

Stock Code: 000570, 200570    Stock Name: Changchai, Changchai-B    Announcement No. 2024-033

## CHANGCHAI COMPANY, LIMITED

### THIRD QUARTERLY REPORT 2024

**Changchai Company, Limited (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions.**

#### Important Notes:

1. The Board of Directors, the Supervisory Committee as well as the directors, supervisors and senior management of the Company hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.

2. The Company’s legal representative, General Manager, and head of the financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are true, accurate and complete.

3. Indicate whether the financial statements in this Report have been audited by an independent auditor.

Yes  No

#### I Key Financial Information

##### (I) Key Accounting Data and Financial Indicators

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

	Q3 2024	YoY change (%)	Q1-Q3 2024	YoY change (%)
Operating revenue (RMB)	462,057,774.62	0.76%	1,957,966,927.25	8.23%
Net profit attributable to the listed company’s shareholders (RMB)	-3,740,213.65	—	46,357,441.50	-70.45%
Net profit attributable to the listed company’s shareholders before exceptional items (RMB)	-17,209,332.16	—	42,636,932.81	—
Net cash generated from/used in operating activities (RMB)	—	—	-310,799,569.86	—
Basic earnings per share (RMB/share)	-0.0053	—	0.0657	-70.45%
Diluted earnings per share (RMB/share)	-0.0053	—	0.0657	-70.45%

Weighted average return on equity (%)	-0.11%	-0.82%	1.34%	-3.33%
	30 September 2024	31 December 2023	Change (%)	
Total assets (RMB)	5,398,904,258.62	5,159,394,958.92	4.64%	
Equity attributable to the listed company's shareholders (RMB)	3,448,089,849.78	3,398,946,911.23	1.45%	

**(II) Exceptional Gains and Losses**

Applicable  Not applicable

Unit: RMB

Item	Q3 2024	Q1-Q3 2024	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-192,127.32	216,118.22	
Government grants recognised in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	172,906.00	365,991.00	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	10,507,456.38	-8,177,138.59	It was mainly attributable to the financial gains arising from the Company's cash management and the changes in the fair value of the stocks of Jiangsu Liance Electromechanical Technology Co., Ltd. and Kailong High Technology Co., Ltd. held by the Company's wholly-owned subsidiary Changzhou Horizon Investment Co., Ltd.
Reversed portion of impairment allowance for accounts receivable which are tested individually for impairment	6,215,662.64	6,215,662.64	
Non-operating income and expense other than the above	228,456.26	1,031,656.86	
Less: Income tax effects	3,481,348.93	-4,228,193.27	
Non-controlling interests effects (net of tax)	-18,113.48	159,974.71	
<b>Total</b>	<b>13,469,118.51</b>	<b>3,720,508.69</b>	

Other items that meet the definition of exceptional gain/loss:

Applicable  Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable  Not applicable

No such cases in the Reporting Period.

