,042)
Depreciation (note 5)	(816,439)	(749,162)
Impairment (note 5)	(11,125)	(7,622)
At 30 June	15,648,305	15,600,231

### 9 INVESTMENT PROPERTIES

	Six months ended 30 June	
	2024	2023 (restated)
At 1 January	1,060,721	840,134
Transfer from property, plant and equipment (note 8)	34,563	211,877
Transfer to property, plant and equipment (note 8)	(10,622)	—
Transfer from right-of-use assets	841	32,393
Transfer to right-of-use assets	(8,527)	—
At 30 June	1,076,976	1,084,404

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## 10 TRADE, FINANCING AND BILLS RECEIVABLES

	At 30 June 2024	At 31 December 2023
Trade receivables	<b>15,718,009</b>	10,107,093
Provision for impairment	<b>(913,109)</b>	(1,008,635)
Trade receivables, net (note (a))	<b>14,804,900</b>	9,098,458
Financing receivables	<b>16,443,416</b>	13,245,816
Provision for impairment	<b>(687,401)</b>	(707,340)
Financing receivables, net (note (b))	<b>15,756,015</b>	12,538,476
Bills receivable	<b>387,068</b>	480,988
Provision for impairment	<b>(3,874)</b>	(7,250)
Bills receivable, net (note (c))	<b>383,194</b>	473,738
	<b>30,944,109</b>	22,110,672
<b><i>Current portion</i></b>		
Trade receivables	<b>14,749,364</b>	9,034,015
Financing receivables	<b>9,551,493</b>	7,570,403
Bills receivable	<b>383,194</b>	473,738
	<b>24,684,051</b>	17,078,156
<b><i>Non-current portion</i></b>		
Trade receivables	<b>55,536</b>	64,443
Financing receivables	<b>6,204,522</b>	4,968,073
	<b>6,260,058</b>	5,032,516

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### 10 TRADE, FINANCING AND BILLS RECEIVABLES (CONTINUED)

#### (a) TRADE RECEIVABLES

The sales policy of the Group generally requires its customers to pay a certain amount of deposits when orders of trucks are made and to settle purchase price in cash, on credit or by acceptance bills. A credit period from 3 to 12 months is granted to selected customers based on credit assessment. Trade receivables are non-interest-bearing.

As at 30 June 2024, approximately RMB4,034,771,000 (31 December 2023: approximately RMB2,745,338,000) of the trade receivables are secured by letters of credit issued by certain overseas third parties. As at 30 June 2024, approximately RMB3,457,562,000 (31 December 2023: approximately RMB2,274,781,000) of the trade receivables were guaranteed by China Export and Credit Insurance Corporation.

An ageing analysis of the trade receivables based on the invoice date at the end of the reporting period, net of the provisions, is as follows:

	At 30 June 2024	At 31 December 2023
Less than 3 months	9,383,093	5,166,749
3 months to 6 months	3,192,790	1,727,168
6 months to 12 months	1,673,837	1,603,614
1 year to 2 years	293,544	268,718
2 years to 3 years	74,802	92,698
Over 3 years	186,834	239,511
	<b>14,804,900</b>	9,098,458

The movements in provision for impairment of trade receivables are as follows:

	Six months ended 30 June	
	2024	2023 (restated)
At 1 January	1,008,635	1,183,822
(Reversal of impairment losses)/impairment losses, net (note 5)	(95,375)	86,330
Disposal of a subsidiary	(151)	—
At 30 June	<b>913,109</b>	1,270,152

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(All amounts in RMB thousands unless otherwise stated)

## 10 TRADE, FINANCING AND BILLS RECEIVABLES (CONTINUED)

## (b) FINANCING RECEIVABLES

An ageing analysis of the financing receivables based on the maturity date at the end of the reporting period, net of provisions, is as follows:

	At 30 June 2024	At 31 December 2023
Less than 3 months	2,723,623	2,122,665
3 months to 6 months	2,646,817	2,237,868
6 months to 12 months	4,181,053	3,209,871
1 year to 2 years	5,359,710	3,829,274
2 years to 3 years	844,812	1,138,798
	<b>15,756,015</b>	12,538,476

The movements in provision for impairment of financing receivables are as follows:

	Six months ended 30 June	
	2024	2023 (restated)
At 1 January	707,340	806,913
Impairment losses, net (note 5)	16,601	22,487
Amount written off as uncollectible	(36,540)	—
At 30 June	<b>687,401</b>	829,400

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### 10 TRADE, FINANCING AND BILLS RECEIVABLES (CONTINUED)

#### (c) BILLS RECEIVABLE

Bills receivable are financial asset at amortised cost and held for the purpose of collection of contractual cash flows.

