

Share's name: Jiangling Motors Share's code: 000550 No.: 2014-017
Jiangling B 200550

Jiangling Motors Corporation, Ltd.

2014 First 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 First Quarter Report.

1.3 All Directors were present at the Board meeting in person.

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

1.5 Chairman Wang Xigao, President Yuan-Ching Chen, CFO Dennis Leu 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

	2014 First Quarter	2013 First Quarter	Change (%)
Revenue	6,190,539	4,900,875	26.31
Profit Attributable to the Equity Holders of the Company	598,647	499,879	19.76
Net Cash Generated From Operating Activities	617,370	886,373	-30.35
Basic Earnings Per Share (RMB)	0.69	0.58	19.76
Diluted Earnings Per Share (RMB)	0.69	0.58	19.76
Weighted Average Return on Net Asset Ratio (%)	6.32	6.00	Up 0.32 percentage point
	March 31, 2014	December 31, 2013	Change (%)
Total Assets	17,103,962	16,484,699	3.76
Shareholders' Equity Attributable to the Equity Holders of the Company	9,772,646	9,173,999	6.53

2.2 Total number of shareholders and top ten shareholders at the end of reporting period

Total shareholders	JMC had 18,851 shareholders, including 14,324 A-share holders and 4,527 B-share holders as of March 31, 2014.				
Top ten shareholders					
Shareholder Name	Shareholder Type	Shareholding Percentage (%)	Shares at the End of 2014 First Quarter	Shares with Trading Restriction	Shares due to mortgage or frozen
Jiangling Motor Holding Co., Ltd.	State-owned legal person	41.03	354,176,000	0	0
Ford Motor Company ("Ford")	Foreign legal person	32	276,228,394	0	0
Shanghai Automotive Co., Ltd.	State-owned Legal person	1.51	13,019,610	0	0
Canada Pension Plan Investment Board	Foreign legal person	0.92	7,923,990	0	0
CICC (Hong Kong) Asset Management	Foreign legal person	0.75	6,487,675	0	0

Co., Ltd.					
Jpmblsa Re Ftif Templeton China Fund Gti 5497	Foreign legal person	0.70	6,071,850	0	0
National Social Security Fund-Portfolio 418	Domestic non-state-owned legal person	0.65	5,635,460	0	0
Morgan Stanley & Co. International Plc	Foreign legal person	0.64	5,545,489	0	0
Bank of Communications Schroder Selected Securities Investment Fund	Domestic non-state-owned legal person	0.57	4,909,986	0	0
Bank of Communications Schroder Prudent & Mixed Securities Investment Fund	Domestic non-state-owned legal person	0.55	4,785,584	0	0

Top ten shareholders holding unlimited tradable shares

Shareholder Name	Shares without Trading Restriction	Share Type
Jiangling Motor Holding Co., Ltd.	354,176,000	A share
Ford Motor Company	276,228,394	B share
Shanghai Automotive Co., Ltd.	13,019,610	A share
Canada Pension Plan Investment Board	7,923,990	A share
CICC (Hong Kong) Asset Management Co., Ltd.	6,487,675	A share
Jpmblsa Re Ftif Templeton China Fund Gti 5497	6,071,850	B share
National Social Security Fund- Portfolio 418	5,635,460	A share
Morgan Stanley & Co. International Plc	5,545,489	A share
Bank of Communications Schroder Selected Securities Investment Fund	4,909,986	A share
Bank of Communications Schroder Prudent & Mixed Securities Investment Fund	4,785,584	A share
Notes on association among above-mentioned shareholders	Bank of Communications Schroder Selected Securities Investment Fund and Bank of Communications Schroder Prudent & Mixed Securities Investment Fund are in custody of Bank of Communications Schroder Fund Management Co., Ltd.	

§ 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 quarter of 2014, JMC sold 67,125 vehicles, including 21,758 JMC-brand trucks, 19,907 JMC-brand pickups, 8,183 Yusheng-brand SUVs, and 17,277 Ford-brand commercial vehicles. Total sales volume increased by 19% compared with the same period last year. Revenue and net profit during the reporting period were RMB 6,191 million and RMB 599 million, up 26.3% and 19.8% respectively compared with the same period last year.

In the first quarter of 2014, JMC achieved 24.6% gross profit margin, a decrease of 1.2 percent compared with the same period last year, mainly attributed to changes of product line mix.

Current income tax liabilities at the end of the reporting period increased by RMB 67 million, or 78% from the end of 2013, primarily reflecting the increase of income tax payable.

Sales tax in the first quarter of 2014 increased by RMB 77 million, up 46% compared with the same period last year, primarily reflecting the volume increasing and higher mixes of SUV and Transit vehicle.

Distribution costs in the first quarter of 2014 increased by RMB 170 million, up 73% compared with the same period last year, primarily reflecting the growth of product volume.

