

Share's code: 000550  
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Share's Name: Jiangling Motors No.: 2022-044  
Jiangling B

**Jiangling Motors Corporation, Ltd.**  
**Public Announcement on Forecast of**  
**the Routine Related Party Transactions in 2023**

**Jiangling Motors Corporation, Ltd. and its Board members undertake that the information disclosed herein is truthful, accurate and complete and does not contain any false statement, misrepresentation or major omission.**

**I. Brief Introduction**

The Board of Directors of Jiangling Motors Corporation, Ltd. (hereinafter referred to as "JMC" or the "Company") approved the 2023 routine related party transaction forecast proposal on December 9, 2022.

The routine related party transaction forecast proposal covered all the related parties with JMC, where total annual transaction with each of them is projected to be over RMB 42 million. These related parties were clarified as Type A and Type B. Type A means the related parties with JMC, where total annual transactions with each of them is projected to be over RMB 420 million, and Type B means the related parties with JMC, where total annual transactions with each of them is projected to be between RMB 42 million and RMB 420 million.

The Board of Directors approved the 2023 forecast proposal for type A routine related party transactions and authorized the Execute Committee to finalize detailed contracts with the individual related parties and to submit them to the Shareholders' Meeting for approval. When voting on the proposals at the shareholders' meeting, Ford Motor Company ("Ford") will withdraw from the voting on the related party transactions associated with Ford and its affiliates; Nanchang Jiangling Investment Co., Ltd. ("JIC") will withdraw from the voting on the related party transactions associated with Nanchang Jiangling Investment Co., Ltd. and its affiliates, associated with Jiangling Motors Group Co., Ltd. ("JMCG") and its affiliates, and associated with Changan Automobile Co., Ltd. and its affiliates.

The Board of Directors approved the 2023 forecast proposal for type B routine related party transactions and authorized the Execute Committee to sign detailed contracts with the individual related parties.

Nine directors shall attend this meeting and eight were present. Director Yuan Mingxue did not attend this meeting, and he authorized Chairman Qiu Tiangao to exercise voting rights on his behalf.

When voting on the proposal, Director Shengpo Wu, Director Ryan Anderson and Director Xiong Chunying withdrew from the voting on the related party transactions associated with Ford and its affiliates; Director Qiu Tiangao and Director Jin Wenhui withdrew from the voting on the related party transactions associated with JMCG and its affiliates; Director Qiu Tiangao, Director Jin Wenhui and Director Yuan Mingxue withdrew from the voting on the related party transactions associated with Nanchang Jiangling Investment Co., Ltd. and its affiliates; all the other Directors agreed with the proposal.

## II. Types and amounts of routine related party transactions

### 1. Main Content and amounts of routine related party transactions in 2023

- i. Type A, which means the related parties with JMC, where total annual transactions with each of them is projected to be over RMB 420 million, are listed as follows:

RMB million				
Related Party	Category	Content	2023 Forecast Transaction Amount	2022 Actual Transaction Amount from January to October
JMCG Finance Company	Deposit interest and accumulation settlement amount	Deposit interest	36	27
		Guarantees	2	2
		Payment settlement Deposits	20,123	11,702
	<b>Subtotal</b>		<b>20,161</b>	<b>11,731</b>
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. and its subsidiaries	Purchase	Purchase of goods and service	36	13
	Sales	Sales of goods and service	8,133	4,724
	<b>Subtotal</b>		<b>8,169</b>	<b>4,737</b>
JMCG and its subsidiaries	Purchase	Purchase of goods and service	4,778	2,732
	Sales	Sales of goods and service	680	397
	<b>Subtotal</b>		<b>5,458</b>	<b>3,129</b>
Ford and its subsidiaries	Purchase	Purchase of goods and service	1,432	740
	Sales	Sales of goods and service	109	60
	<b>Subtotal</b>		<b>1,541</b>	<b>800</b>
Jiangxi Huaxiang Auto Components Co., Ltd.	Purchase	Purchase of goods and service	1,181	741
	Sales	Sales of goods and	4	3