	At 30 June 2024	At 31 December 2023
Bank acceptance bills	201,746	196,709
Commercial acceptance bills	185,322	284,279
Provision for impairment of commercial acceptance bills	(3,874)	(7,250)
	<b>383,194</b>	473,738

The ageing analysis of bills receivable based on transaction dates at the end of the reporting period, net of provisions, is as follows:

	At 30 June 2024	At 31 December 2023
Less than 3 months	319,780	184,803
3 months to 6 months	57,523	286,149
6 months to 12 months	5,891	2,786
	<b>383,194</b>	473,738

The movement in provision for impairment of bills receivable is as follows:

	Six months ended 30 June	
	2024	2023 (restated)
At 1 January	7,250	13,970
Reversal of impairment losses, net (note 5)	(3,376)	(13,915)
At 30 June	<b>3,874</b>	55

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## 11 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	At 30 June 2024	At 31 December 2023
<b><i>Current portion</i></b>		
Prepayments	688,924	1,419,850
Deposits and other receivables	694,670	611,257
Financial assets at amortised cost (note)	16,194,465	13,571,253
Others	1,556,399	1,486,787
	<b>19,134,458</b>	17,089,147
Provision for impairment - financial assets	<b>(78,037)</b>	(70,357)
	<b>19,056,421</b>	17,018,790
<b><i>Non-current portion</i></b>		
Financial assets at amortised cost (note)	4,413,343	4,966,794
Time deposits	4,046,251	816,943
Long-term deferred expenses	706,806	486,402
Long-term prepayments	213,935	185,970
Others	11,450	10,786
	<b>9,391,785</b>	6,466,895
Provision for impairment - financial assets	—	(59)
Provision for impairment - long-term deferred expenses	<b>(353,721)</b>	(353,721)
	<b>(353,721)</b>	(353,780)
	<b>9,038,064</b>	6,113,115
	<b>28,094,485</b>	23,131,905

note: Financial assets at amortised cost represent financial assets held under resale agreements and debt securities.

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### 12 INVENTORIES

	At 30 June 2024	At 31 December 2023
Raw materials	3,032,796	2,808,311
Work in progress	1,396,234	1,479,755
Finished goods - engines, parts and components	262,321	329,694
Finished goods - trucks and others	9,029,518	9,413,933
	<b>13,720,869</b>	14,031,693
Less: write-down of inventories to net realisable value	<b>(526,487)</b>	(693,292)
	<b>13,194,382</b>	13,338,401

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June	
	2024	2023 (restated)
Carrying amount of inventories sold (note 5)	37,831,992	31,520,247
Write down of inventories	312,949	414,520
Reversal of write-down of inventories	<b>(25,476)</b>	(28,100)
	<b>38,119,465</b>	31,906,667

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**13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	At 30 June 2024	At 31 December 2023
Debt investments		
– bank acceptance bills	<b>6,939,136</b>	8,924,104

The Group receives acceptance bills from its customers to settle their debts and intends to use these acceptance bills either to pay off its trade and other payables or to hold until maturity.

The ageing analysis of these acceptance bills based on transaction dates at the end of the reporting period is as follows:

	At 30 June 2024	At 31 December 2023
Less than 3 months	<b>3,684,436</b>	4,897,165
3 months to 6 months	<b>3,142,327</b>	4,003,737
6 months to 12 months	<b>112,373</b>	23,202
	<b>6,939,136</b>	8,924,104

**14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	At 30 June 2024	At 31 December 2023
Wealth management product		
– with the principal and interest non-guaranteed	<b>9,568,341</b>	10,508,803
Listed equity investments	<b>1,835</b>	3,288
Forward currency contracts	<b>7,406</b>	9,752
	<b>9,577,582</b>	10,521,843

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### 15 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	At 30 June 2024	At 31 December 2023
Cash and bank balances	12,063,214	13,749,099
Time deposits - with original maturity of less than 3 months	3,660,491	1,502,409
Cash and cash equivalents	15,723,705	15,251,508
Time deposits - with original maturity of 3 months to 12 months	730,000	—
Restricted cash	4,550,333	4,933,965
	<b>21,004,038</b>	20,185,473