### (III) Changes in Key Financial Statement Line Items and Explanation of why

Applicable  Not applicable

#### 1. Consolidated Balance Sheet Items

Item	30 September 2024 (RMB)	1 January 2024 (RMB)	Change (%)	Explanation of why
Monetary assets	615,448,491.57	1,083,867,966.87	-43.22%	Increase in cash dividends, cash used in operating activities and purchase of wealth management products in the Reporting Period.
Trading financial assets	443,908,871.55	225,641,429.94	96.73%	Increase in wealth management products purchased by the Company in the Reporting Period.
Accounts receivable	1,251,532,755.81	316,543,159.91	295.38%	Increase of accounts receivable since most of the Company's multi-cylinder diesel engine customers are supporting companies of main engine, which are usually given longer payment days and the Company properly allowed customers' buying on credit for more markets to step up efforts to expand the market.
Receivables financing	48,891,443.83	195,875,948.92	-75.04%	Decrease in bank acceptance bills with higher credit rating held by the Company at the end of the Reporting Period.
Other receivables	5,616,318.99	49,699,753.61	-88.70%	Receiving the remaining housing expropriation compensation of Changzhou Wuxing Branch Company.
Current portion of non-current assets	0.00	40,773,509.75	-100.00%	Expiration of three-year fixed time deposits during the Reporting Period.
Construction in progress	6,415,304.75	4,275,622.18	50.04%	Increase in input of the Company in technical transformation project.
Deferred income tax assets	4,174,238.86	1,518,995.79	174.80%	This mainly resulted from the increase in bad debt provision, which led to an increase in deferred tax assets.
Other non-current assets	1,439,496.77	2,578,776.77	-44.18%	Decrease in prepayment for purchasing equipment in the Reporting Period.
Notes payable	723,830,422.54	528,139,582.33	37.05%	This is mainly due to the fact that companies pay for goods in the form of bank drafts more often.
Advances from customers	30,499,552.75	1,647,441.22	1751.33%	Receiving the first installment of compensation for Sanjing Land in advance in the Reporting Period.
Employee benefits payable	10,173,471.06	47,738,883.57	-78.69%	Salaries and bonuses accrued last period were paid in the Reporting Period.
Other current	44,296,616.19	67,069,965.96	-33.95%	Expiration of payment business for

liabilities				unexpired but transferred notes.
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## 2. Consolidated Income Statement Items for Q1~Q3

Item	Q1~Q3 2024 (RMB)	Q1~Q3 2023 (RMB)	Change (%)	Explanation of why
Finance costs	-9,749,152.97	-4,386,564.04	—	Increased exchange gains and decreased interest expenses.
Gain on changes in fair value	-25,457,675.31	50,146,450.23	—	Decrease in the fair value of stocks of Jiangsu Liance Electromechanical Technology Co., Ltd. and Kailong High Technology Co., Ltd. held by the Company's wholly-owned subsidiary Changzhou Horizon Investment Co., Ltd. in the Reporting Period compared to the beginning of the period.
Asset disposal income	216,118.22	105,700,898.12	-99.80%	Expropriation of constructions on the state-owned land of Changzhou Wuxing Branch Company in the previous period, while there was no such matter in the current period.
Non-operating income	1,406,648.75	635,091.37	121.49%	Disposal of non-payments during the Reporting Period.
Non-operating expense	374,991.89	2,376,057.47	-84.22%	Decreased abandonment losses during the Reporting Period.
Income tax expense	6,488,637.31	12,136,766.20	-46.54%	This mainly resulted from the decrease in profits during the reporting period and the changes in deferred tax assets and liabilities.
Net profit attributable to shareholders of the Company as the parent	46,357,441.50	156,869,023.89	-70.45%	Expropriation of constructions on the state-owned land of Changzhou Wuxing Branch Company in the previous period and increase in fair value of equity held by the Company in Jiangsu Horizon New Energy Technology Co., Ltd., while there were no such matters in the current period; Decrease in the fair value of stocks of Jiangsu Liance Electromechanical Technology Co., Ltd. and Kailong High Technology Co., Ltd. held by the Company's wholly-owned subsidiary Changzhou Horizon Investment Co., Ltd. compared to the beginning of the period.

## 3. Consolidated Cash Flow Statement Items for Q1~Q3

Item	Q1~Q3 2024 (RMB)	Q1~Q3 2023 (RMB)	Change (%)	Explanation of why
Net cash generated from/used in operating activities	-310,799,569.86	-214,128,249.30	—	Most of the Company's multi-cylinder diesel engine customers are supporting companies of main engine, which are usually given longer payment days and the Company properly allowed customers' buying on credit for more markets to step up efforts to expand the market, relative to the capital return of less.
Net cash generated from/used in investing	-196,693,373.04	12,802,394.50	—	Increase in investment in wealth management in the Reporting Period

activities				
Net cash generated from/used in financing activities	-33,171,402.31	-8,773,914.91	—	Increase in the amount of cash dividends paid by the Company during the Reporting Period in order to improve the return on investment

