

Share's name: Jiangling Motors Share's code: 000550 No.: 2018-019
Jiangling B 200550

Jiangling Motors Corporation, Ltd. 2018 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 undertake that the information disclosed in the Quarterly Report is truthful, accurate and complete and does not contain any false statement, misrepresentation or major omission, and are jointly and severally liable for the legal liability.

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

1.3 Chairman Qiu Tiangao, CFO Gong Yuanyuan and Chief of Finance Department, Xie Wanzhao, confirm that the financial statements in this Quarterly Report are truthful, accurate and complete.

1.4 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

	2018 First Quarter	2017 First Quarter	Change (%)
Revenue	6,481,073	8,155,676	-20.53
Profit Attributable to the Equity Holders of the Company	153,606	228,608	-32.81
Net Cash Generated From Operating Activities	-1,397,337	-879,487	-58.88
Basic Earnings Per Share (RMB)	0.18	0.26	-32.81
Diluted Earnings Per Share (RMB)	0.18	0.26	-32.81
Weighted Average Return on Net Asset Ratio (%)	1.21%	1.83%	Down 0.62 percentage point
	March 31, 2018	December 31, 2017	Change (%)
Total Assets	22,731,954	26,383,761	-13.84
Shareholders' Equity Attributable to the Equity Holders of the Company	10,725,941	12,572,402	-14.69

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

2.2.1 Total number of shareholders and top ten shareholders

Total shareholders as of the end of the reporting period	JMC had 36,414 shareholders, including 30,833 A-share holders, and 5,581 B-share holders, as of March 31, 2018.				
Top ten shareholders					
Shareholder Name	Shareholder Type	Shareholding Percentage (%)	Shares at the End of 2018 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	Foreign legal person	32	276,228,394	0	0
China Securities Corporation Limited	Other	2.63	22,743,584	0	0
Shanghai Automotive Co., Ltd.	State-owned legal person	1.51	13,019,610	0	0

Central Huijin Investment Ltd.	State-owned legal person	0.83	7,186,600	0	0
JPMBLSA RE FTIF TEMPLETON CHINA FUND GTI 5497	Foreign legal person	0.68	5,848,450	0	0
GAOLING FUND, L.P.	Foreign legal person	0.63	5,439,086	0	0
INVESCO FUNDS SICAV	Foreign legal person	0.58	5,035,746	0	0
TEMPLETON DRAGON FUND, INC.	Foreign legal person	0.56	4,836,708	0	0
TEMPLETON GBL INVSTMT TRST-TMPLTN EMGNG MKTS SMALL CAP FD	Foreign legal person	0.46	3,948,718	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	
China Securities Corporation Limited		22,743,584		A share	
Shanghai Automotive Co., Ltd.		13,019,610		A share	
Central Huijin Investment Ltd.		7,186,600		A share	
JPMBLSA RE FTIF TEMPLETON CHINA FUND GTI 5497		5,848,450		B share	
GAOLING FUND,L.P.		5,439,086		B share	
INVESCO FUNDS SICAV		5,035,746		B share	
TEMPLETON DRAGON FUND,INC.		4,836,708		A share	
TEMPLETON GBL INVSTMT TRST-TMPLTN EMGNG MKTS SMALL CAP FD		3,948,718		B share	
Notes on association among above-mentioned shareholders		None			
Notes on the participation of the top ten common shareholders in margin trading (if any)		None			

Stock buy-back of top ten shareholders or top ten shareholders holding unlimited tradable shares in the reporting period

Yes No

There was no Stock buy-back of top ten shareholders or top ten shareholders holding unlimited tradable shares in the reporting period.

2.2.2 Total number of shareholders holding preferred shares and top ten shareholders holding preferred shares at the end of reporting period

Applicable Not Applicable

§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 2018, JMC sold 66,441 vehicles in total, including 22,387 JMC-brand light trucks, 9,342 JMC-brand light buses, 18,035 JMC-brand pickups, 5,122 SUVs, 10,019 Ford-brand commercial vehicles, 116 heavy trucks and 1,420 CKDs. Total sales volume decreased by 16% compared with the same period last year. Due to the sales volume decrease of passenger vehicle which is in the interim period and sales structure change, revenue and net profit during the reporting period were RMB 6,481 million and RMB 154 million, decreased 21% and 33% respectively compared with the same period last year. In the first quarter, the Company continues to consolidate its leadership position in light commercial vehicle market, and both JMC and Ford brand light bus and Yuhu Pickup hit the record high in March for single month volume.