		service		
	<b>Subtotal</b>		<b>1,185</b>	<b>744</b>
Nanchang Baojiang Steel Processing Distribution Co., Ltd.	Purchase	Purchase of goods and service	1,156	712
	<b>Subtotal</b>		<b>1,156</b>	<b>712</b>
Magna PT Powertrain (Jiangxi) Co., Ltd.	Purchase	Purchase of goods and service	1,153	713
	Sales	Sales of goods and service	1	1
	<b>Subtotal</b>		<b>1,154</b>	<b>714</b>
Jiangxi Jiangling Lear Interior System Co., Ltd.	Purchase	Purchase of goods and service	803	495
	Sales	Sales of goods and service	15	10
	<b>Subtotal</b>		<b>818</b>	<b>505</b>
Jiangxi JMCg Specialty Vehicles Co., Ltd. and its subsidiaries	Purchase	Purchase of goods and service	90	24
	Sales	Sales of goods and service	642	490
	<b>Subtotal</b>		<b>732</b>	<b>514</b>
Nanchang Faurecia Emissions Control Technologies Co., Ltd.	Purchase	Purchase of goods and service	618	380
	<b>Subtotal</b>		<b>618</b>	<b>380</b>
China South Industries Group Corporation Total and Subsidiaries	Purchase	Purchase of goods and service	14	9
	Sales	Sales of goods and service	556	259
	<b>Subtotal</b>		<b>570</b>	<b>268</b>
Nanchang Unistar Electric & Electronics Co., Ltd.	Purchase	Purchase of goods and service	430	267
	<b>Subtotal</b>		<b>430</b>	<b>267</b>

ii. Type B, which means the related parties with JMC, where total annual transactions with each of them is projected to be between RMB 42 million and RMB 420 million, are listed as follows:

Related Party	Category	Content	RMB million	
			2023 Forecast Transaction Amount	2022 Actual Transaction Amount from January to October

Hanon Systems (Nanchang) Co., Ltd.	Purchase	Purchase of goods and service	200	124
	<b>Subtotal</b>		<b>200</b>	<b>124</b>
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Purchase	Purchase of goods and service	133	82
	Sales	Sales of goods and service	14	10
	<b>Subtotal</b>		<b>147</b>	<b>92</b>
Nanchang Yinlun Heat-exchanger Co., Ltd.	Purchase	Purchase of goods and service	138	85
	<b>Subtotal</b>		<b>138</b>	<b>85</b>
Changan Ford Automobile Co., Ltd.	Purchase	Purchase of goods and service	71	46
	<b>Subtotal</b>		<b>71</b>	<b>46</b>
JMCG New Energy Vehicle Co., Ltd.	Purchase	Purchase of goods and service	42	64
	Sales	Sales of goods and service	1	1
	<b>Subtotal</b>		<b>43</b>	<b>65</b>

## 2. Main Content and amounts of routine related party transactions in 2022

RMB million

Related Party	Category	Content	2022 Actual Transaction Amount from January to October	2022 Forecast Transaction Amount	Actual Transaction Amount from January to October as % of Similar Business	Differences Between Actual Transaction Amount from January to October and Forecast Transaction Amount (%)
JMCG Finance Company	Deposit interest and accumulation settlement amount	Deposit interest	27	25	13.85%	8.00%
		Guarantees	2	2	100%	0.00%
		Payment settlement Deposits	11,702	33,138	35.12%	-64.69%
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. and its subsidiaries	Purchase	Purchase of goods and service	13	42	0.07%	-69.05%
	Sales	Sales of goods and service	4,724	4,190	19.37%	12.74%
JMCG and its subsidiaries	Purchase	Purchase of goods and service	2,732	6,503	14.46%	-57.99%

	Sales	Sales of goods and service	397	736	1.63%	-46.06%
Ford and its subsidiaries	Purchase	Purchase of goods and service	740	1,778	3.92%	-58.38%
	Sales	Sales of goods and service	60	173	0.25%	-65.32%
Jiangxi Huaxiang Auto Components Co., Ltd.	Purchase	Purchase of goods and service	741	981	3.92%	-24.46%
	Sales	Sales of goods and service	3	5	0.01%	-40.00%
Nanchang Baojiang Steel Processing Distribution Co., Ltd.	Purchase	Purchase of goods and service	712	1,335	3.77%	-46.67%
Magna PT Powertrain (Jiangxi) Co., Ltd.	Purchase	Purchase of goods and service	713	1,028	3.77%	-30.64%
	Sales	Sales of goods and service	1	1	0	0.00%
Jiangxi Jiangling Lear Interior System Co., Ltd.	Purchase	Purchase of goods and service	495	645	2.62%	-23.26%
	Sales	Sales of goods and service	10	7	0.04%	42.86%
Jiangxi JMCG Specialty Vehicles Co., Ltd. and its subsidiaries	Purchase	Purchase of goods and service	24	64	0.13%	-62.50%
	Sales	Sales of goods and service	490	675	2.01%	-27.41%
Nanchang Faurecia Emissions Control Technologies Co., Ltd.	Purchase	Purchase of goods and service	380	590	2.01%	-35.59%
China South Industries Group Corporation and its subsidiaries	Purchase	Purchase of goods and service	9	10	0.05%	-10.00%
	Sales	Sales of goods and service	259	688	1.06%	-62.35%
Nanchang Unistar Electric & Electronics Co., Ltd.	Purchase	Purchase of goods and service	267	370	1.41%	-27.84%
Hanon Systems (Nanchang) Co., Ltd.	Purchase	Purchase of goods and service	124	262	0.66%	-52.67%
JMCG New Energy Vehicle Co., Ltd.	Purchase	Purchase of goods and service	64	150	0.34%	-57.33%
	Sales	Sales of goods and service	1	1	0	0.00%
Nanchang JMCG SMR Huaxiang	Purchase	Purchase of goods and service	82	135	0.43%	-39.26%