### 16 TRADE AND BILLS PAYABLES

	At 30 June 2024	At 31 December 2023
Trade payables	35,379,577	31,703,351
Bills payable	16,785,198	14,920,729
	<b>52,164,775</b>	46,624,080

An ageing analysis of the trade and bills payables based on the invoice date as at the end of the reporting period is as follows:

	At 30 June 2024	At 31 December 2023
Less than 3 months	35,542,836	30,129,969
3 months to 6 months	14,504,038	14,027,999
6 months to 12 months	1,868,517	2,270,559
1 year to 2 years	134,710	96,289
2 years to 3 years	61,563	67,100
Over 3 years	53,111	32,164
	<b>52,164,775</b>	46,624,080

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## 17 OTHER PAYABLES AND ACCRUALS

	At 30 June 2024	At 31 December 2023
Other payables	10,997,942	7,898,981
Volume rebate	2,402,377	1,840,691
Contract liabilities	4,216,673	5,231,820
Accruals	2,015,309	2,125,350
Staff salaries and welfare	1,337,303	1,315,312
Termination and post-employment benefits due less than one year (note 19)	184,534	183,031
Other taxes and surcharge payables	640,645	467,471
	<b>21,794,783</b>	19,062,656

## 18 PROVISIONS

	Product warranties	Legal claims	Expected credit losses from the off-balance sheet credit business	Total
At 1 January 2024	1,637,850	80,298	145	1,718,293
Additional provisions	291,890	1,251	—	293,141
Amounts utilised during the period	(382,090)	(1,529)	—	(383,619)
Reversal for the period (note 5)	—	—	(145)	(145)
At 30 June 2024	<b>1,547,650</b>	<b>80,020</b>	<b>—</b>	<b>1,627,670</b>

The Group provides product warranties ranging from half year to three years to its customers on the trucks and buses and five to eight years on the batteries of the buses during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and estimated warranty cost per unit of vehicle sold. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

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### 19 TERMINATION AND POST-EMPLOYMENT BENEFITS

	At 30 June 2024	At 31 December 2023
Termination benefits	295,526	302,841
Post-employment benefits	287,706	290,564
	<b>583,232</b>	593,405
Less: current portion (note 17)	184,534	183,031
Non-current portion	<b>398,698</b>	410,374

The Group estimated the present value of the obligations of its above termination benefits and post-employment benefits with reference to future cash outflows based on average salary increase rate and mortality rate assumptions.

### 20 CAPITAL, RESERVES AND DIVIDENDS

#### (a) SHARE CAPITAL

Ordinary shares, issued and fully paid:

	Number of shares	Share capital
At 1 January 2024 and at 30 June 2024	<b>2,760,993,339</b>	<b>16,717,024</b>

#### (b) PURCHASE OF SHARES

During the interim period, due to the implementation of the share award scheme of the Company mentioned in note 20(c), the Company has set up a structured entity Sinotruk ESPO Trust ("Share Scheme Trust").

As the Company has the power to govern the financial and operating policies of the Share Scheme Trust and can derive benefits from the contributions of the eligible persons who are awarded with the shares by the schemes, the directors of the Company consider that it is appropriate to consolidate the Share Scheme Trust.

The consideration paid by the Share Scheme Trust for purchasing the Company's shares from the market is presented as "Shares held for share award schemes" and the amount is deducted from total equity. During the interim period, the Share Scheme Trust purchased 27,320,000 shares of the Company with the total amount of approximately RMB512,380,000.

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### 20 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (c) EQUITY SETTLED SHARE-BASED TRANSACTIONS

##### Share award scheme

Pursuant to the restricted share award scheme adopted on 17 March 2024, 27,170,000 awarded shares were granted to a total of 188 incentive participants at a grant price of HKD7.58 or RMB6.896 per share. The incentive participants included directors and senior management officers of the Group. The scheme is subject to vesting periods of 24 months, 36 months and 48 months, respectively, from the date of registration of the respective grants of the restricted shares and the vesting proportion to equity interests granted was 30%, 30% and 40% respectively.

Movement in the number of awarded shares for six months ended 30 June 2024 is as follows:

	Number of awarded shares
At 1 January 2024	—
Granted	27,170,000
At 30 June 2024	27,170,000

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the grant date, net of grant price, which was to be expensed over the relevant vesting period. Pursuant to the terms of the restricted share award scheme, the participant shall be entitled to receivable all dividends in respect of the awarded shares since the grant date.