In the first quarter of 2018, compared with the same period last year, taxes and surcharges decreased by RMB 109 million, down 37%, mainly reflecting the decrease of consumption tax which is caused by passenger vehicle sales volume reduction.

In the first quarter of 2018, compared with the same period last year, other income increase RMB 57 million, up 122%, primarily reflecting assets disposal revenue and the increase of government subsidies. The assets disposal is the land use right and the aboveground buildings of Transit Plant which has been moved to Xiaolan Site based on the urban planning and the company's development strategy.

In the first quarter of 2018, compared with the same period last year, distribution expenses decreased RMB 517 million, down 73%, mainly reflecting the effect of implementing IFRS 15 -- Revenue from Contracts with Customers since January 1, 2018, and this affects the presentation between income statement accounts and does not actually affect the net profit.

In the first quarter of 2018, compared with the same period last year, operating profit decreased by RMB 84 million, down 43%, profit before income tax decreased by RMB 88 million, down 34%, primarily reflecting the change of sales structure and the volume decrease of passenger vehicle in the interim period.

In the first quarter of 2018, compared with the same period last year, net cash generated from operating activities decreased by RMB 518 million, down 59%, mainly due to cash received from selling goods decreased.

In the first quarter of 2018, compared with the same period last year, cash outflows from financing activities increased by RMB 1,584 million, up 26882%, mainly due to payment of 2017 interim special dividend.

3.2 Analysis of major events, their impacts and resolutions

Applicable Not Applicable

3.3 Overdue commitment of the Company, the shareholder, the actual controlling party, the acquirer, the Director, the Supervisor, the senior executive or other related party of the Company

Applicable Not Applicable

There was no overdue commitment of the Company, the shareholder, the actual controlling party, the acquirer, the Director, the Supervisor, the senior executive or other related party of the Company in the reporting period.

3.4 Forecast on 2018 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 investment

Applicable Not Applicable

Type of Securities	Monetary Fund	Other securities investment held at the end of the term	Total
Code of Securities	370011		
Name of Securities	CIFM monetary fund B		
Initial investment amount (RMB thousand)	50,000	0	50,000
Stock number at the starting of the	0	0	0

period (share)			
Shareholding ratio at the starting of the period	0.00%	-	-
Stock number at the end of the period (share)	0	0	0
Shareholding ratio at the end of the period	0.00%	-	-
Book value at the end of the period (RMB thousand)	0	0	0
Profit & loss during the reporting period (RMB thousand)	1,562	0	1,562
Accounting subjects	Transactional financial assets	-	-
Source of stock	China Construction Bank agency marketing	-	-
Disclosure date of Board of Directors approving the securities investment	-		
Disclosure date of shareholders' meeting approving the securities investment (if any)	-		

3.6 Derivative investment

Applicable Not Applicable

There was no derivative investment in the reporting period.

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

Applicable Not Applicable

3.8 Outside guarantee in breach of laws & regulations

Applicable Not Applicable

There was no outside guarantee in breach of laws & regulations in the reporting period.

3.9 Non-operating funding in the Company occupied by controlling shareholder and its affiliates

Applicable Not Applicable

There was no non-operating funding in the Company occupied by controlling shareholder and its affiliates in the reporting period.

Jiangling Motors Corporation, Ltd.
Consolidated Balance Sheet
March 31, 2018

(All amounts in RMB thousands unless otherwise stated)