Mirror Co., Ltd.	Sales	Sales of goods and service	10	13	0.04%	-23.08%
Nanchang Yinlun Heat-exchanger Co., Ltd.	Purchase	Purchase of goods and service	85	143	0.45%	-40.56%
Changan Ford Automobile CO., Ltd.	Purchase	Purchase of goods and service	46	102	0.24%	-54.90%
Explanation by the Board of Directors of the Company on the difference between the actual amount and the forecast amount of the routine related party transactions		The Company carried out the forecast on the upper limit of the transaction limit and submitted it to the shareholders' meeting for review and approval when the amount of the routine related party transactions in 2022 was expected to be. The final actual amount of the part of the related party transactions is 20% less than the projected amount, which is due to the fact that the Company and the related parties do not trigger or reduce the sales commodity and the purchase of the goods according to the actual demand of the Company. It is a normal business behavior.				
Explanation by Independent Directors of the Company on the difference between the actual amount and the forecast amount of the routine related party transactions		In our opinion, where the actual amount of routine related party transactions of the Company occurring in 2022 is more than 20% below the forecast amount, it is due to the fact that the Company and related parties did not trigger or reduce the sales of goods and purchase of goods according to the actual needs of the Company. It is a normal business behavior, in line with the objective situation, and without harming the interests of the Company and minority shareholders.				

Disclosure date and index of the Forecast Proposal of Routine Related Party Transactions In 2022: the No. 2021-068 announcement was published on the website [www.cninfo.com.cn](http://www.cninfo.com.cn) on December 21, 2021.

### III. Brief Summary of Related Parties

Name	Legal Representative	Registered Capital	Main Business Scope	Registered Address	Relationship
JMCG Finance Company	Ling Xingguo	RMB 800 million	Primarily providing financial services to JMCG and its affiliates, including credit, account clearing and deposit, etc.	Nanchang City	Subsidiary of JMCG
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Sun Xiaoquan	RMB 33.61 million	Import and export business of all kinds of goods and technology; logistics and packing, etc.	Nanchang City	Associate of JMCG
JMCG	Qiu Tiangao	RMB 1,500 million	Manufacturing of vehicle, engine, chassis, modified vehicle, automotive components, vehicle quality test, sales of in-house produced commodity and providing relevant after sale services.	Nanchang City	Actual Controller of JIC
Ford Motor Company	William Clay Ford Jr.	\$ 1.222 billion	Vehicle manufacturing and sales and other business	Detroit, U.S.A	Controlling shareholder of

					the Company (hold 32% equity)
Jiangxi Huaxiang Auto Components Co., Ltd.	Du Yongchun	RMB 40 million	Manufacturing and sales of automotive components.	Nanchang City	Joint venture of JMCG
Nanchang Baojiang Steel Processing Distribution Co., Ltd	Zhou Zhongxi	RMB 147.40 million	Processing, selling, distribution and storage of steel.	Nanchang City	Associate of JMCG
Magna PT Powertrain (Jiangxi) Co., Ltd.	Li Xiang	Euro 131.27 million	Manufacture and sell transmissions and related components	Nanchang City	Associate of JMCG
Jiangxi Jiangling Lear Interior System Co., Ltd.	Chang Hongshun	USD 10.215 million	Design, production, sales for all kinds of cars, modified cars, transformer car full sets of seats, sponge business	Nanchang City	Joint venture of JMCG
Jiangxi JMCG Specialty Vehicles Co., Ltd. and its subsidiaries	Wu Xiaolin	RMB 60 million	Manufacturing and sales of automotive components and modified vehicles.	Nanchang City	Associate of JMCG
Nanchang Faurecia Emissions Control Technologies Co., Ltd.	Huang Pinhui	USD \$ 8 million	Development, production and sales of automobile exhausting system.	Nanchang City	Associate of JMCG
China South Industries Group Corporation	Xu Xianping	RMB 35,300 million	Investment, operation and management of state-owned assets	Beijing City	Actual controller of JIC
Nanchang Unistar Electric & Electronics Co., Ltd.	Pan Xiaolin	RMB 50 million	Auto wiring, development, manufacturing, sales and after-sales service of electronic parts.	Nanchang City	Joint venture of JMCG
Hanon Systems (Nanchang) Co., Ltd.	Zhang Xiaoping	USD \$ 5.6 million	Manufacturing of climate control systems (excluding compressors), refrigerant lines, brake lines and fuel tubes used for automobile.	Nanchang City	Associate of JMC
JMCG New Energy Vehicle Co., Ltd.	Qiu Tiangao	RMB 2,000 million	R & D, production and sales of new energy vehicles and auto parts.	Nanchang City	Associate of JMCG
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	He Jiukun	RMB 50 million	Automotive mirrors and other automotive parts products (except engines) development, manufacturing, wholesale, retail and service.	Nanchang City	Associate of JMCG
Nanchang Yinlun Heat-exchanger Co., Ltd.	Xu Xiaomin	RMB 40 million	Development, production and sales of automobile heat exchange system.	Nanchang City	Associate of JMCG
Changan Ford	Zhu Huarong	USD	Development, production and sales of	Chongqing	Joint venture of