#### (d) DIVIDENDS

The final dividend for the year ended 31 December 2023 was either HK\$1.063 or RMB0.965 (2022 final dividend: either HK\$0.33 or RMB0.29) per share of the Company with total amount of approximately RMB2,665,812,000 (2022 final dividend: approximately RMB812,222,000). The 2023 final dividend and the corresponding withholding dividend tax will be paid in the third quarter of 2024.

At a meeting held on 22 August 2024, the Board declared an interim dividend for the six months ended 30 June 2024 was either HK\$0.72 or RMB0.66 (2023 interim dividend: Nil) per share of the Company with total amount of approximately RMB1,822,157,000 (2023 interim dividend: Nil). The 2024 interim dividend and the corresponding withholding dividend tax will be paid in the fourth quarter of 2024. The 2024 interim dividend has not been recognised as a liability at the end of the reporting period.

During the six months ended 30 June 2024, certain non-wholly owned subsidiaries of the Company have approved the dividends to non-controlling interests amounting to approximately RMB263,253,000 (six months ended 30 June 2023: approximately RMB46,718,000).

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### 21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### (a) FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

##### (i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement as at 30 June 2024 using			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVPL	1,835	7,406	9,568,341	9,577,582
Equity investments designated at FVOCI	—	—	31,925	31,925
Financial assets at FVOCI	—	6,939,136	—	6,939,136
	<u>1,835</u>	<u>6,946,542</u>	<u>9,600,266</u>	<u>16,548,643</u>

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### 21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

##### (i) Fair value hierarchy (Continued)

	Fair value measurement as at 31 December 2023 using			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Financial assets at FVPL	3,288	9,752	10,508,803	10,521,843
Equity investments designated at FVOCI	—	—	31,925	31,925
Financial assets at FVOCI	—	8,924,104	—	8,924,104
	<u>3,288</u>	<u>8,933,856</u>	<u>10,540,728</u>	<u>19,477,872</u>

The Group did not have any financial liabilities measured at fair value as at 30 June 2024 and 31 December 2023.

During the six months ended 30 June 2024, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

During the six months ended 30 June 2024, there were no reclassifications of financial assets, no transfers among level 1, level 2 and level 3 and no other changes in valuation techniques.

##### (ii) Valuation techniques and inputs used in Level 1 and Level 2 fair value measurements

Level 1 financial assets at FVPL comprise equity investment traded on The Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange. Their fair values are based on closing prices.

Level 2 financial assets at FVPL comprise forward currency contracts. The fair values are determined by discounting the difference between the contractual forward price and the current forward price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

Level 2 financial assets at FVOCI comprise bank acceptance bills that are held for collection of contractual cash flow and for selling the financial assets. The fair values are estimated by using a discounted cash flow approach with discount rates quoted in main state-owned banks.

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### 21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

##### (iii) Information about Level 3 fair value measurements

Level 3 financial assets at FVPL include wealth management products acquired from a trust company and from banks with the principals and interest rates non-guaranteed. Their fair values are estimated by using a discounted cash flow approach and main inputs used by the Group are estimated yield rates written in contracts by the counterparties.

Level 3 financial assets at FVOCI include equity investments that are not publicly traded. The Group uses its judgement to select a variety of valuation methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period for fair value measurement. The Group adopts a combination of income and market approaches. The income approach adopts a discounted cash flow method to assess the fair value of these financial assets. Under this methodology, fair value is determined by discounting the projected cash flow of the investee company to present value based on profit and cash flow forecast and other relevant information provided by the investee company. The market approach adopts various sales/income multiples to assess the fair value of these financial assets. Under this methodology, fair value is determined by multiplying various sales/income of the investee company to multipliers with regard to the risks and nature of the business.

The movements in fair value measurement within Level 3 during the period are as follows:

	Six months ended 30 June	
	2024	2023 (restated)
Financial assets at FVPL and equity investments designated at FVOCI:		
At 1 January	10,540,728	4,491,985
Net unrealised gains or losses recognised in the statement of profit or loss included in other income	7,573	31,203
Purchases	7,574,556	5,497,448
Disposal	(8,522,591)	(2,965,711)
At 30 June	9,600,266	7,054,925

#### (b) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE

The carrying amounts of the Group's financial instruments including borrowings carried at cost or amortised cost were not materially different from their fair values as at 31 December 2023 and 30 June 2024.