Other income in the first quarter of 2014 increased by RMB 89 million compared with the same period last year, mainly reflecting government grants appropriated by Qingyunpu District, Nanchang City and Xiaolan Economy Development Zone, Nanchang County.

Finance income-net in the first quarter of 2014 increased by RMB 22 million, up 65% compared with the same period last year, primarily reflecting higher bank deposit interests.

2014 year-to-date net cash used in operating activities was RMB 617 million, decreased by RMB 269 million, down 30% compared with the same period of

2013, primarily reflecting the changes of operating activities.

2014 year-to-date net cash used in investing activities was RMB 175 million, decreased by RMB 218 million, down 56% compared with the same period of 2013, primarily reflecting the payment for acquiring the equity of Taiyuan Changan Heavy Truck Company in the first quarter of 2013.

2014 year-to-date net cash used in financing activities was 0.16 million, decreased by RMB 550 million, down 100% compared with the same period of 2013, primarily reflecting the repayment of borrowing of JMC Heavy Duty Vehicle Co., Ltd. in the first quarter of 2013.

3.2 Analysis of major events, their impacts and resolutions

Applicable Not Applicable

3.3 Commitments made by the Company or the shareholder holding 5% or more of the Company shares during the reporting period

Applicable Not Applicable

Item	Promisor	Content of Commitments	Time	Term of Commitments	Implementation of commitments
Share reform		None	None	None	N/A
Acquisition report or Statement of changes in equity		None	None	None	N/A
Asset restructuring		None	None	None	N/A
Initial Public Offering or re-funding		None	None	None	N/A
Other commitments	Ford	*	December 2, 2013	within 6 months as of November 29, 2013	In the reporting period, Ford exercised its commitments sincerely and did not breach the promise.

* Ford undertakes that the additional shares acquired by it within 12 months as of the First Shareholding Increase Date (January 21, 2013) will not exceed 2% of the aggregate issued shares of the Company, and it will not reduce the shares it acquires in this Shareholding Increase within 6 months as of the completion date of this Shareholding Increase.

Ford acquired an aggregate of 17,264,194 B Shares of JMC by the method of centralized bidding and block transaction during the period from January 21, 2013 to November 29, 2013, representing 2.000% of the aggregate issued shares of JMC, and had finished this Shareholding Increase. After these

shareholding increases, the B Shares of JMC held by Ford are 276,228,394 shares (of which 100,000,000 shares are indirectly held by Ford through Citibank N.A. in the form of American Depositary Receipts), representing 32.000% of the aggregate issued shares of JMC.

3.4 Forecast on 2014 first half-year operating performance

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

3.5 Securities investments

Applicable √ Not Applicable

3.6 Securities derivatives investment

Applicable √ Not Applicable

3.6.1 Balance of securities derivatives at the end of reporting period

Applicable √ Not Applicable

3.7 External research and media interview to the Company in the reporting period

Date	Place	Communication Method	Type of Object	Object	Information discussed and sources offered
January 9, 2014	In the Company	Oral Communication	Institution	Seven analysts from Orient Securities Company Limited, Bank of Communications Schroder Fund Management Co., Ltd., China Asset Management Co., Ltd., First Capital Securities Co., Ltd., Everbright Pramerica Fund Management Co., Ltd., Minsheng Tonghui Asset Management Co., Ltd., Industrial Securities Co., Ltd.	JMC Operating highlights
January 13, 2014	In the Company	Oral Communication	Institution	Two analysts from Shanghai Heqi Investment Consulting Company, Owl Creek Asset Management LP.	JMC Operating highlights
January 20, 2014	In the Company	Oral Communication	Institution	An analyst from CLSA Asia-Pacific Markets	JMC Operating highlights
February 14, 2014	In the Company	Oral Communication	Institution	Two analysts from UBS Securities Co., Ltd.	JMC Operating highlights

February 19, 2014	In the Company	Oral Communication	Institution	Three analysts from Beijing Runhui Asset Management Co., Ltd., China Merchants Securities Co., Ltd., CITIC Securities Company Limited	JMC Operating highlights
March 17, 2014	In the Company	Oral Communication	Institution	An analyst from Changjiang Securities Company Limited	JMC Operating highlights
March 25, 2014	In the Company	Oral Communication	Institution	An analyst from China International Capital Corporation Limited	JMC Operating highlights
March 27, 2014	In the Company	Oral Communication	Institution	Six analysts from Heshi Investment Consulting Company, APS China Research Pte Ltd., Soochow Asset Management Co., Ltd., Essence Fund Management Co., Ltd., UG Investment Advisers Limited, Industrial Securities Co., Ltd.	JMC Operating highlights

Board of Directors
Jiangling Motors Corporation, Ltd.
April 26, 2014

Appendix
Jiangling Motors Corporation, Ltd.
Consolidated Balance Sheet
March 31, 2014