Automobile Co., Ltd.		\$ 241 million	automobiles and parts; provide after-sales services, training services, warehousing services and other services.	City	Changan Automobile Co., Ltd.
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Financial information of the related parties in 2021 was shown as follows:

RMB million

No.	Name	Total Assets	Net Assets	Revenue	Profit after tax
1	JMCG Finance Company	12,492	1,401	360	120
2	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	1,558	248	4,942	27
3	JMCG	17,535	6,765	2,257	312
4	Ford	US\$ 257,000 million	US\$ 48,600 million	US\$ 136,300 million	US\$ 17,900 million
5	Jiangxi Huaxiang Auto Components Co., Ltd.	686	300	1,003	36
6	Nanchang Baojiang Steel Processing Distribution Co., Ltd.	764	218	1,940	37
7	Magna PT Powertrain (Jiangxi) Co., Ltd.	5,283	2,987	4,557	418
8	Jiangxi Jiangling Lear Interior System Co., Ltd.	430	159	639	29
9	Jiangxi JMCG Specialty Vehicles Co., Ltd.	1,183	594	1,060	77
10	Nanchang Faurecia Emissions Control Technologies Co., Ltd.	458	157	306	30
11	China South Industries Group Corporation	400,674	147,795	136,333	4,188
12	Nanchang Unistar Electric & Electronics Co., Ltd.	475	70	505	1
13	Hanon Systems (Nanchang) Co., Ltd.	387	194	317	-12
14	JMCG New Energy Vehicle Co., Ltd.	3,049	279	418	-200
15	Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	123	73	150	7
16	Nanchang Yinlun Heat-exchanger Co., Ltd.	122	51	145	1
17	Changan Ford Automobile CO., Ltd.	40,685	5,979	61,765	2,284

After inquiry, all the above mentioned related legal persons are not the persons to be executed for dishonesty.



Performance capability analysis: the above-mentioned related parties can strictly abide by the contract agreements in their business dealings with the Company. Combined with the main financial indicators and business conditions of the related parties, the related parties are fully capable of performing their transactions with the Company.

#### **IV. Main Content of the Routine Related Party Transaction**

##### **1. Transaction Pricing Mechanism**

When the Company sells goods to or purchases goods from related parties, if the price of the same products is offered in the market, the Company will use the market price. If unable or difficult to obtain comparable market data for prices of unique products or services, prices are determined through the process of supplier quotes, costing assessment and negotiation.

##### **2. Signing of Related Party Transaction Contracts**

According to the actual progress of production and operation, the Company will sign specific contracts in time on an equal basis with the related parties.

#### **V. Purpose of Related Party Transactions and Impact on JMC**

All the above-mentioned related party transactions are regular and recurring transactions between JMC and the related parties, and they are necessary for JMC to maintain its daily operation. The goods purchased from the related parties are mainly unique parts for JMC products.

The transactions between JMC and the related parties follow the principles of fairness, openness and justice. All the transactions meet the requirements of relevant laws and regulations, which do not damage the benefit of the Company and minority shareholders.

#### **VI. Opinions from Independent Directors**

Independent Directors, Mr. Chen Jiangfeng, Ms. Wang Yue and Mr. Yu Zhuoping expressed their opinions on the above-mentioned routine related party transactions as follows:

1. We have been informed of the meeting agenda prior to the meeting;
2. We have known the routine related party transactions of the Company, and believe that the routine related party transaction forecast proposal is necessary and reasonable for the Company's daily operation, and voting procedures of the proposal complies with the relevant requirements of the laws & regulations.
3. In our opinion, where the actual amount of routine related party transactions of the Company occurring in 2022 is more than 20% below the forecast amount, it is due to the fact that the Company and related parties did not trigger or reduce the sales of goods and purchase of goods according to the actual needs of the Company. It is a normal business behavior, in line with the objective situation, and without harming

the interests of the Company and minority shareholders.

## **VII. Documents for Reference**

1. Resolutions of the Board of Directors of JMC;
2. Opinions from Independent Directors on the abovementioned routine related party transaction forecast proposal.

**Board of Directors**

**Jiangling Motors Corporation, Ltd.**

**December 13, 2022**