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 22 COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

	At 30 June 2024	At 31 December 2023
Property, plant and equipment and intangible assets	1,865,827	1,686,380

- (b) The Group had the following credit commitments at the end of the reporting period:

	At 30 June 2024	At 31 December 2023
Issue of bills	—	8,400

### 23 CONTINGENT LIABILITIES

The directors are of the opinion that except for the provision for legal claims already made as disclosed in note 18, there is no material contingent liability in respect of legal claims. The provision for guarantees of product warranties is disclosed in note 18.

### 24 MATERIAL RELATED PARTY TRANSACTIONS

The immediate holding company of the Company is Sinotruk (BVI) Limited, a company incorporated in the British Virgin Islands. The ultimate holding company of the Company is Shandong Heavy Industry Group Co., Ltd. ("SHIG") which is a state-owned company established in the PRC and is controlled by the PRC Government. SHIG and its subsidiaries including CNHTC and Weichai Group Holdings Limited are referred to as SHIG Group.

The directors consider that the major related parties are the SHIG Group, the shareholder of the Company with significance influence over the Group, the associated companies of the Group, the key management personnel of the Company and its holding companies as well as their close family members, and other PRC government-related entities ("Other State-owned Enterprises").

MAN Finance and Holding S.A., which is a non-wholly-owned subsidiary of Ferdinand Porsche Familien Privatstiftung, is a shareholder having significant influence over the Group. FPFPS and its subsidiaries are referred to as the FPFPS Group.

The Group transacts business with certain associated companies including Prinx (Cayman) Holding Limited and its subsidiaries (referred to as "Prinx Cayman Group"), Sinotruk Mianyang Special Vehicles Co., Ltd. ("Mianyang Special Vehicles") and Sinotruk Panzhihua Mining Truck Co., Ltd. ("Panzhihua Mining Truck"). The Group also transacts business with certain associated companies which are also members of the SHIG Group including Chongyou Gaoke Fuel System Co., Ltd. (before disposed of), Suzhou Tsintel Co., Ltd., Weichai Freshen Air Co., Ltd. and Shengrui Transmission Co., Ltd. The Group's business with an associated company, UZ TRUCK AND BUS MOTORS, is grouped with the FPFPS Group.

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) SIGNIFICANT RELATED PARTY TRANSACTIONS

Financing activities with related parties

##### (i) SHIG Group

	Highest balance during the six months ended 30 June 2024	Balance at 30 June 2024	Highest balance during the six months ended 30 June 2023 (restated)	Balance at 30 June 2023 (restated)
<b>Assets</b>				
Financing receivables	521,500	416,000	1,230,000	1,039,000
Loans	519,316	449,616	319,516	244,516
	<b>1,040,816</b>	<b>865,616</b>	1,549,516	1,283,516
<b>Liabilities</b>				
Deposit taking	2,420,651	1,954,622	2,445,334	2,086,861
<b>Others</b>				
Receipt of guarantee	176,994	176,994	38,121	21,767
Financial leasing and guarantees	132,791	130,348	—	—
Repurchase obligations	30,000	30,000	390,000	390,000
Issue of bills	12,000	—	142,150	—
Equity contribution by non-controlling interests to a subsidiary	—	—	2,000	2,000
	<b>351,785</b>	<b>337,342</b>	572,271	413,767

##### (ii) Mianyang Special Vehicles

	Highest balance during the six months ended 30 June 2024	Balance at 30 June 2024	Highest balance during the six months ended 30 June 2024 (restated)	Balance at 30 June 2023 (restated)
<b>Liabilities</b>				
Deposit taking	53	53	53	53

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

## 24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

## (a) SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Trading, servicing, and other transactions with related parties

	Six months ended 30 June	
	2024	2023 (restated)
(i) SHIG Group		
Purchases of spare parts	10,134,701	6,600,884
Purchases of trucks	2,486,474	1,973,013
Sale of trucks	2,082,525	170,112
Sale of spare parts	488,487	362,270
Supply of technology development	35,262	110
Provision of interest subsidy	31,323	4,001
Supply of auxiliary production services	26,537	8,620
Rental income	25,292	19,580
Purchases of general services	25,088	15,782
Interest expense for deposit taking services	16,617	15,444
Aggregate of interest income for loan services	8,222	19,858
Leasing expenses	5,759	9,880
Purchases of right-of-use assets	2,490	—
Purchases of property, plant and equipment	605	443
Sale of property, plant and equipment	55	16
Entrustment loan arrangements charge	50	—
Interest expense for surety	24	231
Purchases of construction and project management services	—	1,095
	<b>15,369,511</b>	<b>9,201,339</b>
(ii) FPFPS Group		
Sale of spare parts	78,968	4,177
(iii) Prinx Cayman Group		
Purchases of spare parts	240,609	120,203
Supply of auxiliary production services	—	15
	<b>240,609</b>	<b>120,218</b>
(iv) Mianyang Special Vehicles		
Purchases of trucks	19,831	5,702
Sale of trucks	7,631	—
Purchases of spare parts	—	2,265
	<b>27,462</b>	<b>7,967</b>