## II Shareholder Information

### (I) Numbers of Ordinary Shareholders and Preference Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders		51,659	Number of preference shareholders with resumed voting rights (if any)		0	
Top 10 shareholders (exclusive of shares lent in refinancing)						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge, marked or frozen	
					Status	Shares
Changzhou Investment Group Co., Ltd.	State-owned corporation	32.26%	227,663,417			
Chen Jian	Domestic individual	0.55%	3,915,600			
KGI ASIA LIMITED	Foreign corporation	0.44%	3,100,195			
Wu Chunhua	Domestic individual	0.32%	2,236,500			
Chen Hengjun	Domestic individual	0.23%	1,649,100	0	N/A	0
Li Suinan	Domestic individual	0.23%	1,600,300			
Zhang Wenbing	Domestic individual	0.22%	1,556,700			
Huang Guoliang	Domestic individual	0.22%	1,528,891			
Lu Zhang	Domestic individual	0.21%	1,486,743			
Xue Hong	Domestic individual	0.20%	1,380,600			
Top 10 unrestricted shareholders (exclusive of shares lent in refinancing and locked shares of executives)						
Name of shareholder	Unrestricted shares held	Shares by class				
		Class	Shares			
Changzhou Investment Group Co., Ltd.	227,663,417	RMB-denominated ordinary share	227,663,417			
Chen Jian	3,915,600	RMB-denominated ordinary share	3,915,600			
KGI ASIA LIMITED	3,100,195	Domestically listed foreign share	3,100,195			

Wu Chunhua	2,236,500	RMB-denominated ordinary share	2,236,500
Chen Hengjun	1,649,100	RMB-denominated ordinary share	1,649,100
Li Suinan	1,600,300	Domestically listed foreign share	1,600,300
Zhang Wenbing	1,556,700	RMB-denominated ordinary share	1,556,700
Huang Guoliang	1,528,891	Domestically listed foreign share	1,528,891
Lu Zhang	1,486,743	Domestically listed foreign share	1,486,743
Xue Hong	1,380,600	Domestically listed foreign share	1,380,600
Related or acting-in-concert parties among the shareholders above	It is unknown whether there is among the top 10 public shareholders and the top 10 unrestricted public shareholders any related parties or acting-in-concert parties as defined in the Administrative Measures for Information Regarding Shareholding Alteration.		
Top 10 shareholders engaged in securities margin trading	Shareholders Chen Jian and Wu Chunhua respectively held 3,915,600 and 2,236,500 shares in the Company through their credit accounts.		

5% or greater shareholders, top 10 shareholders and Top 10 unrestricted shareholders involved in refinancing shares lending

Applicable  Not applicable

Changes in top 10 shareholders and top 10 unrestricted shareholders due to refinancing shares lending/return compared with the prior period

Applicable  Not applicable

## (II) Number of Preference Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

## III Other Significant Events

Applicable  Not applicable

On 29 August 2024, the Company convened the 4<sup>th</sup> Extraordinary Meeting of the Board of Directors and approved the *Proposal on Capital Increase in Jiangsu Changchai Machinery Co., Ltd.* The Board agreed that the Company would increase the capital of its wholly-owned subsidiary Jiangsu Changchai Machinery Co., Ltd. by RMB291,835,919.91 (including the unpaid interest on the loan of RMB4,958,090.18) by way of transferring debts to capital surplus, and the entire amount of the capital increase would be included into capital surplus. As of the end of the Reporting Period, the Company has completed the capital increase in Jiangsu Changchai Machinery Co., Ltd.