	<u>31 March 2018*</u>	<u>31 December 2017</u>
ASSETS		
Non-current assets		
Property, plant and equipment	6,586,017	6,714,088
Lease prepayment	612,941	616,834
Intangible assets	193,650	197,860
Investments accounted for using the equity method	38,557	37,874
Other non-current assets	-	478
Deferred income tax assets	671,857	690,253
Total non-current assets	<u>8,103,022</u>	<u>8,257,387</u>
Current assets		
Inventories	2,345,643	2,339,304
Trade, other receivables and prepayments	4,317,289	4,555,934
Cash and cash equivalents	7,966,000	11,137,723
Assets classified as held for sale	-	93,413
Total current assets	<u>14,628,932</u>	<u>18,126,374</u>
Total assets	<u>22,731,954</u>	<u>26,383,761</u>
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	863,214	863,214
Share premium	816,609	816,609
Other reserves	450,914	450,914
Retained earnings	8,595,204	10,441,665
Total equity	<u>10,725,941</u>	<u>12,572,402</u>
LIABILITIES		
Non-current liabilities		
Borrowings	3,706	3,851
Deferred income tax liabilities	26,568	26,736
Retirement benefit obligations	53,169	54,764
Provisions for warranty and other liabilities	174,589	184,688
Other non-current liabilities	220	240
Total non-current liabilities	<u>258,252</u>	<u>270,279</u>
Current liabilities		
Financial liabilities at fair value through profit or loss	16,162	8,493
Trade and other payables	11,553,666	13,222,540
Current income tax liabilities	-	114,906
Borrowings	412	428
Retirement benefits obligations	4,420	4,420
Provisions for warranty and other liabilities	173,101	190,293
Total current liabilities	<u>11,747,761</u>	<u>13,541,080</u>
Total liabilities	<u>12,006,013</u>	<u>13,811,359</u>
Total equity and liabilities	<u>22,731,954</u>	<u>26,383,761</u>

*: Unaudited financial indexes

Jiangling Motors Corporation, Ltd.
Consolidated Income Statement
2018 First quarter

(All amounts in RMB thousands unless otherwise stated)

	<u>2018 first quarter*</u>	<u>2017 first quarter*</u>
Revenue	6,481,073	8,155,676
Taxes and surcharges	(183,607)	(292,971)
Cost of sales	(5,603,281)	(6,465,003)
Gross profit	694,185	1,397,702
Distribution expenses	(187,621)	(704,191)
Administrative expenses	(496,998)	(542,735)
Other income	103,349	46,501
Operating profit	112,915	197,277
Finance income	60,534	62,173
Finance expenses	(2,178)	(979)
Finance income -net	58,356	61,194
Share of profit of investments accounted for using the equity method	683	1,695
Profit before income tax	171,954	260,166
Income tax expense	(18,348)	(31,558)
Profit for the period	153,606	228,608
Profit attribute to:		
Owners of the Company	153,606	228,608
Total comprehensive income for the period	153,606	228,608
Total comprehensive income attributable to:		
Owners of the Company	153,606	228,608
Earnings per share for profit attributable to the shareholders of the Company for the period (expressed in RMB per share)		
- Basic and diluted	0.18	0.26

*: Unaudited financial indexes

Jiangling Motors Corporation, Ltd.
Consolidated cash flow statement
2018 First Quarter

(All amounts in RMB thousands unless otherwise stated)

	<u>2018 first quarter*</u>	<u>2017 first quarter*</u>
Cash flows from operating activities		
Cash generated from operations	(1,282,311)	(780,507)
Interest paid	(120)	(120)
Income Tax paid	(114,906)	(98,860)
Net cash generated from operating activities	(1,397,337)	(879,487)
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(1,170,000)	-
Purchase of property, plant and equipment ("PPE")	(224,007)	(205,503)
Other cash paid relating to investment activities	(5,829)	(2,479)
Proceeds from disposal of PPE	65	2
Proceeds from repayment of financial assets at fair value through profit or loss	1,170,000	-
Investment income received	1,562	-
Interest received	43,119	36,735
Other cash received from investing activities	733	2,729
Net cash used in investing activities	(184,357)	(168,516)
Cash flows from financing activities		
Repayments of borrowings	-	(5,000)
Dividends paid to shareholders of the Company	(1,588,924)	(893)
Other cash paid relating to financing activities	(1,105)	-
Net cash used in financing activities	(1,590,029)	(5,893)
Net decrease in cash and cash equivalents	(3,171,723)	(1,053,896)
Cash and cash equivalents at beginning of year	11,137,723	11,666,222
Effects of exchange rate changes	-	-
Cash and cash equivalents at end of period	7,966,000	10,612,326

*: Unaudited financial indexes

Board of Directors
Jiangling Motors Corporation, Ltd.
April 26, 2018