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

	Six months ended 30 June	
	2024	2023 (restated)
(v) Key management compensation		
Short-term employee benefits	5,146	4,239
Share-based payments	549	—
Pension scheme contributions	114	136
	<b>5,809</b>	<b>4,375</b>

#### (b) BALANCES WITH RELATED PARTIES

	At 30 June 2024	At 31 December 2023
Amounts due from related parties		
(i) SHIG Group		
Trade receivables	2,471,706	688,397
Loans	449,616	406,710
Financing receivables	416,000	521,500
Other receivables	65,328	48,252
Prepayments	17,811	253,873
	<b>3,420,461</b>	<b>1,918,732</b>
(ii) Mianyang Special Vehicles		
Trade receivables	599	869
(iii) FPFPS Group		
Trade receivables	26,865	—

The interest rate of financing receivables to related parties are 3.2% (2023 (restated): 3.2%) per annum. The interest rate of loans to an associate are 3.90% to 4.13% (2023 (restated): 4.13% to 4.30%) per annum.

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

## 24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

## (b) BALANCES WITH RELATED PARTIES (CONTINUED)

	At 30 June 2024	At 31 December 2023
Amounts due to related parties		
(i) SHIG Group		
Trade payables	3,342,805	1,610,759
Deposit taking	1,954,622	2,222,290
Other payables	127,701	96,307
Contract liabilities	58,990	16,865
	<b>5,484,118</b>	3,946,221
(ii) FPFPS Group		
Contract liabilities	—	17,842
(iii) Prinx Cayman Group		
Trade payables	242,598	197,670
Other payables	6,921	4,932
	<b>249,519</b>	202,602
(iv) Mianyang Special Vehicles		
Trade payables	4,312	12,610
Other payables	2,971	3,301
Contract liabilities	1,235	1,234
Deposit taking	53	53
	<b>8,571</b>	17,198
(v) Panzhihua Mining Truck		
Contract liabilities	33	33

As at 30 June, financing receivables amounted to RMB416,000,000 (31 December 2023: RMB521,500,000) were secured by properties held by certain members of the CNHTC Group, interest bearing and repayable within 3 years. The remaining financing receivables (including loans to related parties) were unsecured, interest free and due within one year.

As at 30 June 2024 and 31 December 2023, except for deposit taking from related parties bearing interest at rates mutually agreed, all remaining amounts due from/to related parties were all unsecured, interest free and due within one year.

## NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

30 June 2024

(All amounts in RMB thousands unless otherwise stated)

### 24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) BALANCES WITH RELATED PARTIES (CONTINUED)

As at 30 June 2024, trade receivables due from related parties were not past due or impaired.

Balances with other state-owned enterprises

As at 30 June 2024, majority of the Group's bank balances and borrowings were with state-owned banks.

### 25 EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events take place after the reporting period.

### 26 COMPARATIVE FIGURES

#### (a) PRESENTATION OF WARRANTY EXPENSES

To cope with the changes of accounting practices in the PRC truck industries, the Company has recorded the warranty expenses in cost of sales in the consolidated statement of profit or loss. Accordingly, the warranty expenses for the six months ended 30 June 2023 at the amount of approximately RMB512,405,000 was reclassified from the selling and distribution expense to cost of sales.

#### (b) BUSINESS COMBINATION

The Group holds approximately 72.362% equity interest in Weichai Intelligent Technology Co., Ltd. ("Intelligent Technology") after the completion of contribution of additional capital on 27 September 2023 ("Acquisition") and, thereafter, Intelligent Technology become a subsidiary of the Company. Prior to and following the Acquisition, the ultimate holding company of the Company and Intelligent Technology is SHIG. This is a business combination under common control. Accordingly, the results, assets and liabilities of Intelligent Technology should have been accounted for at historical amounts in the consolidated financial statements of the Company as if Intelligent Technology had always been part of the Group. Hence, financial figures for the six months ended 30 June 2023 have been restated.

# SINOTRUK 中国重汽