## IV Quarterly Financial Statements

### (I) Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by Changchai Company, Limited

30 September 2024

Unit: RMB

	30 September 2024	1 January 2024
Current assets:		
Monetary assets	615,448,491.57	1,083,867,966.87
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	443,908,871.55	225,641,429.94
Derivative financial assets		
Notes receivable	137,258,968.27	161,632,567.94
Accounts receivable	1,251,532,755.81	316,543,159.91
Receivables financing	48,891,443.83	195,875,948.92
Prepayments	14,046,192.48	12,333,310.85
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	5,616,318.99	49,699,753.61
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	616,704,313.56	789,220,185.68
Including: Data resource		
Contract assets		
Assets held for sale	2,951,451.11	
Current portion of non-current assets		40,773,509.75
Other current assets	15,166,800.73	20,910,504.84
Total current assets	3,151,525,607.90	2,896,498,338.31
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		

Long-term receivables		
Long-term equity investments		
Investments in other equity instruments	1,009,502,025.67	969,488,025.67
Other non-current financial assets	412,914,576.80	412,914,576.80
Investment property	38,265,022.94	39,837,558.11
Fixed assets	623,207,067.13	675,596,920.95
Construction in progress	6,415,304.75	4,275,622.18
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	143,901,435.67	148,458,185.68
Including: Data resource		
Development costs		
Including: Data resource		
Goodwill		
Long-term prepaid expense	7,559,482.13	8,227,958.66
Deferred income tax assets	4,174,238.86	1,518,995.79
Other non-current assets	1,439,496.77	2,578,776.77
Total non-current assets	2,247,378,650.72	2,262,896,620.61
Total assets	5,398,904,258.62	5,159,394,958.92
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	723,830,422.54	528,139,582.33
Accounts payable	612,980,631.68	641,484,184.05
Advances from customers	30,499,552.75	1,647,441.22
Contract liabilities	38,261,365.80	33,352,877.66
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	10,173,471.06	47,738,883.57
Taxes and levies payable	6,437,433.36	6,231,169.74



Other payables	205,701,020.97	159,023,382.81
Including: Interest payable		
Dividends payable	3,891,433.83	3,891,433.83
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		
Other current liabilities	44,296,616.19	67,069,965.96
Total current liabilities	1,672,180,514.35	1,484,687,487.34
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	30,238,599.38	32,795,896.48
Deferred income tax liabilities	171,138,844.36	171,843,455.52
Other non-current liabilities		
Total non-current liabilities	201,377,443.74	204,639,352.00
Total liabilities	1,873,557,958.09	1,689,326,839.34
Owners' equity:		
Share capital	705,692,507.00	705,692,507.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	640,509,675.84	640,509,675.84
Less: Treasury stock		
Other comprehensive income	701,192,221.82	667,180,321.82
Specific reserve	21,373,234.40	19,432,089.52
Surplus reserves	363,695,592.34	363,695,592.34
General reserve		
Retained earnings	1,015,626,618.38	1,002,436,724.71
Total equity attributable to owners of the Company as the parent	3,448,089,849.78	3,398,946,911.23

Non-controlling interests	77,256,450.75	71,121,208.35
Total owners' equity	3,525,346,300.53	3,470,068,119.58
Total liabilities and owners' equity	5,398,904,258.62	5,159,394,958.92

Legal representative: Xie Guozhong

General Manager: Xie Guozhong

Head of the accounting department: Jiang He

## 2. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2024	Q1~Q3 2023
1. Revenues	1,957,966,927.25	1,809,074,804.85
Including: Operating revenue	1,957,966,927.25	1,809,074,804.85
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	1,880,745,679.29	1,793,921,012.03
Including: Cost of sales	1,640,211,081.77	1,550,178,804.98
Interest expense		
Fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	12,703,429.37	11,219,574.86
Selling expense	99,502,748.28	91,990,466.03
Administrative expense	81,859,808.25	76,256,928.17
R&D expense	56,217,764.59	68,661,802.03
Finance costs	-9,749,152.97	-4,386,564.04
Including: Interest expense	1,893,598.30	4,289,281.12
Interest income	8,523,735.87	8,242,392.28
Add: Other income	2,979,040.74	4,244,083.10
Return on investment (“-” for loss)	15,776,718.57	17,099,924.85
Including: Share of profit or loss of joint ventures and associates		
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-25,457,675.31	50,146,450.23
Credit impairment loss (“-” for loss)	-12,325,470.52	-14,981,433.04