(Prepared under International Financial Reporting Standards)

(All amounts in RMB thousands unless otherwise stated)

	<u>31 March 2014*</u>	<u>31 December 2013</u>
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment ("PPE")	5,215,287	5,149,137
Lease prepayment	601,281	604,831
Intangible assets	107,778	108,035
Investments accounted for using the equity method	38,851	34,682
Deferred income tax assets	328,178	302,351
	<u>6,291,375</u>	<u>6,199,036</u>
Current assets		
Financial assets at fair value through profit or loss	44	469
Inventories	1,596,029	1,745,927
Trade and other receivables	2,293,919	2,059,295
Cash and cash equivalents	6,922,595	6,479,972
	<u>10,812,587</u>	<u>10,285,663</u>
Total assets	<u>17,103,962</u>	<u>16,484,699</u>
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	456,451	456,451
Retained earnings	7,636,372	7,037,725
	<u>9,772,646</u>	<u>9,173,999</u>
Non-controlling interests	-	-
Total equity	<u>9,772,646</u>	<u>9,173,999</u>
LIABILITIES		
Non-current liabilities		
Borrowings	5,237	5,190
Deferred income tax liabilities	30,256	30,535
Retirement benefit obligations	46,556	48,788
Provisions for warranty and other liabilities	213,588	191,095
Other non-current liabilities	5,540	5,560
	<u>301,177</u>	<u>281,168</u>
Current liabilities		
Trade and other payables	6,868,643	6,934,919
Current income tax liabilities	152,880	86,001
Borrowings	403	399
Retirement benefits obligations	8,213	8,213
	<u>7,030,139</u>	<u>7,029,532</u>
Total liabilities	<u>7,331,316</u>	<u>7,310,700</u>
Total equity and liabilities	<u>17,103,962</u>	<u>16,484,699</u>

*: Unaudited financial indexes

Jiangling Motors Corporation, Ltd.
Consolidated Income Statement
2014 First quarter

(Prepared under International Financial Reporting Standards)

(All amounts in RMB thousands unless otherwise stated)

	2014 first quarter*	2013 first quarter*
	RMB'000	RMB'000
Revenue	6,190,539	4,900,875
Sales tax	(241,923)	(165,247)
Cost of sales	(4,669,023)	(3,635,962)
Gross profit	1,279,593	1,099,666
Distribution costs	(402,069)	(231,767)
Administrative expenses	(328,119)	(306,221)
Other income	89,730	239
Operating profit	639,135	561,917
Finance income	57,013	38,861
Finance costs	(262)	(4,569)
Finance income -net	56,751	34,292
Share of profit of investments accounted for using the equity method	4,170	3,218
Profit before income tax	700,056	599,427
Income tax expense	(101,409)	(80,288)
Profit for the period	598,647	519,139
Other comprehensive income	-	-
Total comprehensive income for the period	598,647	519,139
Profit attribute to:		
Equity holders of the Company	598,647	499,879
Non-controlling interests	-	19,260
	598,647	519,139
Total comprehensive income attributable to:		
Equity holders of the Company	598,647	499,879
Non-controlling interests	-	19,260
	598,647	519,139
Earnings per share for profit attributable to the equity holders of the Company (expressed in RMB per share)		
- Basic and diluted	0.69	0.58

*: Unaudited financial indexes

Jiangling Motors Corporation, Ltd.
Consolidated cash flow statement
2014 First Quarter

(Prepared under International Financial Reporting Standards)

(All amounts in RMB thousands unless otherwise stated)

	2014 first quarter*	2013 first quarter*
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	678,267	1,030,289
Interest paid	(260)	(5,165)
Income tax paid	(60,637)	(138,751)
Net cash generated from operating activities	617,370	886,373
Cash flows from investing activities		
Purchase of held-to-maturity investments	-	(100,000)
Purchase of PPE	(276,244)	(220,865)
Acquisition of a subsidiary, net of cash acquired	-	(166,168)
Other cash paid relating to investing activities	(70)	-
Proceeds from disposal of PPE	1,416	1,142
Interest received	100,308	92,901
Other cash received from investing activities	1,416	153
Net cash used in investing activities	(174,590)	(392,837)
Cash flows from financing activities		
Repayments of borrowings	-	(424,000)
Dividends paid to minority shareholders of a subsidiary	-	(125,638)
Other cash paid relating to financing activities	(157)	(245)
Net cash used in financing activities	(157)	(549,883)
Net increase/(decrease) in cash and cash equivalents	442,623	(56,347)
Cash and cash equivalents at beginning of year	6,479,972	5,559,693
Effects of exchange rate changes	-	-
Cash and cash equivalents at end of period	6,922,595	5,503,346

*: Unaudited financial indexes