

Share's name: Jiangling Motors Share's code: 000550 No.: 2010-031
Jiangling B 200550

Jiangling Motors Corporation, Ltd.
2010 Third Quarter Report

§ 1 Important Note

1.1 The Board of Directors and its members, the Supervisory Board and its members, and the senior executives are jointly and severally liable for the truthfulness, accuracy and completeness of the information disclosed in the report and confirm that the information disclosed herein does not contain false statements, misrepresentations or major omissions.

1.2 The Directors, Supervisors, and Senior Management undertake and have no objection to the truthfulness, accuracy and completeness of the contents of the Third Quarter Report.

1.3 All the Directors were present at the Board meeting.

1.4 The financial statements in this Quarterly Report are not audited.

1.5 Chairman Wang Xigao, President Yuan-Ching Chen, CFO Michael Joseph Brielmaier and Chief of Finance Department, Ding Ni, confirm that the financial statements in this Quarterly Report are truthful and complete.

1.6 All financial data in this Quarterly Report are prepared under International Financial Reporting Standards ('IFRS') unless otherwise specified.

§ 2 Brief Introduction

2.1 Main accounting data and financial indicators

Unit: RMB'000

	At the end of reporting period	At the end of the previous year	Change (%)	
Total Assets	9,877,167	8,294,346	19.08	
Shareholder's equity Attributable to the Equity Holders of the Company	5,870,611	4,843,947	21.19	
Share Capital	863,214	863,214	0	
Net Assets Per Share Attributable to the Equity Holders of the Company (RMB)	6.80	5.61	21.19	
	Reporting period (2010 third quarter)	Change (%)	Beginning of year to end of reporting period	Change (%)
Revenue	3,965,946	42.84	11,641,763	55.24
Profit Attributable to the Equity Holders of the Company	410,127	22.25	1,449,639	89.41
Net Cash Generated From Operating Activities	-	-	1,953,084	-17.09
Net Cash Flow Per Share from Operating Activities (RMB)	-	-	2.26	-17.09
Basic Earnings Per Share (RMB)	0.48	22.25	1.68	89.41
Diluted Earnings Per Share (RMB)	0.48	22.25	1.68	89.41
Weighted Average Return on Net Asset Ratio (%)	7.62	Down 0.34 percentage points	26.48	Up 8.99 percentage points

2.2 Total number of shareholders and top ten shareholders holding unlimited tradable shares as at the end of reporting period

Total shareholders at the end of reporting period	JMC had 17,499 shareholders, including 11,603 A-share holders and 5,896 B-share holders, as of September 30, 2010.	
Top ten shareholders holding unlimited tradable shares		
Name	Shares as of September 30, 2010	Share Type
Jiangling Motor Holding Co., Ltd. ("JMH")	354,176,000	A share
Ford Motor Company	258,964,200	B share
Bosera Thematic Sector Equity Securities Investment Fund	14,982,828	A share
Shanghai Automotive Co., Ltd.	13,019,610	A share
Dragon Billion China Master Fund	9,684,488	B share
Bosera Emerging Growth Securities Investment Fund	8,499,999	A share
ChinaAMC Growth Securities Investment Fund	8,490,607	A share
National Social Security Fund- Portfolio 102	8,173,367	A share
China Life Insurance (Group) Company	5,276,172	A share
Invesco Great Wall Domestic Demand II Securities Investment Fund	4,672,107	A share

§ 3 Major Events

3.1 Causes and explanations of major changes of financial indicators compared with those of previous reporting period

√ Applicable Not Applicable

In the first nine months of 2010, the Company achieved a sales volume of 132,960 units, including 50,685 JMC-brand trucks, 43,860 JMC-brand pickups and SUVs, and 38,415 Ford-brand commercial vehicles. Total sales volume was up 61% from the same period last year. Under IFRS, revenue and net profit for the first nine months of 2010 was RMB 11,642 million and RMB 1,450 million, up 55% and 89% respectively from the same period last year.

In the third quarter of 2010, net profit was RMB 410 million, up 22% from the same period last year. Gross profit margin was 25.5%, down approximately 2.5 percentage points from the same period last year, primarily reflecting pricing actions for selected products.

Trade and other receivables increased by RMB 261 million, up 72% from the end of 2009, primarily reflecting increased sales volume and increased credit lines to support dealer sales.

Current income tax liabilities increased by RMB 45 million, up 158% from the end of 2009, primarily reflecting the increase of revenue and profit.

Distribution costs in the third quarter increased by RMB 64 million, up 30%

compared with the same period last year, primarily reflecting increased sales volume.

Administrative expenses in the third quarter increased by RMB 62 million, up 46% compared with the same period last year, primarily reflecting higher engineering spending on new products.