Asset impairment loss (“-” for loss)	-460,315.31	-565,273.49
Asset disposal income (“-” for loss)	216,118.22	105,700,898.12
3. Operating profit (“-” for loss)	57,949,664.35	176,798,442.59
Add: Non-operating income	1,406,648.75	635,091.37
Less: Non-operating expense	374,991.89	2,376,057.47
4. Gross profit (“-” for loss)	58,981,321.21	175,057,476.49
Less: Income tax expense	6,488,637.31	12,136,766.20
5. Net profit (“-” for net loss)	52,492,683.90	162,920,710.29
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	52,492,683.90	162,920,710.29
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent (“-” for net loss)	46,357,441.50	156,869,023.89
5.2.2 Net profit attributable to non-controlling interests (“-” for net loss)	6,135,242.40	6,051,686.40
6. Other comprehensive income, net of tax	34,011,900.00	77,648,350.00
Attributable to owners of the Company as the parent	34,011,900.00	77,648,350.00
6.1 Items that will not be reclassified to profit or loss	34,011,900.00	77,648,350.00
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	34,011,900.00	77,648,350.00
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss		
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	86,504,583.90	240,569,060.29
7.1 Attributable to owners of the Company as the parent	80,369,341.50	234,517,373.89
7.2 Attributable to non-controlling interests	6,135,242.40	6,051,686.40
8. Earnings per share		

8.1 Basic earnings per share	0.0657	0.2223
8.2 Diluted earnings per share	0.0657	0.2223

Legal representative: Xie Guozhong

General Manager: Xie Guozhong

Head of the accounting department: Jiang He

### 3. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2024	Q1~Q3 2023
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,322,840,250.44	1,446,377,641.19
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, fees and commissions received		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax and levy rebates	16,822,139.93	88,252,376.59
Cash generated from other operating activities	13,572,617.70	15,970,772.52
Subtotal of cash generated from operating activities	1,353,235,008.07	1,550,600,790.30
Payments for commodities and services	1,263,331,531.66	1,374,158,537.72
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to and for employees	224,982,336.51	242,312,537.73
Taxes and levies paid	45,480,904.08	31,292,358.05
Cash used in other operating activities	130,239,805.68	116,965,606.10
Subtotal of cash used in operating activities	1,664,034,577.93	1,764,729,039.60
Net cash generated from/used in operating activities	-310,799,569.86	-214,128,249.30
2. Cash flows from investing activities:		
Proceeds from disinvestment	601,500,000.00	877,716,751.99
Return on investment	15,776,718.57	17,099,924.85

Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	76,476,578.33	58,171,702.95
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	693,753,296.90	952,988,379.79
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	14,652,345.94	150,108,371.29
Payments for investments	875,794,324.00	790,077,614.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	890,446,669.94	940,185,985.29
Net cash generated from/used in investing activities	-196,693,373.04	12,802,394.50
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Interest and dividends paid	33,171,402.31	8,773,914.91
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	33,171,402.31	8,773,914.91
Net cash generated from/used in financing activities	-33,171,402.31	-8,773,914.91
4. Effect of foreign exchange rates changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-540,664,345.21	-210,099,769.71
Add: Cash and cash equivalents, beginning of the period	971,629,523.46	810,350,966.05
6. Cash and cash equivalents, end of the period	430,965,178.25	600,251,196.34

Legal representative: Xie Guozhong

General Manager: Xie Guozhong

Head of the accounting department: Jiang He

**(II) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2024**

Applicable  Not applicable

**(III) Independent Auditor's Report**

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes  No

These financial statements have not been audited by such an auditor.

The Board of Directors  
Changchai Company, Limited  
30 October 2024