2010 year-to-date income tax expenses increased by RMB 94 million, up 60% compared with the same period last year, primarily reflecting higher profits.

Cash and cash equivalents at the end of the reporting period increased by RMB 1,289 million, up 33% from the end of 2009, primarily reflecting increased profits.

2010 year-to-date net operating cash flow was RMB 403 million lower than 2009, primarily reflecting increased receivables and higher tax payments.

2010 year-to-date net cash used in investing activities was RMB 149 million lower than 2009, down 40% compared with the same period last year, mainly reflecting timing differences of facility and tooling investments.

2010 year-to-date net cash used in financing activities was RMB 171 million higher than 2009, up 63% compared with the same period last year, primarily reflecting an increased cash dividend payment.

3.2 Analysis of major events, their impacts and resolutions

3.2.1 Abnormal audit report

Applicable Not Applicable

3.2.2 Funds provided for the controlling shareholder and its related parties, or outside guarantee in breach of the laws and regulations

Applicable Not Applicable

3.2.3 Signature and implementation of major contract regarding routine operation activities

Applicable Not Applicable

3.2.4 Others

Applicable Not Applicable

3.3 Implementation of commitments made by the Company, shareholders or actual controlling parties

Item	Promisor	Commitments' Content	Implementation of commitments
Share reform	JMH	*	In the reporting period, JMH exercised its commitments sincerely and did not breach the promise.
Acquisition report or Statement of changes in equity	None	None	N/A
Major asset restructuring	None	None	N/A
Initial Public Offering	None	None	N/A
Other commitments (including additional commitments)	None	None	N/A

*JMH, which holds 41.03% of JMC total shares, issued letters of commitment, and declared and promised the following:

- (1) according to the requirements of Rules on Implementing the Full Tradable Share Reform of the Listed Companies, legal commitments will be fulfilled in accordance with provisions of the stock exchange rules, regulations and laws;
- (2) the promisor ensures that it will compensate losses resulting from partial or complete non-fulfillment of its promises to other shareholders; and
- (3) the promisor will fulfill its commitments faithfully and accept relevant legal responsibility, and it will not transfer its shares unless the transferee agrees and accepts liability to undertake the responsibility of the promise.

JMH promises specifically to pay the consideration on behalf of the unlisted-share holders who opposed the Share Reform or did not express their opinions. The above-mentioned unlisted-share holders should repay the consideration paid by JMH and the interest, or obtain written consent from JMH, if they want to list their shares.

3.4 Warning and explanations as to the situation that accumulated net profit during the period from year beginning to the end of next reporting period may be negative or, compared with the same period last year, may have a substantial change

√ Applicable Not Applicable

The Company is projecting a net profit about RMB 1.7 billion for 2010, up about 60% from last year, primarily reflecting substantial volume increase associated with industry growth and share performance.

3.5 Explanations on other major events

3.5.1 Securities investments

Applicable √ Not Applicable

3.5.2 External research and media interviews with the Company in the reporting period

Date	Place	Communication Method	Object	Information discussed and sources offered
July 13, 2010	In the Company	Oral Communication	Nine analysts from CITIC Securities Company Limited, China Merchants Fund Management Co., Ltd., China International Capital Corporation Limited, Sunshine Insurance Group Corporation Limited, Maida Investment Consulting Co., Ltd., China Life Insurance (Group) Company, Baoying Fund Management Co., Ltd., Penghua Fund Management Co., Ltd., HSBC JinTrust Fund Management Co., Ltd.	JMC Operating highlights
July 16, 2010	In the Company	Oral Communication	Two analysts from Shanghai Yongzhi Investment Management Co., Ltd.	JMC Operating highlights
July 22, 2010	In the Company	Oral Communication	Three analysts from GF Securities Co., Ltd., China Asset Management Co., Ltd.	JMC Operating highlights
August 13, 2010	In the Company	Oral Communication	An analyst from China Southern Fund Management Co., Ltd.	JMC Operating highlights
September 21, 2010	In the Company	Oral Communication	Three analysts from Guodu Securities Company, Guangdong New Value Investment Company	JMC Operating highlights

3.6 Securities derivatives investment

Applicable Not Applicable

3.6.1 Balance of securities derivatives at the end of reporting period

Applicable Not Applicable

Board of Directors
 Jiangling Motors Corporation, Ltd.
 October 26, 2010

Appendix

Jiangling Motors Corporation, Ltd.

Consolidated Balance Sheet

(Prepared under International Financial Reporting Standards)

(All amounts in RMB thousands)

	30 September 2010*	31 December 2009
ASSETS		
Non-current assets		
Property, plant and equipment	2,573,755	2,491,159
Lease prepayment	279,501	284,393
Intangible assets	29,421	31,856
Investments in associates	15,896	17,292
Deferred income tax assets	143,918	134,133
	3,042,491	2,958,833
Current assets		
Inventories	1,008,724	1,059,798
Trade and other receivables	622,862	361,892
Cash and cash equivalents	5,203,090	3,913,823
	6,834,676	5,335,513
Total assets	9,877,167	8,294,346
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	863,214	863,214
Share premium	816,609	816,609
Other reserves	457,650	457,650
Retained earnings	3,733,138	2,706,474
	5,870,611	4,843,947
Minority interest in equity	102,948	102,906
Total equity	5,973,559	4,946,853
LIABILITIES		
Non-current liabilities		
Borrowings	7,240	7,601
Retirement benefit obligations	59,905	70,475
Warranty provisions	153,643	122,361
	220,788	200,437
Current liabilities		
Trade and other payables	3,570,114	3,079,345
Current income tax liabilities	73,977	28,716
Borrowings	25,181	25,447
Retirement benefits obligations	13,548	13,548
	3,682,820	3,147,056
Total liabilities	3,903,608	3,347,493
Total equity and liabilities	9,877,167	8,294,346

*: Unaudited financial indexes

Jiangling Motors Corporation, Ltd. Consolidated Income Statement

(Prepared under International Financial Reporting Standards)

(All amounts in RMB thousands)	2010.7.1- 2010.9.30*	2009.7.1- 2009.9.30*	2010.1.1- 2010.9.30*	2009.1.1- 2009.9.30*
Revenue	3,965,946	2,776,585	11,641,763	7,499,031
Sales tax	(70,022)	(50,892)	(201,421)	(127,137)
Cost of sales	(2,954,385)	(1,998,445)	(8,629,733)	(5,548,357)
Gross profit	941,539	727,248	2,810,609	1,823,537
Distribution costs	(280,321)	(215,850)	(661,557)	(535,004)
Administrative expenses	(196,941)	(134,821)	(488,309)	(390,199)
Other income/(expenses)	(2,438)	3,050	(6,317)	5,343
Operating profit	461,839	379,627	1,654,426	903,677
Finance income	22,126	18,771	64,489	40,555
Finance costs	(1,051)	(1,706)	(1,896)	(3,186)
Finance income -net	21,075	17,065	62,593	37,369
Share of profit of associates	1,480	1,899	5,077	3,816
Profit before income tax	484,394	398,591	1,722,096	944,862
Income tax expense	(68,314)	(58,304)	(251,196)	(156,709)
Profit for the period	416,080	340,287	1,470,900	788,153
Profit attributable to:				
Equity holders of the Company	410,127	335,480	1,449,639	765,332
Minority interest	5,953	4,807	21,261	22,821
	416,080	340,287	1,470,900	788,153
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	416,080	340,287	1,470,900	788,153
Total comprehensive income attributable to:				
Equity holders of the Company	410,127	335,480	1,449,639	765,332
Minority interest	5,953	4,807	21,261	22,821
	416,080	340,287	1,470,900	788,153
Earnings per share for profit attributable to the equity holders of the Company (expressed in RMB per share)				
- Basic and diluted	0.48	0.39	1.68	0.89

*: Unaudited financial indexes

Jiangling Motors Corporation, Ltd. Consolidated cash flow statement

(Prepared under International Financial Reporting Standards)

(All amounts in RMB thousands)

	2010.7.1-2010.9.30*	2010.1.1-2010.9.30*
Cash flows from operating activities		
Cash generated from operations	557,584	2,159,239
Interest paid	(219)	(930)
Income Tax paid	(103,771)	(205,225)
Net cash generated from operating activities	453,594	1,953,084
Cash flows from investing activities		
Purchase of property, plant and equipment("PPE")	(146,837)	(276,417)
Proceeds from disposal of PPE	50	1,616
Interest received	17,001	48,368
Dividends received	6,473	6,473
Net cash used in investing activities	(123,313)	(219,960)
Cash flows from financing activities		
Proceeds from borrowings	10,000	35,019
Repayments of borrowings	(10,000)	(35,224)
Dividends paid to the Company's shareholders	(421,513)	(421,578)
Dividends paid to minority shareholders of a subsidiary	(21,219)	(21,219)
Other cash paid relating to financing activities	(655)	(860)
Net cash used in financing activities	(443,387)	(443,862)
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of period	-	3,913,823
Cash and cash equivalents at 30 June 2010	5,316,195	-
Effects of exchange rate changes	1	5
Cash and cash equivalents at end of period	5,203,090	5,203,090

*: Unaudited financial indexes